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Testimony of the Department of Commerce and Consumer Affairs

Office of Consumer Protection

**Before the
House Committee on Consumer Protection and Commerce
Tuesday, March 17, 2026
2:00 p.m.
Via Videoconference
Conference Room 329**

**On the following measure:
S.B. 3016, S.D. 1, RELATING TO PRIVACY**

Chair Matayoshi and Members of the Committee:

My name is Mana Moriarty, and I am the Executive Director of the Department of Commerce and Consumer Affairs' (Department) Office of Consumer Protection (OCP). The Department supports the intent of this bill and offers comments.

The purpose of this bill is to update Hawaii's data breach notification law, Hawaii Revised Statutes (HRS) Chapter 487N, by amending the definition of "personal information."

The bill provides a sorely needed update to Hawaii's data breach notification law. With respect to security breaches of personal information occurring at businesses that operate in the State, the core rights created by the data breach notification law are the rights of individuals to receive a notice of security breach from a business in possession

of the “personal information” of the individual, and the right of the Office of Consumer Protection to receive notice from the business about the impact of the breach.

Both of these rights, however, are only as valuable as the type of information that is reportable, and Hawaii’s data breach notification law is far behind the laws of other states in what is reportable. For example, Hawaii law does not expressly designate as reportable a security breach involving an individual’s biometric information, or health insurance policy number, or medical diagnosis, even though article I, section 6 of the Hawaii State Constitution recognizes a fundamental right of privacy and requires the legislature to “take affirmative steps to implement this right.”¹

The Hawaii Supreme Court has recognized an individual has a constitutionally protected right of privacy in their highly personal and intimate medical information.² And yet there is no state data breach notification law that expressly designates as reportable a security breach involving unauthorized access to an individual’s constitutionally protected medical information, despite the introduction of bills that designate this information as reportable every year since 2020. This bill aims to rectify this and would be an important step forward in protecting the privacy of Hawaii residents because it would require companies to provide notice to affected individuals in the event of a security breach involving these types of information.

In testimony on S.B. 3016, the State Privacy & Security Coalition testified that this bill should:

- (1) Preserve the traditional name-plus-data element approach;
- (2) Preserve clear protection for encrypted or otherwise unusable information;
- (3) Combine financial account numbers with access credentials; and
- (4) Amend the definition of “personal information,” to include “a username or email address, in combination with a password or security question and answer that would permit access to an online account.”

¹ Art. I, sec. 6, Hawaii State Constitution (“The right of the people to privacy is recognized and shall not be infringed without the showing of a compelling state interest.”);

² *Brende v. Hara*, 113 Hawaii 424, 430, 153 P.3d 1109, 1115 (2007) (“Petitioners’ health information is ‘highly personal and intimate’ information that is protected by the informational prong of article I, section 6.”); *see also Pacific Radiation Oncology, LLC v. Queen’s Medical Center*, 138 Hawaii 14, 375 P.3d 1252 (2016).

The State Privacy & Security Coalition testimony suggests that making appropriate amendments tracking these areas would address their concerns about Hawaii law aligning with standards prevalent in state data breach notification laws elsewhere.

In testimony on S.B. 3016, the Hawaii Bankers' Association testified that "the exclusion for personal information should not be limited to federal, state or local government records." They proposed an amendment to that effect.

Making the amendments proposed by the State Privacy & Security Coalition and the Hawaii Bankers' Association are not inconsistent with the purpose of this bill, which is to update Hawaii's data breach notification law by expanding the scope of reportable information.

The Consumer Data Industry Association testified that "the changes being proposed ... do not reflect data elements that truly present a risk of identity theft or other types of consumer fraud to affected individuals." We respectfully disagree. When an individual's health insurance policy number, medical diagnosis, or biometric information is subjected to unauthorized access, that unauthorized access may constitute a breach of their constitutionally protected right of privacy, and individuals should have the right to be notified. We respectfully submit that the Legislature has a constitutionally-delegated responsibility to take affirmative steps to protect the right of privacy. Second, this private information by its very nature is integral to an individual's identity, and we have serious concerns about identity theft that would arise as a result of unauthorized access to this information. Third, we find it difficult to accept the CDIA assertion that loss of this type of information would not present a risk of consumer fraud because the loss of this private information, integral to an individual's identity, could be manipulated for financial gain by nefarious actors.

