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Katie Johnson, Chair
Cynthia Amann, Vice Chair
Privacy Protections Working Group
National Association of Insurance Commissioners
1100 Walnut Street, Suite 1500
Kansas City, MO 64106-2197

Attn: Lois Alexander NAIC Market Regulation Manager
Via email: lalexander@naic.org

RE: Comments on Version 1.2 of the Draft Insurance Consumer Privacy Protection Model Law

Dear Chair Jonson and Vice Chair Amann:

I write on behalf of the Consumer Data Industry Association (CDIA) to express our concerns with the current draft of the Insurance Consumer Privacy Protection Model law. While this bill strives to create privacy legislation aimed at protecting consumers, as drafted it has the potential to create significant unintended consequences that could undermine privacy and data security.

The Consumer Data Industry Association (CDIA) is the voice of the consumer reporting industry, representing consumer reporting agencies including the nationwide credit bureaus, regional and specialized credit bureaus, background check companies, and others. Founded in 1906, CDIA promotes the responsible use of consumer data to help consumers achieve their financial goals, and to help businesses, governments and volunteer organizations avoid fraud and manage risk. Through data and analytics, CDIA members empower economic opportunity, helping ensure fair and safe transactions for consumers, facilitating competition and expanding consumers' access to financial and other products suited to their unique needs.

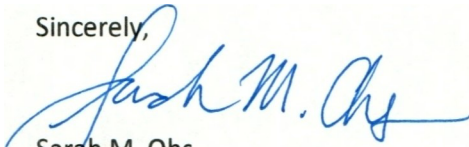
We believe the solution to privacy concerns are best handled at the federal level rather than a patchwork of privacy regulations by the states. However, as states have decided to enact comprehensive privacy laws, we have worked with the 12 states who have passed comprehensive privacy legislation, to ensure the laws are harmonious with one another and federal laws. This NAIC model does not appear to take into consideration the existing 12 state comprehensive privacy laws that generally follow a model. We therefore do not understand the necessity for an additional model bill that reinvents definitions which have been agreed upon by both consumer advocates and the business community in existing state laws. For example, the definitions of consumer and personal information in the model bill differ from existing laws, potentially creating compliance

issues for companies. The regulation of third parties is very broad and goes beyond existing laws. In addition, the model bill places restrictions on publicly available information, where existing privacy laws provide an exemption for publicly available information. Other exemptions do not appear in this legislation that are standard in existing comprehensive privacy laws. Furthermore, this model legislation creates burdensome notice provisions which are unnecessary.

These are just a few of our concerns with the model draft that has been provided. We believe it unnecessarily conflicts with model state privacy laws that have come to fruition after years of discussions by both the public and private sectors. Our members take very seriously the concerns of privacy and data security and use data fairly, responsibly, and thoughtfully. We urge you to reconsider whether it is necessary to develop a new model law. States have worked hard to address privacy concerns while acknowledging the importance of being consistent with their basic definitions and approach. This has been very intentional, to not create a patchwork of rules and regulations that are incongruent with one another. Unfortunately, this model does not follow that approach and for those reasons we urge you to reconsider whether it is necessary to develop an outlier model.

Thank you for your consideration of our comments. I would be happy to answer any further questions you might have. I can be reached at sohs@cdiaonline.org.

Sincerely,



Sarah M. Ohs

Director of Government Relations