



LEGISLATIVE POSITION

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DATE: Feb. 27, 2019
TO: Insurance and Real Estate Committee
FROM: Professional Insurance Agents of Connecticut Inc.

**STATEMENT RE: S.B.903—AN ACT CONCERNING INSURANCE DATA
AND INFORMATION SECURITY**

The Professional Insurance Agents of Connecticut Inc., or PIACT, is pleased to support Raised Senate Bill No. 903, “An act concerning insurance data and information security.”

PIACT is a voluntary, membership-based trade association representing professional, independent property/casualty insurance agents. Our members and their employees doing business in Connecticut provide primarily property and casualty insurance to businesses and individual clients throughout the state.

With the rise of technology easing the ability of our members to conduct business, much of the personal information entrusted to insurance producers by their customers gets stored on various data systems. Much of the information then gets transmitted to an insurance company’s data system. Both the agency and the company store this information for years, as they provide insurance policies to the customer. This valuable information may include Social Security numbers, credit-card numbers, addresses and personally identifiable information.

The raised bill would require licensees in Connecticut to assess the security of their data programs and take appropriate steps to protect the valuable information entrusted to them by customers. As written, the raised bill does this in a way that allows every licensee to develop a cyber-security program and response plan that fits their business’s use of information systems and financial capabilities. It encourages licensees to update the programs as their needs change.

PIACT recommends amending the raised bill to increase the exception in Section (j)(1)(A) from “fewer than 10 employees” to “fewer than 20 employees.” Many agencies fall on the cusp of this exception. Drawing a distinction at 10 employees may discourage hiring if principals worry about the increased requirements. Fewer than 20 employees comfortably allow small agencies to operate under the exception without worrying a new hire would change their requirements. The exception does not exclude licensees from the entirety of the legislation, but merely reduces the burden on small agencies.

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This legislation protects consumers who entrust insurance producers with their nonpublic information without placing excessive burdens on most agencies. We urge members of the Connecticut Joint Committee on Insurance and Real Estate to vote **YES** on Raised Bill S.B.903 and respectfully recommend increasing the exception based on the number of employees from fewer than 10 to fewer than 20. Thank you for your consideration of our view.