Finally, with respect to proposed exemptions, this bill proposes to expand the current narrow scope of reportable information, as a result of which, we believe data breach reporting is suppressed and inconsistent with protecting of the constitutionally-recognized right of privacy; exempting an entire industry from reporting requirements under this law would appear to be at odds with the bill's purpose. In testimony on S.B. 3016, Hawaiian Tel sought an exemption from the data breach notification law based in

part at least on the premise that state-licensed insurance carriers would receive an exemption, based on the mere existence of a parallel reporting regime. That premise is flawed.

State-licensed insurance carriers cannot be exempt from the data breach notification law, because as we and the Insurance Commissioner have explained, the parallel reporting regime is not in fact an identical reporting regime. The Insurance Cybersecurity law does not mandate data breach notification to the individuals affected by the breach. Only the data breach notification law mandates notification to individuals affected by the breach. While Hawaiian Tel has testified that they are subject to reporting requirements under “parallel” federal regulations, we are curious to learn more about whether there is truly an existing federal reporting regime that provides notice to Hawaii residents of data breaches, and whether any existing federal reporting regime offers Hawaii residents equal or greater rights than those afforded them under Hawaii’s state data breach notification law.

Should the Committee wish to pass this bill, we respectfully suggest that the Committee insert the contents of S.B. 1038, H.D. 1, and make certain additional amendments identified below. S.B. 1038, H.D. 1 already includes the amendment requested by the Hawaii Bankers’ Association. (S.B. 1038, H.D. 1 at page 5, line 5.) It also preserves the name-plus-data element approach requested by the State Privacy & Security Coalition and “preserves clear protection for encrypted or otherwise unusable information.” (S.B. 1038, H.D. 1 at page 4, line 14 – page 5, line 2.) The State Privacy & Security Coalition’s third proposed amendment can be made by combining paragraphs (5) and (6). (S.B. 1038, H.D. 1 at page 3, lines 1-5).

In short, S.B. 1038, H.D. 1, which is also in this Committee, is currently a cleaner bill that addresses many of the concerns raised by the other testifiers.

Notwithstanding the concerns raised in testimony, the intent of this legislation is to protect privacy and prevent identity theft and consumer fraud by expanding the scope of reportable information. The purpose of this bill aligns with the legislature’s constitutionally delegated responsibility to take affirmative steps to protect the fundamental right to privacy in the Hawaii State Constitution. In the modern world where companies collect

and maintain genetic information and medical information, Hawaii residents deserve laws that require them to be alerted when specified information, including constitutionally protected private information, is lost to a third-party without the consent of the individual whose information is lost.

Thank you for the opportunity to testify on this bill.

A BILL FOR AN ACT

RELATING TO PRIVACY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that House Concurrent
2 Resolution No. 225, H.D. 1, S.D. 1, regular session of 2019
3 (H.C.R. No. 225), convened the twenty-first century privacy law
4 task force, whose membership consisted of individuals in
5 government and the private sector having an interest or
6 expertise in privacy law in the digital era. H.C.R. No. 225
7 found that public use of the Internet and related technologies
8 had significantly expanded and that a lack of meaningful
9 government regulation has resulted in personal privacy being
10 compromised. Accordingly, the legislature requested that the
11 task force examine and make recommendations regarding existing
12 privacy laws and rules to protect the privacy interests of the
13 people of the State.

14 The legislature further finds that, following significant
15 inquiry and discussion, the task force recommended that the
16 outdated definition of "personal information" in section 487N-1,
17 Hawaii Revised Statutes, and the requirement that the public be



1 notified of data breaches, be updated and expanded. Many
2 identifying data elements relating to individuals are collected,
3 and, when exposed to the public in a data breach, can place an
4 individual at risk of identity theft or may compromise the
5 individual's personal safety. In its current form,
6 chapter 487N, Hawaii Revised Statutes, is not comprehensive
7 enough to cover the additional identifiers.

8 Accordingly, the purpose of this Act is to add a definition
9 for "specified data element" and expand the definition of
10 "personal information".

