



Independent Insurance Agents
& Brokers of America.

**Statement on Behalf of the
Independent Insurance Agents & Brokers of America
Before the House Committee on Energy and Commerce
United States House of Representatives**

April 7, 2025

On behalf of the Independent Insurance Agents & Brokers of America (IIABA), I am pleased to submit these comments in response to the data privacy request for information recently issued by Chairman Guthrie and Vice Chairman Joyce. IIABA is the nation's oldest and largest national association of insurance agents and brokers. The hundreds of thousands of agents and insurance professionals we represent operate from more than 25,000 business locations and offer all types of insurance – property, casualty, life, health, employee benefit plans, and retirement products – from a wide variety of insurance companies. IIABA welcomes the Energy and Commerce Committee's interest in data privacy legislation and appreciates having the opportunity to provide our views.

Initial Comments

As the committee considers the development and enactment of possible federal data privacy legislation, it is important to remember that the financial services industry (unlike nearly all other industries in the United States) is already subject to a comprehensive national data privacy framework. Congress established a privacy regime for the financial services world with the enactment of the Gramm-Leach-Bliley Act (GLBA) more than 25 years ago, and that landmark law appropriately empowered the various financial services regulators in implementing and enforcing the protections and requirements outlined in the code. Any new privacy legislation that is applicable to the financial services industry or to the insurance sector should be built upon the successful and longstanding GLBA privacy framework. IIABA does not object to thoughtfully crafted modifications to the existing law or the adoption of reasonable and more robust requirements for our industry, but any action of this nature should revise and not displace the GLBA law.

Enforcement

The various functional financial services regulators have implemented the GLBA privacy framework and enforced its requirements for more than a quarter century, and any new data privacy measures should rely on and not unnecessarily replace this successful enforcement approach. In the insurance context, existing requirements apply to insurers, agents, brokers, and other entities, and are effectively enforced by state regulators. State insurance regulators are uniquely familiar with the insurance industry and the aspects of the sector, how privacy laws

impact the insurance model, and the potential unintended consequences for insurance consumers that could result from privacy regulation that is not appropriately tailored to their needs.

Some have suggested that any new federal privacy legislation should include a private right of action that would empower the federal courts to effectively implement any requirements and to serve as de facto data privacy regulators. IIABA strongly opposes the creation of a right of action in this context and believes such an action would be unnecessary, counterproductive, and particularly harmful to small and medium-sized businesses. Enforcement of data privacy requirements by designated government agencies (including functional regulators in the case of financial services entities) makes far greater sense and would result in the type of consistent interpretation, implementation, and enforcement of any data security requirements that businesses and consumers need.

Impact on Small Businesses

It will be critical for the committee to consider the effects and compliance costs that any new federal data privacy requirements have on small businesses. IIABA urges the committee to avoid prescriptive requirements that could be especially costly and burdensome for small businesses and to include limited exemptions for small entities when warranted.

Establishment of New Consumer Rights

Several federal data privacy proposals in recent years have included provisions that were designed to provide consumers with greater control over the information maintained by businesses, including the ability to gain access to certain personal information and to demand its deletion. The proposed establishment of these rights may seem innocuous and noncontroversial, but it is critically important that any such provisions of this nature be crafted in a practical and workable manner that does not have unintended effects or improperly interfere with the delivery of products and services requested by consumers.

With regard to the proposed right to access one's information, it would be incredibly challenging for a small business to produce every data point that an entity possesses about a particular consumer. A better and more reasonable solution may be for businesses to be required to disclose a "description" or "summary" of the information maintained.

If the committee considers the inclusion of a right to delete one's information, we respectfully suggest that such a right should not be absolute and note that businesses often have legitimate and extremely important reasons for maintaining consumer information. Businesses often need such information when providing a product or service to a consumer, and maintaining records is also necessary in order to respond to insurance claims or litigation that may subsequently arise.

Closing Comments

As the committee contemplates potential data privacy legislation, IIABA urges you to consider the thoughtful legislation passed last Congress by the House Financial Services Committee, which has express jurisdictional authority over GLBA and financial services. The Data Privacy Act, which advanced out of that committee in February 2023, would have modernized the GLBA privacy framework and established new and more robust consumer privacy protections for the insurance sector and other financial services industries. That thoughtful proposal preserved the enforcement authority of state insurance officials and other functional financial services regulators, provided meaningful and properly crafted preemption, avoided unnecessary reliance on the courts (by not including a private right of action), and created an effective and workable data privacy system for the insurance industry and its consumers.

Thank you for your time and consideration.