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ACLI
Financial Security. For Life.

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May 29, 2007

Via Electronic Submission

Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, D.C. 20429
Attention: Comments

Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549
File No. S7-09-07

Federal Trade Commission
Office of the Secretary
Room H-135 (Annex C)
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580
FTC File No. P034815

Jennifer Johnson
Secretary of the Board
Federal Reserve Board
20th and C Streets, N.W.
Washington, D.C. 20551
Docket No. R-1280

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, N.W.
Washington, D.C. 20552
Attention: OTS-2007-0005

Office of the Comptroller of the Currency
250 E Street, S.W.
Mail Stop 1-5
Washington, D.C. 20219
Docket Number OCC-2007-0003

Eileen Donovan
Secretary of the Commission
Commodity Futures Trading Commission
Administration
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Mary Rupp
Secretary of the Board
National Credit Union
1775 Duke Street
Alexandria, Virginia 22314
Proposed Rule Part 716

Re: Proposed Model Privacy Form

Ladies and Gentlemen:

The American Council of Life Insurers ("ACLI") is pleased to provide these comments in connection with the Interagency Proposal for Model Privacy Form (the "Model Form") under the Gramm-Leach-Bliley Act ("GLB Act") jointly issued by the Federal agencies[1] (the "Agencies").[2] ACLI is the principal trade association of life insurance companies, whose 373 life insurance companies account for 93 percent of the industry's total assets, 91 percent of life insurance premiums and 95 percent of annuity considerations. ACLI members are also major participants in the pension, long term care insurance, disability income insurance and reinsurance markets.

The Financial Services Regulatory Relief Act of 2006 (the "Regulatory Relief Act") directs the Agencies to jointly develop a model form that may be used at the option of financial institutions to provide initial and annual privacy notices under section 503 of the GLB Act.[3] The Regulatory Relief Act amends section 503 of the GLB Act to require that the model form must be comprehensible, with a clear format and design, provide for clear and conspicuous disclosures, and enable consumers to easily identify the sharing practices of financial institutions and compare privacy practices among financial institutions.[4] The Regulatory Relief Act further amends section 503 of the GLB Act to provide that any financial institution that elects to use the model form developed by the agencies shall be deemed to be in compliance with the disclosures required under that section.[5]

LIFE INSURANCE INDUSTRY'S INTEREST

Section 503(a) of the GLB Act requires financial institutions to provide initial and annual privacy notices to customers.[6] Life insurers are financial institutions under the GLB Act because they are engaged in financial activities as defined in § 4(k) of the Bank Holding Company Act.[7] Accordingly, if a life insurer uses the Model Form developed by the agencies, as provided for in the amendments to the GLB Act made by the Regulatory Relief Act, the insurer will be deemed to be in compliance with the initial and annual disclosure requirements of the GLB Act. Moreover, many life insurers are affiliated with other financial institutions such as broker-dealers regulated by the SEC and depository institutions regulated by the Federal bank supervisory agencies. The Agencies' proposed Model Form, therefore will directly affect ACLI member companies. Many of these affiliated companies find it efficient to send customers one uniform privacy notice that reflects the privacy policies of the affiliated group of companies. Accordingly, we believe that it is appropriate for us to comment on the Model Form because of the possible effect it will have on life insurers.

INTRODUCTION

ACLI believes that the goal of providing financial institutions the opportunity to simplify privacy notices is a worthy objective. Consumers should find simplified notices more understandable and more useful by enabling them to make more informed choices. We appreciate the Agencies efforts to develop a more meaningful model privacy form. ACLI believes that the development of a model form

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[1] 72 *Fed. Reg.* 14940 (March 29, 2007).
[2] Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Trade Commission, Office of Thrift Supervision, Federal Deposit Insurance Corporation, Securities and Exchange Commission, National Credit Union Administration and the Commodity Futures Trading Commission.
[3] Section 728 of the Financial Services Regulatory Relief Act of 2006, Pub. L. 109-351, 120 Stat. 1966.
[4] 15 U.S.C. § 6803(e)(2).
[5] 15 U.S.C. § 6803(e)(4).
[6] 15 U.S.C. § 6803(a).
[7] 12 U.S.C. § 1843(k)(4(B).