11 SECTION 2. Section 487N-1, Hawaii Revised Statutes, is
12 amended as follows:

13 1. By adding a new definition to be appropriately inserted
14 and to read:

15 "Specified data element" means any of the following:

- 16 (1) An individual's social security number, either in its
17 entirety or the last four or more digits;
18 (2) Driver's license number, federal or state
19 identification card number, or passport number;
20 (3) A federal individual taxpayer identification number;
21 (4) A military identification number;



1 (5) An individual's financial account number, or credit or
2 debit card number, unless redacted;

3 (6) A security code, access code, personal identification
4 number, or password that would allow access to an
5 individual's account;

6 (7) Unique biometric data generated from a measurement or
7 analysis of human body characteristics used for
8 authentication purposes, including a fingerprint,
9 voice print, retina or iris image, or other unique
10 physical or digital representation of biometric data;

11 (8) A private key that is unique to an individual and is
12 used to authenticate or sign an electronic record; and

13 (9) Health insurance policy number, subscriber
14 identification number, medical identification number,
15 or any other unique number used by a health insurer to
16 identify a person."

17 2. By amending the definition of "personal information" to
18 read:

19 ""Personal information" means [~~an~~]:

20 (1) An individual's first initial or first name [~~or first~~
21 initial], and last name;



- 1 (2) A user name or electronic mail address, in combination
2 with a password or security question and answer that
3 would permit access to an online account;
- 4 (3) A name used by an individual, including the
5 combination of the first name, any initials in the
6 name, whether at the beginning or middle of the name,
7 or a nickname combined with the last name;
- 8 (4) A user name for an online account;
- 9 (5) A mobile or home phone number; or
- 10 (6) An electronic mail address specific to the individual,
11 in combination with any one or more [of the following data]
12 specified data elements, when [either] the [name or the data
13 elements are] information in paragraphs (1) to (6) is not
14 encrypted[÷
- 15 ~~(1) Social security number;~~
- 16 ~~(2) Driver's license number or Hawaii identification card~~
17 ~~number; or~~
- 18 ~~(3) Account number, credit or debit card number, access~~
19 ~~code, or password that would permit access to an~~
20 ~~individual's financial account.], redacted, or~~



1 otherwise protected by another method that renders the
2 information unreadable or unusable.

3 "Personal information" does not include publicly available
4 information that is lawfully made available to the general
5 public [~~from federal, state, or local government records~~]."

6 SECTION 3. This Act does not affect rights and duties that
7 matured, penalties that were incurred, and proceedings that were
8 begun before its effective date.

9 SECTION 4. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 5. This Act shall take effect on July 1, 3000;
12 provided that section 2 of this Act shall take effect on April
13 1, 2026.



Report Title:

Privacy; Personal Information; Security Breach; Notice;
Identifier; Specified Data Element

Description:

Adds a definition for "specified data element" and expands the
definition of "personal information". Effective 7/1/3000.
(HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is
not legislation or evidence of legislative intent.*



Hawai'i State Legislature
House Committee on Consumer Protection and Commerce

March 15, 2026

Filed via electronic testimony submission system

RE: SB 3016, SD-1, Relating to Privacy - NAMIC's Testimony

Thank you for providing the National Association of Mutual Insurance Companies (NAMIC) an opportunity to submit written testimony to your committee for the March 17, 2026, public hearing. Unfortunately, I will not be able to attend the public hearing, because of a previously scheduled professional obligation.

The National Association of Mutual Insurance Companies (NAMIC) is the foremost trade association representing the property/casualty insurance industry. Serving more than 1,300 member companies - including local and regional insurers as well as some of the nation's largest carriers - NAMIC members collectively write \$467 billion in annual premiums, representing 61% of the homeowners and 53% of the automobile insurance markets. For more than 130 years, NAMIC has been the leading voice advancing public policy solutions and regulatory frameworks that promote a strong, competitive market and protect our members and their policyholders.

NAMIC did not submit any testimony on SB 3016 to the Senate committee, because (at that time) the bill did not create any concerns for us until the bill was amended. During that committee hearing, the Division of Insurance proposed a revision to the language of the original version of the bill out of concern that insurers might read the bill and be confused into believing that they are no longer being required to comply with the current regulatory privacy protection requirements mandated in the current Insurance Data Security Law.

The Insurance Data Security Law (HRS 431:3B-303) already clearly requires consumer notice to be provided by insurers in accordance with HRS 487N. Insurers have extensive experience complying with this consumer privacy protection law and there are no contentions on the record that this law has not properly and adequately protected consumers.

