

March 14, 2019

Via Electronic Email – submissions@banking.senate.gov

The Honorable Mike Crapo
Chairman
U.S. Senate Committee on Banking
534 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Sherrod Brown
Ranking Member
U.S. Senate Committee on Banking
534 Dirksen Senate Office Building
Washington, DC 20510

RE: Request for Stakeholder Input on Collection, Use and Protection of Individuals' Information by Financial Regulators and Private Companies

Chairman Crapo, Ranking Member Brown, and Members of the Committee:

The Council of Insurance Agents and Brokers (The Council) appreciates this opportunity to respond to your request for stakeholder input on the collection, use, and protection of individuals' information by financial regulators and private companies. We applaud your engagement on this important topic and your efforts to involve all interested parties in the discussion.

By way of background, The Council represents the largest and most successful employee benefits and property/casualty agencies and brokerage firms. Council member firms annually place more than \$300 billion in commercial insurance business in the United States and abroad. In fact, they place 90 percent of all U.S. insurance products and services and they administer billions of dollars in employee benefits. Council members conduct business in some 30,000 locations and employ upward of 350,000 people worldwide, specializing in a wide range of insurance products and risk management services for business, industry, government, and the public.

Federal action on data security/privacy is a priority issue for The Council and several others in the insurance sector. As you know, insurance businesses are regulated by the States and often are subject to a patchwork of regulatory frameworks and requirements. Indeed, States – including New York and California – are becoming increasingly active in the realm of data collection, use and protection. These emerging state regimes differ in scope, covered entity obligations, and consumer protections. Moreover, recently-enacted international regulations present yet another set of data-related requirements for many of our members.

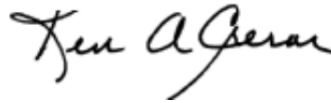
The Council believes that a strong preemptive federal standard for data security measures and for consumer breach notification processes is the best way to ensure consistent compliance by insurance companies and other financial institutions, and to uniformly protect consumers across the country. To achieve the greatest possible level of uniformity, the federal standard should act as a “ceiling” (not a “floor”) for state data security regulations. Like the current Gramm-Leach-

Bliley framework, enforcement of such a standard for insurance businesses could be left to the States.

We urge Congress to act as quickly as possible to develop and pass legislation containing standardized data security and consumer breach notification standards for insurance businesses. Such a measure would minimize unnecessary administrative burdens and compliance confusion in our sector, and would enhance consumer safeguards vis-à-vis fifty-plus disparate approaches – which, we fear, is where we are headed without prompt federal action.

Again, we appreciate this opportunity to share our recommendations. Please do not hesitate to contact me if we can provide any additional information or otherwise serve as a resource for you as you address these important issues.

Respectfully submitted,



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