



February 25, 2021

Senator James J. Maroney
Representative Michael D'Agostino
Co-Chairmen of the General Law Committee

Re: SB 156 – An Act Concerning Consumer Privacy
SB 893 – An Act Concerning Consumer Privacy

Chairmen Sen. Maroney, Rep. D'Agostino and Members of the General Law Committee –

America's Health Insurance Plans (AHIP)¹ and our members appreciate the opportunity to express our thoughts on **SB 156** and **SB 893**, both named **An Act Concerning Consumer Privacy**, which seek to establish a framework for maintaining personal data, including protection standards and consumer rights with regards to such data. We share the Committee's commitment and efforts to protect our consumer's data and have done so for decades under strict legal and regulatory frameworks. We also appreciate that **SB 893 exempts** those who are subject to **Gramm-Leach-Bliley Act (GLBA)** and **Health Information Portability and Accountability Act (HIPAA)** – such provisions are crucial to harmonize any new legislation with existing laws and rules.

Much consideration regarding data security and rights must be given to the fact that existing standards differ across states, between states and federal laws and rules, as well as between industries and data types. Additional consumer privacy legislation could complicate the already complex data protection and management frameworks under which Connecticut businesses operate and may lead to consumer confusion due to the differing rights and protections.

As it stands, Connecticut already has robust laws and rules regarding the maintenance of consumer information:

- **Conn. Gen. Stat. Sec. 38a-38 (Insurance Data Security Law)** establishes standards for all licensees of the Connecticut Insurance Department for data security, which includes the implementation and maintenance of an information security program, the investigation of a cybersecurity event, and notification to the Department of such an event.

Significant federal laws impact and dominate the treatment of consumer information, which includes the following:

- The **GLBA** requires financial institutions (defined in the act to include insurers) to notify customers of the entity's privacy practices, including the types of information collected, allowable and prohibited disclosures, the handling of information concerning former customers, the entity's policies and practices to protect and maintain the confidentiality and security of customers' information, as well as disclosures required by the Fair Credit Reporting Act.
- For health insurance providers, the most significant federal laws are HIPAA, its Privacy, Security, and Breach Rules, and subsequent **Health Information Technology for Economic and Clinical Health (HITECH)** amendments. These Rules are sweeping and comprehensive, and govern the practices across the country of insurers, as well as virtually all health plans –

Medicare, Medicaid, group insurance, individual insurance, etc. - and health care providers – doctors, hospitals, pharmacists, etc. The Rules provide detailed requirements for consumer information privacy, security, and breach notification that are *more* extensive and robust than the NAIC Model Law and, for example, set out extensive consumer breach notification requirements. Additionally, the Rules explicitly give regulators enforcement authority over third-party service providers who might not be Insurance Department licensees.

As the Committee reviews the proposed bills, please consider these existing and comprehensive frameworks which health insurance providers operate under to protect consumer data. Adding potentially conflicting layers would be confusing, costly, and ultimately unproductive for Connecticut.

Thank you for the opportunity to communicate with you concerning AHIP's thoughts with **SB 156** and **893**. Please let us know if you would like more information or would like to discuss these matters further – we and our member stand by ready.

America's Health Insurance Plans



Brendan Peppard

¹ AHIP is the national association whose members provide insurance coverage for health care and related services. Through these offerings, we improve and protect the health and financial security of consumers, families, businesses, communities and the nation. We are committed to market-based solutions and public-private partnerships that improve affordability, value, access and well-being for consumers.