I believe it is fair to say that NAMIC and the Division share the desire to make sure that consumers' reasonable privacy needs are protected and that the current law (The Insurance Data Security Law, HRS 431:3B-303) should be the controlling and exclusive law on point for insurers, so that there are no potential overlapping, duplicative or conflicting privacy laws on point and no legal questions as to which state agency regulates this aspect of the insurance consumer-insurer relationship.

The problem with the adopted amendment that removes the expressed exclusion of insurers from the scope of the bill is that it could create the very confusion for insurers and policyholders that the Division of Insurance and insurers want to avoid in the first place. Specifically, we are equally concerned that removing the original “insurer exclusion” in the bill may cause confusion for insurers regarding the application of the two separate privacy laws to the extent there are any conflicts in the laws. It may also subject insurers to dual regulatory authority as cybersecurity law is typically enforced by the Attorney General. The insurance transaction and the insurer relationship with its policyholders is best regulated by the Division of Insurance that has the expressed legislative granting of broad regulatory authority, and vast experience and expertise on the insurance process and marketplace.

Moreover, SB 3016, SD1 (as currently drafted) could lead to duplicative notice requirements that could lead to consumers being confused, accidentally misled or frustrated by the privacy process being provided to them. The current insurance law already addresses policyholder privacy needs so we just need an “insurer exclusion” in the bill that makes it clear that the duty of insurers to address policyholder privacy protection continues pursuant to the Insurance Data Security Law, HRS 431:3B-303.

Consequently, NAMIC suggests the following revision to the originally proposed language of the bill, and the removal of the Division of Insurance’s prior amendment on removing the “insurer exclusion” from the bill, because this proposed “insurer exclusion” revised language should address the Division’s regulatory needs and resolve insurer concerns with the bill:

Any licensee that is subject to the Insurance Data Security Law, chapter 431, article 3B; provided this exception does not relieve a licensee of the notice to consumers requirements as set forth in HRS 431:3B-303. [Emphasis Added - to denote key inclusion of proposed language that clearly articulates the privacy protection requirements of insurers].

Thank you for your time and consideration. Please feel free to contact me at 303.907.0587 or at crataj@namic.org, if you would like to discuss NAMIC’s written testimony.

Respectfully,



Christian John Rataj, Esq.
NAMIC Senior Regional Vice President
State Government Affairs, Western Region

March 17, 2026

Representative Scot Matayoshi, Chair
Representative Tina Grandinetti, Vice-Chair
Members of the House Consumer Protection and Commerce

Re: SB3016 SD1 - Relating to Privacy
Testimony **With Comments, Proposing Requested Amendments**

Dear Chair, Vice-Chair and Members of the Committee:

State Farm supports strengthening cybersecurity laws and generally agrees with the bill's goal to better protect consumers by amending Hawaii's data breach notification law (HRS Chapter 487N). However, State Farm is concerned about removing the insurance industry's exemption from this law. To address these concerns, State Farm proposes language that responds to issues raised by the Insurance Commissioner (IC) while allowing the insurance industry to continue operating under its current regulatory framework.

Originally, the bill included an exemption for insurance companies regulated by the IC, similar to exemptions already granted to other industries. At a Senate Consumer Protection Committee Hearing, the Office of Consumer Protection (OCP) and the IC expressed concerns with the exemption. The IC testified that insurance licensees might wrongly interpret the exemption as eliminating their legal obligation to notify consumers about security breaches, thus depriving individuals of their right to breach notices.

Currently, insurers must comply with the Insurance Data Security Law (HRS § 431:3B-303), which is enforced by the IC. Insurers are required to notify consumers of data breaches per HRS § 487N. This law also requires insurers to investigate cybersecurity incidents and inform the IC in detail.

To ensure consumers receive breach notices and maintain IC's regulatory authority over insurance licensees, State Farm proposes reinstating an exemption in the bill at page 6, line 10 (after exemptions for financial institutions and health plans but before the exemption for telecommunications). This amendment would require insurance companies to comply with HRS Chapter 487N notice requirements while preserving IC's primary regulatory role.