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represents a positive step toward achieving the goals Congress established in the Regulatory Relief Act. A model form should facilitate the ability of consumers to better comprehend and compare financial institutions' privacy policies and practices.

To enable life insurers to use the Model Form proposed by the Agencies, ACLI believes that the Agencies need to take into account unique aspects of life insurers' information collection and sharing practices as well as the fact that life insurers must accommodate various state privacy and disclosure requirements that differ from the GLB Act requirements. The Model Form and proposal currently do not provide flexibility to permit life insurers to address their unique practices or varying state requirements.

In addition, the GLB Act eliminated the walls between banking, securities, and insurance by allowing the merger of these types of businesses under a single holding company. The privacy notices required under Section 503(a) of the GLB Act should not create barriers to these entities working together, since the GLB Act was clearly intended to permit and foster such activity. Therefore, privacy notices that accommodate this type of holding company should be permitted, and given safe harbor under the Agencies' rules, so that life insurers that are part of diversified financial institution holding companies are permitted to use a single uniform privacy notice that reflects the privacy policies of the affiliated group of companies.

Accordingly, ACLI urges the Agencies to permit life insurers that use the Model Form with the prescribed format: (i) to make limited modifications to the language, by omitting inapplicable provisions, or adding additional bullets, boxes, or footnotes; or (ii) to include supplemental materials with the Model Form to make their notices accurately reflect life insurance industry practices and comply with state insurance privacy laws, without losing the safe harbor. In addition, ACLI urges the regulators to modify certain parts of the Model Form to make specific generic changes, generally applicable to financial institutions, to also make the form more reflective of life insurance industry practices and state insurance privacy laws. ACLI's views regarding parts of the Model Form in connection with which life insurers should be permitted to make modifications and our specific recommended language changes are explained below. The recommended language changes are also reflected in the attached mark-up of the Model Form. By permitting limited modifications and making certain language changes to the Model Form, the Agencies will enable life insurers to make use of the Model Form and facilitate the ability of life insurers that are part of diversified holding companies to use a single notice, in line with the clear intent of the GLB Act.

In addition, ACLI believes that in certain instances, the proposal imposes operational burdens that appear to be unnecessary to achieving the goals Congress established in the Regulatory Relief Act. Providing life insurers and other financial institutions with additional operational flexibility, as discussed below, will enhance the usefulness of the Model Form without diminishing its importance and value to consumers.

Under the Agencies' current GLB Act privacy regulations, financial institutions obtain a safe harbor by using the sample clauses set forth in the regulations. The Agencies propose to eliminate this safe harbor after a one-year transition date. ACLI strongly objects to the elimination of the safe harbor for institutions that use the sample clauses.

As the Agencies are aware, the GLB Act assigns jurisdiction over insurers to the state insurance authorities. A majority of states have adopted laws and regulations that are substantially similar to the language adopted by the Agencies in their GLB Act regulations. Generally, state regulations provide a safe harbor similar to that provided by the Agencies in their current regulations.

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Life insurers and other financial institutions have invested significant resources in fine-tuning their privacy notices to comply with the GLB Act, the Agencies' rules, and related state laws, where applicable. If the Agencies have deemed notices to be in compliance with the GLB Act because they used the sample clauses the Agencies developed, it seems that the notices should continue to be deemed to be in compliance -- regardless of the fact that the Agencies have developed a Model Form. Because use of the Model Form is voluntary, there is no reason why the Agencies should punish a financial institution that chooses not to use the Model Form. Nor should companies be forced to choose between a safe harbor under federal regulations and compliance with state privacy laws. Accordingly, ACLI urges that the Agencies maintain the existing safe harbor for institutions that use the sample clauses.

