Statement on Behalf of the Independent Insurance Agents & Brokers of America

Before the House Committee on Financial Services United States House of Representatives

August 28, 2025

On behalf of the Independent Insurance Agents & Brokers of America (IIABA or Big "I"), we are pleased to submit these comments in response to the data privacy request for information recently issued by Chairman French Hill and Subcommittee Chairman Andy Barr. 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 House Financial Services Committee's interest in data privacy legislation and appreciates having the opportunity to provide our views.

Congress wisely 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. Below are responses to several of the questions posed.

Should we amend the Gramm-Leach-Bliley Act (GLBA) or consider a broader approach?

It has been more than 25 years since the enactment of GLBA and the establishment of comprehensive privacy requirements for financial institutions (including insurers and insurance agencies) that remain in place today. The historic law adopted a framework that appropriately empowered the various functional financial services regulators to implement and enforce the privacy protections and requirements outlined in federal law. Although the GLBA privacy framework has been successful and modest revisions have been made in the ensuing years, IIABA recognizes the desire of some policymakers to more thoroughly revisit these issues and consider more robust modifications. Our members utilize the nonpublic personal information of customers to address their insurance needs and share it when necessary to provide products and services to those consumers, and we do not object to reasonable and thoughtfully crafted enhancements in this area.

We do believe, however, that any new federal privacy legislation and heightening of requirements for the financial services world should rely on the existing GLBA structure (which means state insurance regulators would remain responsible for the implementation of the law and the adoption of any needed sector-specific guidance within the insurance industry). This common-sense approach has worked well for many years, and there is no public policy rationale for abandoning it now.

Should we consider a preemptive federal GLBA standard or maintain the current GLBA federal floor approach?

IIABA recommends that a preemptive standard be included in any revision and updating of GLBA Title V.

If GLBA is made a preemptive federal standard, how should it address state laws that only provide for a data-level exemption from their general consumer data privacy laws?

IIABA believes a properly crafted GLBA preemptive standard would apply regardless of whether a state's comprehensive data privacy statute only provided a data-level exemption for those entities subject to GLBA Title V.

How should GLBA relate to other federal consumer data privacy laws, both a potential general data privacy law and current sector-specific laws?

A revised GLBA privacy framework would continue to set forth comprehensive privacy obligations and requirements for insurance agents and other financial institutions, and there would be no need or benefit in subjecting such entities to an additional and duplicative set of federal standards and regulatory agencies. Accordingly, we envision financial institutions being subject to GLBA's privacy provisions and exempt any somewhat analogous federal statute that might apply to other types of businesses.

How should we define "non-public personal information" within the context of privacy regulations? Does the term "personally identifiable financial information" in GLBA

require modification? Do the definitions of "consumer" and "customer relationship" in GLBA require modification?

While we have no specific suggestions to offer at this time, IIABA believes it would be possible to revise and modernize the definitions of these key terms.

Are there states that have developed effective privacy frameworks? Which specific elements from these state-level frameworks could potentially be adapted for federal implementation?

Many of the comprehensive state privacy laws that have been enacted in recent years include a relatively consistent set of elements, and several of these items may be appropriate to incorporate into the GLBA privacy framework. These state statutes routinely include provisions that enable consumers to request the correction or deletion of their nonpublic personal information, and an appropriately crafted series of requirements of this nature would seem to be especially ripe for inclusion.

Should we consider mandating the deletion of data for accounts that have been inactive for over a year, provided the customer is notified and no response is received?

There are many instances, especially in the insurance world, where entities have a legitimate business purpose for retaining the nonpublic personal information of a person even if that individual has not obtained a product or service from an institution in the last 12 months. Accordingly, any new requirement of this nature should not be absolute. It would be critically important to permit insurance agencies and other financial institutions to maintain nonpublic personal information if certain conditions are met. For example, automatic deletion should not be required if an institution is required by law to maintain the information or if the information is retained for a purpose described in 15 U.S.C. 6802(e).

Alternatively, the Committee could consider requiring financial institutions to notify an individual of their ability to request the deletion of nonpublic personal information (unless an exemption from the deletion obligation applies).

Should we consider requiring consumers be provided with a list of entities receiving their data?

No. Such a mandate would be incredibly burdensome and costly to comply with, especially for IIABA members. One way in which such a requirement would uniquely affect independent insurance agents is that it would require an agency to provide a list of every insurer that it may have contacted concerning the potential placement of business. An agency may contact numerous insurance companies and share basic information about a consumer, and a requirement of this nature would force agents to create a mechanism for identifying which carriers received such information (including those entities that do not write the business and never take on the applicant as a customer). For this and many other reasons, it would be much

more reasonable and practical to require a list of the *categories* of entities that receive nonpublic personal information to be provided.

In addition, any obligation that would require a financial institution to provide a consumer with either a list of the entities receiving their information or the categories of entities receiving it should not be absolute. There should be an exemption for situations in which a financial institution shares or receives nonpublic personal information for one or more of the purposes described in 15 U.S.C. 6802(e).

Should we consider changing the structure by which a financial institution is held liable if data it collects or holds is shared with a third-party, and that third-party is breached?

While it may be appropriate to require financial institutions to exercise due diligence in selecting third-party service providers and providing those entities with nonpublic personal information, GLBA should not be modified in a manner that would force insurance agencies to oversee the data privacy actions of service providers or make them liable for the actions of such vendors.

Our members work and share information with entities that provide important services that are necessary to meet the needs of customers, but the typical insurance agency is in no position to dictate or police the data privacy practices of larger and more sophisticated vendors. It is not uncommon for critically important service providers to present contracts to agents on a take-itor-leave-it basis and without meaningful opportunity for negotiation, and it would be a mistake to establish unrealistic and untenable requirements that cannot be satisfied by main street insurance agents due to marketplace realities. If policymakers wish to ensure that third-party service providers are acting (or not acting) in particular ways and engaging (or not engaging) in certain practices, the most efficient and effective way to do so would be to impose any desired requirements on third-party service providers directly.

Closing Observations

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 for soliciting stakeholder input.