Any licensee that is subject to the Insurance Data Security Law, chapter 431, article 3B; **provided this exception does not relieve a licensee of the notice to consumers requirements as set forth in HRS 431:3B-303.**

Thank you for the opportunity to testify and for your consideration of our proposed amendment.



SanHi

GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: March 17, 2026

TO: Representative Scot Z. Matayoshi
Chair, Committee on Consumer Protection & Commerce

FROM: Mihoko Ito / Chris Delaunay

RE: **S.B. 3016, SD1 - Relating to Privacy**
Hearing Date: Tuesday, March 17, 2026, at 2:00 p.m.
Conference Room: 329

Dear Chair Matayoshi, Vice Chair Grandinetti and Members of the Committee on Consumer Protection & Commerce:

We offer this testimony on behalf of the Consumer Data Industry Association (CDIA). The Consumer Data Industry Association (CDIA) is the voice of the consumer reporting industry, representing consumer reporting agencies including the nationwide credit bureaus, regional and specialized credit bureaus, background check companies, and others.

CDIA **opposes** S.B. 3016, SD1, which amends Hawaii's security breach law by adding definitions of "identifier" and "specified data element" and amends the definition of "personal information" for the purposes of notifying affected persons of data and security breaches.

CDIA appreciates the legislature's intent to update Hawaii's current data breach statute. However, CDIA believes that the changes being proposed are overbroad and do not reflect data elements that truly present a risk of identity theft or other types of consumer fraud to affected individuals.

Perhaps most concerning, while the bill exempts some redacted identifiers, it is not applied uniformly across broader categories of identifiers and newly defined specific data elements. As drafted, S.B. 3016, SD1 significantly expands the scope of reportable information and may require breach notification even in circumstances where the practical risk of identity theft or consumer harm is minimal.

Consumer reporting agencies are already highly regulated and required to safeguard sensitive data and financial information via multiple federal statutes.

We oppose this measure as currently drafted and request that the bill not move forward in its current form.

Thank you for the opportunity to submit testimony on this measure.



DATE: March 16, 2026
TO: Representative Scot Matayoshi
Chair, Committee on Consumer Protection & Commerce
FROM: Mihoko Ito / Tiffany Yajima
RE: **SB3016, SD1 - Relating to Privacy**
Hearing Date: Tuesday, March 17, 2026 at 2:00 p.m.
Conference Room 329 & Videoconference

Dear Chair Matayoshi, Vice Chair Grandinetti and Members of the Committee on Consumer Protection & Commerce:

We submit this testimony on behalf of the Hawaii Bankers Association (HBA). HBA represents seven Hawai'i banks and one bank from the continent with branches in Hawai'i.

HBA submits **comments** regarding SB3016, SD1, which amends the definition of "personal information." While we do not object to the substance of the bill, we believe that the bill can be improved by including an amendment we are proposing in this testimony to the definition of the "personal information."

We would recommend that the exclusion for personal information should not be limited to federal, state or local government records. There is no reason that the exception for publicly available information should be restricted to information made available by the government, since that same information could be published by the media, blog, disseminated on television, radio or podcast or otherwise. In some cases, it would be difficult for businesses to ascertain whether information it retained was made available from federal, state, or local government records. We would therefore suggest that this public information exclusion can be improved by deleting "from federal, state, or local government records", at page 5, lines 6-8 as follows:

"Personal information" does not include publicly available information that is lawfully made available to the general public **from federal, state, or local government records.**

Thank you for the opportunity to submit this testimony and to offer our proposed amendment. Please let us know if we can provide further information.



HAWAII FINANCIAL SERVICES ASSOCIATION
c/o Marvin S.C. Dang, Attorney-at-Law
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Honolulu, Hawaii 96812-4109
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March 17, 2026

Rep. Scot Z. Matayoshi, Chair
Rep. Tina Nakada Grandinetti, Vice Chair
and members of the House Committee on Consumer Protection & Commerce
Hawaii State Capitol
Honolulu, Hawaii 96813

Re: **S.B. 3016, S.D. 1 (Privacy)**
Hearing Date/Time: Tuesday, March 17, 2026, 2:00 p.m.

I am Marvin Dang, the attorney for the **Hawaii Financial Services Association** (“HFSA”). The HFSA is a trade association for Hawaii’s consumer credit industry. Its members include Hawaii financial services loan companies (which make mortgage loans and other loans, and which are regulated by the Hawaii Commissioner of Financial Institutions), mortgage lenders, and financial institutions.

