

January 24, 2022

The Honorable Delores Kelley
Chair, Senate Finance Committee
3 East Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

RE: Senate Bill 11 – Maryland Online Consumer Protection and Child Safety Act- UNFAVORABLE

Dear Chairwoman Kelley and Members of the Senate Finance Committee,

My name is Matt Overturf on behalf of the National Association of Mutual Insurance Companies (NAMIC). NAMIC is the nation's largest trade association with more than 1,400 members, 22 of which are domiciled in Maryland. NAMIC requests and unfavorable report on Senate Bill 11 (SB 11).

The insurance industry takes consumer privacy very seriously and have been subject to numerous laws and regulations for years for the protection of consumer data. Insurers must collect and use personal information to perform essential business functions – for example, to underwrite applications for new insurance policies, and to pay claims submitted under these policies. Our industry's commitment to appropriate use and safeguarding of consumer information has helped establish what has become a comprehensive federal and state regulatory framework governing the use and disclosure of personal information for the insurance industry. Therefore, the insurance industry would be uniquely affected by the establishment of new general privacy requirements at the individual state level.

Senate Bill 11 would add to the mix of existing privacy laws for insurers. While NAMIC is pleased to see Sec. 14-4402 (6) with the Gramm-Leach-Bliley Act (GLBA) exception, this working differs from what we have seen elsewhere, and we are still in the process of reviewing its possible implications. Because Maryland has also acted in this area with respect to insurers, this exception should be expanded to encompass the state-specific wording as well but adding something like: ...and A financial institution or any of its affiliated companies that are subject to the rules and implementing regulations promulgated under the specifically reference state enabling law and implementing regulation Again, NAMIC is continuing to review for complexities and expense of implementation and possible conflicting scopes, definitions, notice requirement and consumer rights.

NAMIC appreciates the opportunity to provide our concerns with the committee and request an unfavorable report on SB 11.

Thank you,

Matt Overturf
NAMIC Regional Vice President
Ohio Valley / Mid-Atlantic Region