MODEL FORM

"WHAT DOES [ ] DO WITH YOUR PERSONAL INFORMATION?"

Page one of the Model Form permits a financial institution to include the name of the financial institution or the group of affiliated institutions providing the notice. ACLI strongly agrees that affiliated institutions should be permitted to adopt a single privacy notice. However, in view of the limited space provided and the fact that in many instances the names of affiliates are not similar, ACLI believes that consumers may not understand which institutions are sending the Model Form. To reduce the likelihood of this occurring, ACLI believes that financial institutions should be permitted to indicate on the Model Form the names of the affiliated institutions covered by the policy without losing the safe harbor. This could be accomplished through the use of a footnote or a listing on the reverse side of the Model Form.

"WHAT?"

Information Collected

On page one of the Model Form, the section entitled "What?" sets out the types of information financial institutions collect and share. Financial institutions are not permitted to change the language appearing in this section. In order for this section to accurately reflect the types of information life insurers collect, ACLI urges that they be permitted to include additional bullets that reflect types of information they collect and to delete inapplicable bullets without losing the safe harbor. For example, life insurers should be permitted to add a bullet relating to medical information since life insurers collect medical information to perform fundamental life insurance business functions, such as underwriting and claims evaluations.

In order to reflect the practices of the insurance industry, ACLI also recommends the following specific adjustments to this section:

A new bullet should be added to read as follows:

- <u>information to establish your eligibility for our products and services</u>

The current second bulleted phrase should be changed to read as follows:

- account balances or payment <u>or transaction</u> history

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In addition, ACLI suggests that the term "credit history," used in this section, be replaced by the term "consumer report." Credit history is a narrow term and does not convey the range of personal information that institutions may collect and share. ACLI believes that use of the term consumer report will better reflect the practices of the life insurance industry than credit history.

Closed Accounts

On page one of the Model Form, the section entitled "What?" also contains a statement to the effect that the institution continues to share information about a customer after the customer closes the account. Because customers generally do not have "accounts" with life insurers, ACLI recommends that the phrase be changed to read as follows:

> When you are no longer a customer ~~close your account~~, we continue to share . . .

Additionally, ACLI believes that the statement relating to former customers is in the incorrect place on the Model Form. We suggest that it is more appropriate that the statement be included in the section entitled "How?" That section relates to information-sharing practices rather than the type of information collected and shared. Finally, ACLI urges that life insurers and other financial institutions not be required to provide the statement regarding sharing of information relating to former customers if the company does not share information after a customer relationship is terminated.

"How"

ACLI suggests that "such as" be used in the section entitled "How?" as follows:

> All financial companies need to share customers' personal information to run their everyday business – such as to process transactions . . .

Use of the phrase "such as" will indicate to consumers that not all companies use personal information for all the purposes presented.

In addition, in the section entitled "How" and throughout the balance of the Model Form, ACLI believes that the term "credit bureaus" may be too limiting. Instead, we suggest use of the term "consumer reporting agencies" which would include entities that maintain personal information that is not related to credit, such as medical information that life insurers share with the Medical Information Bureau.

"Reasons we can share your personal information"

ACLI believes it is very important to ensure that the information contained in the disclosure table, on page one of the Model Form, accurately reflects a life insurer's sharing practices. However, life insurers and other financial institutions are not permitted to change the language appearing in this disclosure table. ACLI is concerned that the current list of reasons for sharing personal information and the permitted "yes" or "no" responses, in the columns relating to whether the company shares and whether the consumer can limit the sharing, will not permit life insurers to inform consumers about important aspects of their particular privacy policies or to reflect unique state requirements with respect to the disclosure of consumer information.

