Statement

The Connecticut Business & Industry Association

&

Insurance Association of Connecticut

Judiciary Committee

March 13, 2012

HB 5427, An Act Concerning Notice To The Attorney General Of Data Security Breaches Involving The Disclosure Of Personal Information
AND
HB 5431, An Act Concerning The Confidentiality Of Information Obtained By The Attorney General During The Course Of Antitrust Investigations

HB 5427

The Insurance Association of Connecticut (IAC) is opposed to HB 5427, An Act Concerning Notice To The Attorney General Of Data Security Breaches Involving The Disclosure Of Personal Information, as drafted. HB 5427 would require that an entity provide the Attorney General's office notice of every potentially misplaced document, regardless if there has been any actual harm.

While the IAC is sympathetic with the Attorney General's office's need to be informed when a breach occurs that may trigger the Attorney General's involvement, HB 5427 is far too broad in its application. Mandating notice immediately to the Attorney General's office of any breach will be overly burdensome and will not necessarily provide any meaningful information. Sec. 36a-760b was crafted several years ago to provide consumers meaningful notice when a breach of security has incurred and their private information has been compromised. Mandating immediate notice of any breach to the Attorney General's office fails to provide an entity time to determine the scope and impact

of the potential breach and will inundate the Attorney General's office every time something as simple a piece of mail is mis-mailed. The IAC does not believe that this is the intent of the Attorney General's office, as such notices will fail to provide any meaningful notice of real breaches of security.

Additionally, 36a-706b delays the notice requirement if such notice could jeopardize a criminal investigation, however, HB 5427 ignores that possibility by specifically mandating immediate notice to the Attorney General's office, regardless if it could compromise such a criminal investigation. Law enforcement should be tasked with notifying the Attorney General's office when it deems notice is warranted or the notice to the Attorney General's office should be subject to the same delay provisions as currently contained in 36a-706b for criminal investigations.

Finally, as the insurance industry is subject to regulatory supervision by the Insurance Department, mandating notice to the Attorney General's office could subject it to dual and possibly conflicting oversight. To avoid the potential for such dual enforcement, any notice requirement of a breach of security, as defined by 36a-706b, of the insurance industry should be made to its regulator.

The IAC does not believe that HB 5427, as drafted, represents the intent of the Attorney General's office, and it is willing to work with the Attorney General's office to amend HB 5427 in a way that will provide meaningful notice without being overly burdensome.

HB 5431

The Insurance Association of Connecticut (IAC) is opposed to HB 5431, An Act Concerning The Confidentiality Of Information Obtained By The Attorney General During The Course Of Antitrust Investigations, as drafted. HB 5431 seeks to permit the Attorney

General's office the ability to use documents produced during an investigation for limited purposes, however, as drafted HB 5431 would permit the unfettered use of such documents.

There exists a shared goal between the insurance industry, business community and the state to encourage cooperation with state investigations, because such cooperation provides unquestionable efficiencies and savings for both parties. As such the IAC and the business community have worked cooperatively with the Attorney General's office to revise HB 5341 to provide the protections to information provided to the Attorney General's office that Sec. 35-42 was intended to provide, while expediting the investigation process.