

# LIFE INSURERS' ENDURING COMMITMENT TO CONSUMERS

Consumers have the right to expect their personal information will be kept confidential and secure by life insurers. It is a right they have enjoyed for hundreds of years in America, as life insurers have historically respected and maintained the privacy and security of the personal information they receive. It is part of what consumers deserve and receive as they purchase financial products from life insurers that reduce risk and increase their financial security.

Life insurers' enduring commitment to safeguarding customer information helps explain their strong support for a multitude of federal and state privacy laws that provide a broad and rigorous regulatory framework. This comprehensive regulatory structure enhances life insurers' commitment to protecting the confidentiality and security of customers' personal information.

Existing laws reflect federal and state lawmakers' recognition that life insurers must use, and responsibly share, personal information to perform fundamental and legitimate insurance business functions in the interest of serving their customers in the most efficient, cost effective manner possible.

Put simply, federal and state privacy laws build on life insurers' enduring commitment to protect the confidentiality and security of consumers' personal information.

For example:

- life insurers' customers are informed when information is collected about them for underwriting;
- life insurers are subject to laws that limit their disclosure of consumers' personal information;
- life insurers' customers are notified if the security of their personal information is breached.

Subjecting life insurers to laws that may be more appropriately considered for other industries will likely result in duplication or conflicts with existing requirements on insurers. This may jeopardize their ability to most effectively and efficiently serve prospective and existing customers, who may not be able to obtain coverage or have their claims under existing policies paid as quickly as they would otherwise.

## PRIVACY ISSUE BRIEF



*The complexity of the current regulatory structure and growing privacy and security challenges necessitate careful and thoughtful consideration of whether any new privacy or security laws should be applicable to already privacy-focused life insurers.*