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For example, the disclosure table does not take permit life insurers to inform consumers of special disclosure practices they may have in connection with medical information or to take into account unique state opt-in or opt-out requirements with respect to certain sharing of personal information. Also, the column entitled "Does [name] share?" permits only a "yes" or "no" answer. However, a life insurer may wish to inform consumers that it shares nonpublic personal information with certain affiliates or types of institutions rather than with all affiliates or all types of institutions.

Accordingly, ACLI urges that life insurers be permitted to modify the disclosure table so that it accurately reflects life insurers' practices and unique state privacy laws without losing the safe harbor. Providing added flexibility will result in additional clarity for consumers and will not weaken the goal of making privacy disclosures clear and understandable.

In addition, ACLI believes that certain specific minor changes to the language of the disclosure table will enhance consumer understanding of the information presented and more accurately reflect the information sharing practices of the life insurance industry. Accordingly, we suggest that the first block be adjusted read as follows:

> For our everyday business purposes – such as to process your transactions, maintain your account, and report to consumer reporting agencies.

Again, use of the phrase "such as" is suggested to clarify that not all companies use personal information for all the purposes presented.

In addition, for the reasons discussed above, ACLI believes that the term "consumer reporting agencies" should be substituted for the term "credit bureaus" in the first block.

In the fourth block of the disclosure table, relating to disclosures to affiliates for everyday business purposes, ACLI believes that the use of the term "creditworthiness" may not accurately reflect the type of information that may be shared by life insurers with affiliates. ACLI recognizes the term "creditworthiness" is a short-hand way of describing information other than information relating to the customer's transactions and experiences with the institution. However, ACLI suggests that the term "creditworthiness" may be too expansive and may prove confusing to consumers, because it may connote information relating to the customer's transactions, such as payment history. Accordingly, we recommend that the language be changed to the following:

> For our affiliates' everyday business purposes – information other than information about your transactions and experiences with us ~~creditworthiness~~

In the fifth and sixth blocks of the disclosure table, relating to sharing of personal information with affiliates and nonaffiliates for marketing purposes, it is not clear that the blocks are intended to be applicable to sharing for purposes of marketing the affiliates' and nonaffiliates' products only. Accordingly, we suggest that the language of the fifth and sixth block be adjusted respectively to read as follows:

> For our affiliates to market their products to you
>
> For our nonaffiliates to market their products to you

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"CONTACT US"

The section on the bottom of page one of the Model Form entitled "Contact Us" provides for financial institutions to enter a telephone number or an Internet web address. In some instances, institutions wish consumers to contact them only by mail or by electronic means. In addition, many institutions wish also to provide a physical or electronic mailing address for consumers. Accordingly, ACLI urges that the Agencies not require life insurers or other financial institutions to provide a telephone number or Internet web address if these options are not offered and that institutions also be permitted to provide a physical or electronic mailing address as a point of contact.

"SHARING PRACTICES"

Notification

The Agencies indicate that the language contained on page two of the Model Form under "Sharing practices" may not be changed. However, life insurance companies issue policies to customers. They do not typically open accounts. Modification of the language in the first section, entitled "How often does [ ] notify me about their practices?" to reflect insurance industry practices will not alter the meaning of the section and will take into account life insurers' practices. Accordingly, ACLI suggests that the language be modified to read as follows:

> We must notify you about our sharing practices when you <u>become a customer</u> ~~open an account~~ and each year while you are a customer

Protection

The response required for the question relating to how a financial institution protects personal information may not reflect actual practices of life insurers and other financial institutions. Accordingly, ACLI recommends that the provision be modified to read as follows:

> To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer <u>and physical</u> safeguards<u>.</u> ~~and secured files and buildings~~

Collection

ACLI is concerned that the responses to the question "How does [ ] collect my personal information?" do not reflect the reasons for which life insurers collect personal information. For example, one of the responses states that a company collects personal information when the customer opens an account or deposits money. It is likely that consumers will have little understanding of how that response applies to a customer's relationship with a life insurer because customers do not open accounts or deposit money with life insurers.

