



TESTIMONY REGARDING
Senate Bill 30 – An Act Concerning Consumer Privacy and Identity Theft
before
the General Law Committee
February 26, 2008

Massachusetts Mutual Insurance Company supports safeguarding consumers' privacy rights and preventing the theft of individuals' identity. We comply with the federal Gramm-Leach-Bliley Act ("GLB") as well as the privacy laws of the states in which we do business, including in Connecticut the *Connecticut Insurance and Privacy Protection Act*, the *Privacy of Consumer Financial Information* and the *Safeguarding of Financial Information*. As it is written, Senate Bill 30 – An Act Concerning Consumer Privacy and Identity Theft is inconsistent with Gramm-Leach-Bliley as well as current state law on this issue. We support the efforts of proponents of Senate Bill 30 to stop consumer identity theft, but urge an exemption for insurance companies which are already governed by strict state and federal regulation regarding privacy.

Connecticut has strong rules safeguarding personal information used in insurance transactions. The *Connecticut Insurance Information and Privacy Protection Act* (C.G.S. §38a-977) requires insurance institutions, agents and third-party vendors to properly safeguard consumer information collected in connection with insurance transactions. The law governs when personal information can be disclosed and requires insurance institutions and agents to provide a notice of information practices to all applicants and policy holders.

In addition, Insurance Department has developed regulations which govern the treatment of personal financial information and which require all insurance licensees to develop comprehensive security programs to protect customer financial information. Connecticut regulation § 38a-8-105, entitled *Privacy of Consumer Financial Information*, was adopted in 1992 in compliance with the federal Gramm-Leach-Bliley Act. The regulation protects a broad range of personally identifiable financial information that is not publicly available. Among other things, the regulation limits the disclosure of personal financial information and requires an annual privacy notice to consumers which describes the privacy policies of the licensee. The second regulation, §38-8-124 the *Safeguarding Customer Financial Information*, requires licensees to develop "a comprehensive written information security program that includes administrative, technical and physical safeguards for the protection of customer information . . ." The regulation further requires licensees to monitor the protections they have put in place and to make adjustments to those safeguards to reflect emerging threats caused by such things as changes in technology. These regulations

comprehensively address the protection of customer information collected and maintained by insurance licensees in Connecticut.

Section 8 of Senate Bill 30 which would prohibit the use of social security numbers is of particular concern. The use of social security numbers are essential to certain aspects of our business and are required by law, in some instances, for tax reporting, money laundering and other purposes.

Current Connecticut privacy law governing financial institutions was intended to be balanced by providing strong safeguards for consumer information while not unduly hampering businesses. Unfortunately, Senate Bill 30, as drafted, is an unnecessary burden to insurance companies and agents already governed by consumer privacy regulations promulgated pursuant to federal law. Finally, the proposed legislation would set a troublesome precedent for financial institutions doing business nationwide by requiring companies with Connecticut customers to go to the considerable expense of developing special Connecticut-only data security protocols.

We respectfully request that the committee to consider amending the legislation to exempt financial institutions governed by Gramm-Leach-Bliley and existing Connecticut privacy provisions.

Thank you for your consideration of our position.

MassMutual Financial Group is a global, growth-oriented, diversified financial services organization providing life insurance, annuities, disability income insurance, long-term care insurance, retirement planning products, structured settlement annuities, trust services, money management, and other financial products and services. In addition to its cornerstone life insurance business, MassMutual's family of companies includes asset management subsidiaries such as OppenheimerFunds and Babson Capital.