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Protecting Insurance Consumer Privacy and Security

- *State insurance regulators are dedicated to ensuring that insurers, agents, and brokers protect highly sensitive consumer financial and health information.*
- *States have widely adopted insurance privacy protection laws, which regulators continually review and update to ensure consumer data privacy is protected. State insurance regulators also continually upgrade data security safeguards through standards, examinations, and model laws.*
- *Any federal data privacy and security legislation should not undermine or preempt state insurance laws and regulations so that insurance regulators can continue to work in the best interests of insurance consumers.*

Background

State insurance regulators have long been committed to ensuring that policyholders' information is protected from unauthorized use and disclosure and periodically make changes to relevant laws and regulations to keep pace with evolving technology. All states have adopted the NAIC's *Privacy of Consumer Financial and Health Information Regulation*, which was drafted in response to Gramm-Leach-Bliley Act (GLBA) requirements. This regulation mandates insurers inform consumers about their privacy policies, outlines the circumstances in which a licensee can disclose private health and financial data to affiliates and third parties, and offers individuals ways to prevent a licensee from sharing that information.

In addition, the NAIC's *Insurance Information and Privacy Protection Model Act* establishes standards for the collection, use, and disclosure of information gathered in connection with insurance transactions. The NAIC's Privacy Protections Working Group is currently reviewing both models for potential updates.

All states also have data security standards that comply with GLBA. To keep pace with evolving cyber risks, the NAIC adopted the *Insurance Data Security Model Law* in 2017. States are adopting this law, which updates requirements for data security, cyber event investigations, and notification to regulators. The NAIC also continues to update examination guidance to help insurers address cybersecurity risks and respond to breaches. Additionally, regulators collaborate with the U.S. Department of Treasury to conduct tabletop exercises with insurers to improve cyber incident response and recovery.

Key Points

- ✓ The NAIC opposes any legislation that undermines state insurance laws or prevents state insurance regulators from protecting policyholders.
- ✓ Federal enforcement of data privacy and security regulations and single-state solutions are fundamentally at odds with the strong existing state-based regulatory regime for insurance.
- ✓ Insurance commissioners have the expertise and experience with local insurance markets and are best positioned to protect a state's insurance consumers.