



Statement for the Record

Submitted to the

U.S. Senate Banking, Housing and Urban Affairs Committee

“Privacy Rights and Data Collection in a Digital Economy”

May 7, 2019

On Behalf of

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The American Council of Life Insurers (ACLI) appreciates the opportunity to submit this statement for the record on “Privacy Rights and Data Collection in a Digital Economy.”

ACLI is the leading trade association driving public policy and advocacy on behalf of the life insurance industry and the 90 million American families relying on life insurers’ products for financial protection and retirement security. ACLI’s 280 member companies represent 95 percent of industry assets and are dedicated to promoting consumers’ financial well-being with products that reduce risk and increase their financial security, including life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, dental and vision insurance and other supplemental benefits. The core business of the life insurance industry is financial security, and retirement security is a critical mission. As society and work change, the industry is committed to solutions that protect all Americans, regardless of where and how they work, their life stage, or the economic status of their household. Life insurers seek to expand the availability, accessibility, and affordability of financial protection and retirement security products for all.

Life insurance customers have the right to expect their personal information will be kept confidential and secure by life insurers. The life insurance industry has long been a diligent steward of personal information. Our member companies have appropriately managed consumers’ sensitive medical and financial information far before it became “data” and was monetized by the tech sector. While the use of data is a “Wild West” on the tech side, with little protection and oversight, the financial service industry has robust regimen for the use of data. Many of the items in these proposals aimed at protecting consumers’ personal information are our common practices. We hope that our industry’s record of responsible stewardship of consumer information can serve as a model to policy makers as they seek to protect consumers in other areas. The life insurance industry affirmatively supports consumer transparency and control over the use of their personal information.

Life insurers collect, use, and disclose the use of customers’ personal information to perform essential life insurance business functions. Examples of this use include underwriting applications for new life, disability income, and long-term care insurance policies and paying claims submitted under these policies. At the same time, our industry is subject to a broad and rigorous regulatory framework at both the state and federal level, that requires life insurers to protect their customers’ personal information. While we support this framework of laws and regulations, we recognize that in this period of rapid technological advancement a new approach may be needed to comport with today’s increasingly cyber world. As Congress works to develop a new privacy regulatory structure, we ask that policymakers call upon the expertise of the life insurance industry with regard to the privacy of customer and consumer information.

Life insurance companies also have robust data security programs in recognition of their affirmative obligation to protect the security of their customers’ personal information and the information systems on which such information is stored. The life insurance industry supports uniform, clear, and reasonable data security standards and breach notification requirements. We act as responsible stewards entrusted with safeguarding the data and are required to comply with federal laws such as Gramm-Leach-Bliley Act (GLBA), Fair Credit Reporting Act (FCRA), and Health Insurance Portability and Accountability Act (HIPAA). We use security

measures that comply with federal law to protect our customers' personal information from unauthorized access and use.

We are hopeful that as the Senate Banking Committee considers the important and complex issues related to privacy and security, Members continue to keep in mind:

- life insurers' need to collect and use consumers' personal information to perform fundamental insurance business functions;
- the current privacy and data security framework to which life insurers are already subject; and
- the need for uniformity across regulatory platforms so that life insurers can continue to effectively and efficiently protect the privacy and security of their customers' personal information.

Again, thank you for the opportunity to comment on these important issues, and we look forward to working with you as your deliberations continue.