



April 7, 2025

The Honorable Brett Guthrie
Chairman, House Energy and Commerce Committee
2125 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Dave Joyce
Vice Chairman, House Energy and Commerce Committee
2125 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Guthrie and Vice Chairman Joyce,

On behalf of the National Association of Insurance Commissioners (NAIC)¹ and state insurance regulators across the country, we appreciate the opportunity to respond to your request for information on data privacy and security. The NAIC represents the chief insurance regulators in the 50 states, the District of Columbia, and 5 U.S. Territories. We commend your commitment to ensuring that consumers' personal data is protected in today's rapidly evolving digital landscape. As state regulators, we share these goals and have long been at the forefront of implementing comprehensive frameworks to safeguard consumer data, enhance cybersecurity, and responsibly oversee the use of artificial intelligence (AI) in insurance.

As you are aware, existing federal law – the Gramm-Leach-Bliley Act (GLBA) – has played a key role in shaping the regulatory landscape for data privacy in insurance. Under GLBA, financial institutions, including insurers, must implement safeguards to protect consumer financial information and provide disclosures regarding data-sharing practices. State insurance regulators have long been responsible for enforcing these protections through rigorous oversight, examinations, and enforcement actions. The existing state-based framework, reinforced by GLBA's requirements, ensures that insurers maintain high standards for data privacy and security while allowing state regulators to address industry-specific risks. Further federal preemption in this area, without a GLBA carve-out, would

¹ As part of our state-based system of insurance regulation in the United States, the NAIC provides expertise, data, and analysis for insurance commissioners to effectively regulate the industry and protect consumers. The U.S. standard setting organization is governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer reviews, and coordinate regulatory oversight. NAIC staff supports these efforts and represents the collective views of state regulators domestically and internationally. For more information, visit www.naic.org.



disrupt a well-established system that has effectively protected consumers and adapted to emerging privacy challenges.

Building upon GLBA, state insurance regulators have taken significant steps to establish robust data privacy and security protections tailored to the unique nature of the insurance industry. Through the NAIC, we have developed and implemented a strong, flexible regulatory framework that continues to evolve with technological advancements and emerging risks.² For example, the NAIC Insurance Data Security Model Law³ has been adopted in multiple states and establishes rigorous cybersecurity standards for insurers, including risk assessments, breach notification requirements, and ongoing monitoring.⁴ Furthermore, the NAIC is actively reviewing and enhancing model privacy protection laws⁵ to ensure that regulatory frameworks keep pace with evolving threats and consumer expectations.⁶

Recognizing the increasing role of AI in underwriting, claims processing, and fraud detection, the NAIC has prioritized responsible AI governance.⁷ The NAIC AI governance framework emphasizes transparency, accountability, and fairness in AI applications within the insurance sector.⁸ The Model Bulletin on the Use of AI and Big Data Analytics⁹ ensures that insurers use AI responsibly and in compliance with existing consumer protection laws. Many state regulators are also adopting additional measures to oversee AI-driven decision-making, ensuring it remains free from bias and aligns with fair insurance practices.

State regulators have a long history of effectively overseeing insurance markets, including data privacy and security. Federal preemption of state laws would undermine consumer protections tailored to the unique risks of the insurance industry and disrupt the comprehensive system that has safeguarded policyholders for decades. The state-based system allows for agility in responding to emerging risks, ensuring timely and effective consumer protections. Additionally, state regulation provides localized consumer

² *Insurance Data Security Model Law*, NAT'L ASS'N OF INS. COMM'RS, <https://content.naic.org/sites/default/files/inline-files/MDL-668.pdf> (last visited Apr. 7, 2025).

³ *State Adoption Tracker: Insurance Data Security Model Law*, NAT'L ASS'N OF INS. COMM'RS, <https://content.naic.org/state-adoptions/insurance-data-security-model-law> (last visited Apr. 7, 2025).

⁴ *Insurance Data Security Model Law*, supra note 2.

⁵ *Privacy of Consumer Financial and Health Information Regulation*, NAT'L ASS'N OF INS. COMM'RS, <https://content.naic.org/model-laws/privacy-consumer-financial-and-health-information-regulation> (last visited Apr. 7, 2025).

⁶ *NAIC Consumer Privacy Protections Working Group*, NAT'L ASS'N OF INS. COMM'RS, <https://content.naic.org/cmte-ex-cppwg> (last visited Apr. 7, 2025).

⁷ *Principles for Artificial Intelligence (AI)*, NAT'L ASS'N OF INS. COMM'RS, <https://content.naic.org/sites/default/files/inline-files/Principles%20on%20AI.pdf> (last visited Apr. 7, 2025).

⁸ *AI Principles Summary*, NAT'L ASS'N OF INS. COMM'RS, <https://content.naic.org/article/naic-publishes-principles-artificial-intelligence> (last visited Apr. 7, 2025).

⁹ *Model Bulletin on the Use of Algorithms, Predictive Models, and Artificial Intelligence Systems by Insurers*, NAT'L ASS'N OF INS. COMM'RS, <https://content.naic.org/resources/model-bulletin-use-ai> (last visited Apr. 7, 2025).



protection and oversight, addressing specific market conditions and consumer needs within each jurisdiction. The state-based approach has successfully navigated evolving cybersecurity challenges and privacy concerns, striking the right balance between innovation and consumer protection.

We urge Congress to recognize the success of state-led regulatory efforts and refrain from federal preemption in the areas of data privacy, data security, and AI oversight. Instead, we welcome collaboration to enhance information sharing and promote best practices while preserving the authority of state regulators to ensure strong, responsive consumer protections.

Thank you for your leadership on this critical issue. We look forward to continued engagement and are happy to provide further information or discuss these issues in greater detail.

Sincerely,

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North Dakota Insurance Department

Scott White
NAIC President-Elect
Commissioner
Virginia Bureau of Insurance

Elizabeth Kelleher Dwyer
NAIC Vice President
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