The HFSA opposes this Bill as drafted and offers a proposed amendment.

This Bill does the following: (a) adds definitions of "identifier" and "specified data element" and amends the definition of "personal information" for the purposes of notifying affected persons of data and security breaches under existing state law that governs the security breach of personal information; and (b) includes telecommunications carriers subject to and in compliance with certain federal provisions among the businesses deemed compliant with security breach notice requirements under existing state law.

BACKGROUND.

This Bill amends various provisions in **Hawaii Revised Statutes (HRS) Chapter 487N** which is titled **“Security Breach of Personal Information.”**

HRS Sec. 487N-1 of that Chapter contains definitions, including the following existing definition of **“security breach”**:

“Security breach” means an incident of unauthorized access to and acquisition of unencrypted or unredacted records or data containing personal information where illegal use of the personal information has occurred, or is reasonably likely to occur and that creates a risk of harm to a person. Any incident of unauthorized access to and acquisition of encrypted records or data containing personal information along with the confidential process or key constitutes a security breach. . . .

DEFINITIONS IN THIS BILL.

In this Bill, the existing definition of **“personal information”** for the purpose of a **“security breach”** is amended on page 4, lines 15-19 to mean:

S.B. 3016, S.D. 1 (Privacy)

Testimony of Hawaii Financial Services Association

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an ~~[individual's first name or first initial and last name]~~ identifier in combination with ~~[any]~~ one or more ~~[of the following]~~ specified data elements, when either the ~~[name]~~ identifier or the specified data elements are not encrypted . . .

This Bill adds a definition of “**identifier**” beginning on page 2, line 16 and continuing to page 3, line 5. “**Identifier**” includes:

- (1) A name used by an individual, including the combination of the first name, any initials in the name, whether at the beginning or middle of the name, or a nickname combined with the last name; . . .

This Bill also adds a new definition of “**specified data element**” beginning on page 3, line 6 through page 4, line 12:

“Specified data element” means any of the following:

- (1) **An individual’s social security number, either in its entirety or the last four or more digits;**
- (2) Driver's license number, federal or state identification card number, or passport number;
- (3) A federal individual taxpayer identification number;
- (4) A military identification number;

. . . .

(Bold and yellow highlight added.)

PROBLEMATIC DEFINITION OF “SPECIFIED DATA ELEMENT” REGARDING SOCIAL SECURITY NUMBERS ON PAGE 3, LINES 6-8.

In the United States, all social security numbers have 9 digits.

In the above definition of “specified data element,” paragraph (1) on page 3, lines 6-8 of this Bill deal with an individual’s **social security number “either in its entirety or the last four or more digits”**.

The first phrase -- “**in its entirety**” -- means that displaying the entire 9 digits of the social security number, such as **987-65-4321**, would be a specified data element.

We agree. Displaying the entire social security number should be a “specified data element” for the purpose of determining whether there is a “security breach.” That’s consistent with existing Hawaii statutes which prohibit communicating or making publicly available a person’s entire social security number, i.e. where all 9 digits are being displayed.¹

¹ See Hawaii Revised Statutes Sec. 487J-2(a)(1) relating to social security number protection. See also the definition of “confidential personal information” in HRS Sec. 708-800.

S.B. 3016, S.D. 1 (Privacy)

Testimony of Hawaii Financial Services Association

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However, **we disagree with the problematic wording in the second phrase of paragraph (1) of the definition of “specified data element” which would include “the last four or more digits” of an individual’s social security number.**

As the second phrase is drafted in this Bill, merely displaying the last 4 digits would be a data element which would comprise “personal information” in the definition of “security breach.” **In this Bill as drafted, a “specified data element” would exist when displaying more than the last 3 digits (i.e., more than xxx-xx-x321). In other words, as drafted in this Bill, displaying xxx-xx-4321 would comprise “personal information”.**

But that second phrase is problematic. That’s because the current practice in Hawaii (in the Hawaii Revised Statutes, in the court rules, and for the financial industry) and elsewhere is to allow redacting, shortening, truncating, abbreviating, or limiting the display of an individual’s social security number down to the last 4 digits, i.e., displaying xxx-xx-4321.²

Inconsistently, this Bill does NOT even propose to change the provisions in other existing Hawaii laws which do ALLOW the state government to display the last 4 digits of the social security number (i.e., xxx-xx-4321). Some of those Hawaii laws are cited in footnote 2 of this testimony.

