

The Honorable Joseph Solomon, Jr, Chair
House Corporations Committee
State of Rhode Island General Assembly

February 6, 2024

Re: House Bill 7281 – Insurance Data Security

Dear Representative Solomon and Distinguished Committee Members:

The American Council of Life Insurers (ACLI) appreciates the opportunity to offer comments on House Bill 7281, introduced at the request of the Department of Business Regulation (DBR). Among other provisions, the bill would enact into law portions of the National Association of Insurance Commissioners (NAIC) Insurance Data Security Model Law. ACLI shares the goal of uniform, risk-based data security standards and would support the bill with one minor change, which we hope will be noncontroversial but offer significant comfort to ACLI's member companies.

After the NAIC adopted the Insurance Data Security Model Law in 2017, ACLI worked with a coalition of seven other national trade associations (representing the property and casualty, life, annuity, and health industries and their producers) to develop targeted revisions to the model law. Of particular importance to ACLI and virtually all members of the coalition is the inclusion of a statement making it clear that the model law provisions constitute the exclusive data security standards to which insurance licensees are subject. The purpose of this statement would be to ensure universal consumer protection and avoid the potential for exposure by insurance licensees to diverse and conflicting standards that might apply.

This exclusivity standard was included by DBR in its data security proposal in House Bill 5823 from 2023, as follows:

Notwithstanding any other provision of law, this chapter establishes the exclusive state standards applicable to licensees for data security, the investigation of a cybersecurity event as defined in § 27-1.3-3, and notification to the commissioner. These provisions do not affect a licensee's responsibility to notify consumers in accordance with § 27-1.3-6(c).

ACLI respectfully requests that the same language be included in House Bill 7281. Thank you for your consideration. I would be happy to answer any questions you may have.

Respectfully submitted,

A handwritten signature in black ink, consisting of a large, stylized initial 'J' followed by a horizontal line extending to the right.

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