Accordingly, ACLI urges that, without losing the safe harbor, life insurers be permitted to delete bullets that do not describe reasons for which life insurers collect personal information and to add bullets that accurately reflect the reasons for which life insurers do collect personal information. The following are examples of bullets that life insurers should be permitted to use:

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- request or use a product, service, or account
- apply for insurance or benefits

Limitation of sharing

Use of the term "creditworthiness" in the first bullet in response to the question "Why can't I limit all sharing" is potentially confusing and may cause consumers to believe that federal law grants them the right to limit a life insurer's ability to share information relating to their transactions and experiences with an affiliate. Accordingly, in order to more accurately reflect the types of information that come within this category, we recommend modification of the bullet to read as follows:

- affiliates' everyday business purposes - information other than information about your transactions and experiences with us. ~~creditworthiness~~

Also, the next two bullets in response to the question "Why can't I limit all sharing?" are not entirely correct since federal law permits a life insurer or other financial institution to use an affiliate or a nonaffiliate to market its products and services. Accordingly, ACLI urges that these bullets be clarified to read as follows:

- affiliates to market their products to you
- nonaffiliates to market their products to you

ACLI also points out that it may be confusing to consumers to have a FAQ entitled "Sharing practices" that addresses a number of other issues. In particular, the collection of information would appear to be inappropriately placed in the "sharing practices" section. Accordingly, ACLI recommends that the section be given another name, or at a minimum, that the FAQ regarding information collection be moved to a more appropriate section.

"IF YOU WANT TO LIMIT OUR SHARING"

30-Day Delay

The sentence on page three of the Model Form, at the bottom of the box entitled "Contact Us," may be read to require institutions to delay sharing a consumer's personal information for 30 days from the date specified on the Model Form. Because the Model Form will be sent each year, this would require life insurers and other financial institutions to cease sharing nonpublic personal information for 30 days each year. ACLI believes that this is neither what the Agencies' regulations require, nor what the Agencies intended in the Model Form.

Accordingly, ACLI requests modification to indicate that the 30-day waiting period applies only to the initial GLB opt-out opportunity provided to consumers. ACLI suggests the following language:

> Unless we hear from you, we can begin sharing your information 30 days from the date of ~~this letter~~ our first notice providing you the opportunity to limit our sharing. However, you can contact us at any time to limit our sharing.

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"CHECK YOUR CHOICES"

ACLI again is concerned that the inflexible structure of the opt-out choices will not provide life insurers the ability to provide opt-out choices that reflect their particular sharing policies and unique state laws. For example, a life insurer may wish to provide a partial opt-out, as explained below. Accordingly, ACLI urges that life insurers and other financial institutions be permitted, without losing the safe harbor, to adjust the opt out choices as necessary to accurately reflect an institution's particular practices. This will enhance, not weaken, the goal of making the opt out choices more clear and accurate.

Sharing with affiliates for everyday purposes

Further, ACLI is concerned that the opt out choices presented on page 3 of the Model Form may not accurately reflect the opt out opportunities provided by the FCRA. ACLI believes that the use of the term "creditworthiness" in the first choice is potentially confusing because customers may believe that the opt out choice also applies to information relating to their transactions with the company. ACLI suggests that the first opt out choice be changed to read as follows:

> Do not share with your affiliates for their everyday business purposes information other than information about my transactions and experiences with you. ~~with your affiliates for their everyday business purposes~~

Sharing with affiliates for marketing

ACLI is concerned that the second opt out choice is not accurate because it does not indicate that a company may use information obtained from an affiliate for marketing purposes if the consumer is a customer of both companies and for other reasons specified in the Fair Credit Reporting Act. As proposed, consumers may believe that the opt out permits them to prevent all affiliates from using information for marketing purposes. Accordingly, ACLI believes that the option should be modified to read as follows:

> Do not allow your affiliates with whom I do not do business to use my personal information to market to me.