Beginning with the 2020 Hawaii legislative session, bills that are worded similar to this Bill have been introduced annually in the Legislature. We and others have pointed out the inconsistency if those bills are enacted to mandate that the display of the last 4 digits of a social security number is a “data element” for the purpose of a security breach. **Over the course of 7 legislative sessions (2020-2026), NO bills have been introduced to prohibit the state government from displaying the last 4 digits of a social security number.**

WE OPPOSE THIS BILL AS DRAFTED ON PAGE 3, LINES 6-8.

Accordingly, unless a holistic and consistent approach is undertaken in this Bill, **we OPPOSE** this Bill as drafted because of the wording in the second phrase of paragraph (1) of the definition of “specified data element” on page 3, lines 6-8 which would include “**the last four or more digits**” of an individual’s social security number.

² Among the Hawaii statutes which require or allow the last 4 digits of a social security number to be displayed (i.e., xxx-xx-4321) are those when a judgment is to be publicly recorded at the state’s Bureau of Conveyances. See HRS Secs. 501-151, 502-33, 504-1, and 636-3.

Hawaii Court Records Rule 2.19 states that when a social security number is required in an accessible document, the last 4 digits may be displayed, provided that no more than half of the social security are disclosed.

Other Hawaii statutes which require redacting or removing the first 5 digits of the social security number so that only the last 4 digits are displayed include HRS Secs. 11-15, 15-4, 134-83, 232-7, 232-16, 232-18, 329D-4, 388-11.5, 487D-2, 576D-10.5, and 803-6.

S.B. 3016, S.D. 1 (Privacy)

Testimony of Hawaii Financial Services Association

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OUR PROPOSED AMENDMENT FOR PAGE 3, LINES 6-8:

Identical to our proposed amendment for similar bills in previous legislative sessions, we are recommending that this Bill be amended as proposed below for page 3, lines 6-8:

“Specified data element” means any of the following:

- (1) An individual's social security number, either in its entirety or **more than** the last four ~~or more~~ digits;

...

(Bold and yellow highlight added.)

The “clean” version would be:

“Specified data element” means any of the following:

- (1) An individual's social security number, either in its entirety or more than the last four digits;

...

Under our proposed amendment, separate from displaying the entire 9 digits of the social security number, when **more than the last 4 digits** is shown, that would be a “specified data element” for the purpose of a security breach of personal information. In other words, displaying “**more than** xxx-xx-**4321**” would be a “specified data element.”

Thus, displaying xxx-x**5-4321** should be ... and would be ... a “specified data element.” But displaying xxx-xx-**4321** would **NOT** be ... and should **NOT** be ... a “specified data element.”

Thank you for considering our testimony.



MARVIN S.C. DANG

Attorney for Hawaii Financial Services Association



Mortgage Bankers Association of Hawaii
P.O. Box 4129, Honolulu, Hawaii 96812

March 16, 2026

The Honorable, Scot Matayoshi, Chair
The Honorable, Tina Grandinetti, Vice Chair
Members of the House Committee on Consumer Protection & Commerce

Hearing Date: March 17, 2026
Hearing Time: 2:00pm
Hearing Place: Hawaii State Capitol, Conference Room 329

Re: SB3016 SD1 Relating to Privacy

I am Victor Brock, representing the Mortgage Bankers Association of Hawaii (“**MBAH**”). The MBAH is a voluntary organization of individuals involved in the real estate lending industry in Hawaii. Our membership consists of employees of banks, savings institutions, mortgage bankers, mortgage brokers, financial institutions, and companies whose business depends upon the ongoing health of the financial services industry of Hawaii. The members of the MBAH originate and service, or support the origination and servicing, of the vast majority of residential and commercial real estate mortgage loans in Hawaii. When, and if, the MBAH testifies on legislation or rules, it is related only to mortgage lending and servicing.

The MBAH **opposes SB3016 SD1 (the “Bill”)**.

