

Statement

Insurance Association of Connecticut

General Law Committee

March 11, 2014

HB 5491. An Act Concerning Customer Sales And Service Calls Made From Outside The United States

The Insurance Association of Connecticut, IAC, is opposed to HB 5491, An Act Concerning Customer Sales And Service Calls Made From Outside The United States.

The IAC does not contest the idea that consumers' personal identifying information needs to be protected when being provided in any transaction. The insurance industry, and any vendor with which it does business regardless of location, is already subject to strict requirements to ensure the confidentiality and security of its customers' information through the provisions of the Gramm Leach Bliley Act (GLB). GLB provisions extend to any call center used by the industry, including those located off-shore. As such the provisions of HB 5491 are unnecessary, will not improve privacy protections, and may violate international trade commitments established by the federal government.

HB 5491 seeks to require all call centers to provide certain information to any Connecticut resident. HB 5491's requirements will add time to each call, unnecessarily adding to the cost of providing customer service. Businesses will have to set up special rules and procedures for calls involving Connecticut residents, further adding to administrative costs. Additionally, businesses will have the added burden of having to rescind and rewrite all existing contracts with any call center to comply with the provisions of this proposal.

Consumers call service centers for quick and convenient service. They are voluntary services set up to help customers get information they want, when they want it. The increased costs and administrative problems caused by HB 5491 may force companies to limit the hours of service centers or turn to cheaper, inefficient communication systems like automated answering services, leading to reduced

customer service. Additionally, such a measure could actually lead to customer frustration as re-routed calls would result in increased wait time for customers, especially if they call during high peak times and placed in a queue. This will result in potential loss of business due to the lack of customer service and customer dissatisfaction.

HB 5491 will not help customers get better service or information and it will not provide greater privacy protections to consumers. The IAC urges your rejection of HB 5491