

Attachment #17

American Council of Life Insurers letter (undated)

KEEPING YOUR INFORMATION PRIVATE: LIFE INSURERS ENDURING COMMITMENT

ACLI members are the leading writers of life insurance, annuities, disability income insurance, long-term care insurance and supplemental benefit insurance here in Rhode Island and across the country. We know that consumers deserve and expect that personal information they have entrusted life insurers with will be kept confidential and secure. Life insurers' enduring commitment to safeguarding customer information is why our industry has over the years worked to establish what has become a comprehensive federal and state regulatory framework governing use and disclosure of personal information.

Rhode Island Already Has in Place Comprehensive State Insurance Laws and Regulations Governing the Confidentiality of Personal Information

A sampling of existing Rhode Island laws and regulations describe the comprehensive regulatory framework already in place that protects against the disclosure of personal information envisioned by Senate Bill 234. For example:

- Rhode Island Gen. Laws § 27-58-4 and § 27-58-10 (Confidential Customer Information) prohibits the use of a customer's nonpublic personal information contrary to federal law.
- Rhode Island Code 230-RICR-20-60-7.1 (Privacy of Consumer Information) is the part implementing § 27-58-4 and § 27-58-10. This part governs the treatment of nonpublic personal health information and nonpublic personal financial information about individuals by all insurance licensees of the Rhode Island Department of Business Regulation. Among other things, this part:
 - Requires a licensee to provide notice to individuals about its privacy policies and practices;
 - Describes the conditions under which a licensee may disclose nonpublic personal health information and nonpublic personal financial information about individuals to affiliates and nonaffiliated third parties; and
 - Provides methods for individuals to prevent a licensee from disclosing that information.

Other applicable Rhode Island laws and regulations potentially impacted by Senate Bill 234 include:

- Rhode Island Gen. Laws § 6-13-15 (Prohibition Against Recording Credit Card or Social Security Numbers on Checks)
- Rhode Island Gen. Laws § 6-48-8 (Social Security Number Protection)
- Rhode Island Gen. Laws § 11-49.3-1 (Identity Theft Protection Act of 2015)
- Rhode Island 230-RICR-20-60-8.1 (Standards for Safeguarding Customer Information)
- Rhode Island Gen. Laws § 6-47-2 (Unsolicited Electronic Mail)
- Rhode Island Gen. Laws § 6-31.1-21 (Credit Reports – Notice to Individual – Requirements of Users of Credit Reports)

Existing Federal Laws Add to the Comprehensive Regulatory Framework for the Protection of Consumer Information

- The Graham Leach Bliley Act (GLBA) requires financial institutions, including insurers, to notify customers of their privacy practices. Those notices must disclose the types of non-public personal information (NPI) collected by the financial institution, the types of information that may be disclosed, the types of persons to whom the information is or may be disclosed, the financial institution's policies and practices with respect to disclosing NPI of those who have ceased to be customers of the financial institution, the policies that the institution maintains to protect the confidentiality and security of NPI, and any disclosures required by the Fair Credit Reporting Act.
- The Fair Credit Reporting Act (FCRA) places limitations on the collection and dissemination of personal information for commercial uses, including insurance underwriting. The FCRA governs "consumer reporting agencies," which regularly produce "consumer reports" that contain consumer credit or other information used for employment, credit and insurance decisions. Those using consumer reports, such as the life insurer engaged in underwriting, must provide prescribed adverse action notices to consumers that articulate the rights to access and correct information obtained from a consumer report.
- The Health Information Portability and Accountability Act (HIPAA) and the Health Information Technology for Economic and Clinical Health (HITECH) Act and rules issued by the U.S. Department of Health and Human Services contain detailed provisions governing consumer information privacy, security and breach notification.

ACLI understands and appreciates that other industries may not be subject to similar, comprehensive regulatory frameworks governing the use and disclosure of personal information. But we respectfully encourage for further thought to the far-reaching implications of this legislation before superimposing another layer of redundant or conflicting regulatory requirements on those already in place for life insurers.