This Bill defines a “Specified data element” to include “An individual’s social security number, either in its entirety or the last four or more digits.” We have concerns that restrictions on the use of the last four digits may increase liability and lead to unexpected violations of the proposed revision to HRS chapter 487N in this Bill. The restriction on the use of the last four digits does not align with other HRS and administrative rules which dictate the use of the last four digits, as detailed in the testimony provided today by the Hawaii Financial Services Association. We oppose this Bill as drafted and ask the legislature to consider a more comprehensive review of all data elements and associated HRS and administrative rules before making revisions to requirements.

Thank you for the opportunity to present this testimony.

Victor Brock
Mortgage Bankers Association of Hawaii



TESTIMONY OF DAVE ERDMAN
INTERIM PRESIDENT & CEO
RETAIL MERCHANTS OF HAWAI'I

IN SUPPORT WITH COMMENTS ON SB 3016 SD1 – RELATING TO PRIVACY

Aloha Chair Matayoshi, Vice Chair Nakada Grandinetti, and Members of the Committee:

My name is Dave Erdman, and I serve as Interim President and CEO of Retail Merchants of Hawai'i (RMH), a statewide nonprofit trade association representing retailers, shopping centers, and allied businesses across the islands.

Retail Merchants of Hawaii supports the intent of SB 3016 SD1 and appreciates the effort to update Hawai'i's security breach notification law to better reflect today's digital environment.

Consumer trust is important to retailers. Our members understand that when sensitive personal information is compromised, timely and meaningful notice matters. A clear legal framework helps protect consumers while also helping businesses respond appropriately when incidents occur.

RMH respectfully offers comments from the perspective of local businesses that must implement these requirements in practice. As drafted, the measure expands the definition of personal information and related identifiers in ways that may create uncertainty or trigger notice obligations in situations where the actual risk of identity theft, fraud, or consumer harm may be limited.

RMH encourages continued review to ensure the law remains clear, practical, risk-based, and aligned where feasible with commonly used national breach-notification standards. Clear standards help businesses act quickly, notify consumers appropriately, and avoid confusion that can reduce the value of breach notices.

We also encourage consideration of the impact on local businesses, including smaller retailers and employers that may not have large compliance teams but still work hard to protect customer and employee information.

RMH supports strong consumer protections, and we believe those protections should be implemented in a way that is workable, understandable, and mindful of real-world business operations.

For these reasons, **RMH supports SB 3016 SD1** with comments and respectfully asks the Committee to consider amendments that improve clarity, consistency, and practical compliance.

Thank you for the opportunity to testify on this measure.



LATE



Testimony to the House Committee on Consumer Protection and Commerce
Tuesday, March 17, 2026, 2:00 pm
Conference Room 329

LATE

To: The Honorable Scot Matayoshi, Chair
The Honorable Tina Nakada Grandinetti, Vice-Chair
Members of the Committee

My name is Stefanie Sakamoto, and I am testifying on behalf of the Hawaii Credit Union League (HCUL), the local trade association for 45 Hawaii credit unions, representing over 879,000 credit union members across the state.

HCUL offers the following comments regarding SB 3016, Relating to Privacy. This bill would add definitions of "identifier" and "specified data element" and amends the definition of "personal information" for the purposes of notifying affected persons of data and security breaches under existing state law that governs the security breach of personal information, and includes telecommunications carriers subject to and in compliance with certain federal provisions among the businesses deemed compliant with security breach notice requirements under existing state law.

While we understand the intent of this bill, we have some concerns. This bill defines "identifier" as a "common piece of information related specifically to an individual, that is commonly used to identify that individual across technology platforms". We have concerns that "common piece of information" is too broad. The criteria of what constitutes "common" should not be left to interpretation.

Additionally, we concur with the testimony and amendment proposed by the Hawaii Financial Services Association.

Thank you for the opportunity to provide comments on this important issue.

To: Representative Scot Z. Matayoshi, Chair
Representative Tina Nakada Grandinetti, Vice Chair
Committee on Consumer Protection & Commerce

From: Veronica Moore, Individual Citizen

Date: March 15, 2026

RE: Senate Bill 3016 SD1
Measure Title: RELATING TO PRIVACY.
Report Title: Privacy; Personal Information; Security Breach; Notice; Identifier;
Specified Data Element

To All Concerned,

My name is Veronica Moore and I support Senate Bill 3016 SD1. Thank you for your consideration.

Sincerely,

Veronica M. Moore