Many financial institutions maintain the policy that if a customer chooses not to permit an affiliate to use personal information for marketing purposes, the opt out will continue until rescinded by the customer and need not be renewed. Accordingly, ACLI requests that the Agencies clarify that the sentence on page 3 of the Model Form regarding the need to renew this opt out after five years need not be provided if the institution's policy is to continue the opt out until the customer chooses to withdraw it.

Partial Opt-out

The Agencies' GLB Act regulations provide that financial institutions may permit a consumer to select certain nonpublic personal information or certain nonaffiliated third parties with respect to which the consumer wishes to opt-out. The Model Form does not appear to permit institutions to offer partial opt-outs to consumers. In view of the fact that the Agencies' existing regulations permit such an option, ACLI requests that the Model Form permit life insurers and other financial institutions to provide consumers with the opportunity to select certain nonpublic personal information or certain nonaffiliated third parties with respect to which the consumer wishes to opt-out.

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Account Number

ACLI suggests that the reference to "Account Number" at the bottom of the opt out form be adjusted to reference an identifying number, that would include either an account or a policy number, since life insurers' customers are issued policies rather than accounts.

OPERATIONAL CONSIDERATIONS

FLESCH SCORE/FONT SIZE

ACLI is concerned that the Model Form does not meet the Flesch Score of 50 required in the state of California with respect to insurers' privacy notices. There also is concern that the Model Form may not meet certain state requirements relating to font size. Accordingly, ACLI urges that the Agencies adjust the Model Form so that it meets the California Flesh Score requirement or that insurers be granted the flexibility to adjust the form as necessary to meet the requirement. ACLI also urges that insurers be permitted to adjust the font size to meet any applicable state requirements.

PAPER SIZE

The Agencies require financial institutions to print the Model Form on 8 ½" by 11" paper. ACLI believes that specification of the paper size is not necessary to accomplish Congress's objectives with respect to the Model Form as set forth in the Regulatory Relief Act. To date, ACLI member companies have not received complaints regarding the size of the paper on which their privacy policies are printed. Accordingly, ACLI recommends that the Agencies permit financial institutions to print the Model Form on whatever size paper they believe is appropriate given an institution's particular circumstances.

NUMBER OF PAGES

The Agencies require that the Model Form must appear on two separate pages. If an opt-out is provided, the opt-out form must be on a third page. The Agencies indicate that separate pages are required because testing has indicated that consumers have a preference for notices that enable them to view the information on pages one and two side-by-side. ACLI believes that the evidence regarding consumer preference does not outweigh the significant increase in expenses life insurers and other financial institutions will incur as a result of increased costs for paper, handling and processing. The Agencies' research did not indicate any significant increase in consumer comprehension and usability. Indeed, the Agencies' notice states that their research concluded that page one of the Model Form alone was adequate for consumer comprehension and usability.[8] Accordingly, ACLI requests that the Agencies not adopt the requirement that the Model Form be printed on separate pages.

DELIVERY

The Agencies indicate that institutions will not be permitted to incorporate the Model Form into any other document. It is unclear whether the Model Form may be sent to customers in a mailing that contains other material. Nonetheless, ACLI believes that such limitations are inappropriate and unnecessary. The Agencies cite no evidence to support the position that including the Model Form with other material in a mailing will dilute its effectiveness. Moreover, as indicated above, ACLI believes it is very important that life insurers to be permitted to include supplemental materials with the Model

[8] 72 *Fed. Reg.* at 14944.

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Form if necessary to make the notice accurately reflect life insurance industry practices and to comply with state privacy laws that differ from the GLB Act requirements. Also, including the Model Form with another important document, such as a periodic statement, will underscore the importance of the Model Form to consumers. Requiring that the privacy notice be sent in a separate mailing will add considerable expense with no demonstrable and possible diminution of its benefit to consumers. Accordingly, ACLI urges that the Agencies permit financial institutions to include other information in the mailing that contains the Model Form without losing the safe harbor.

Insurers often provide customers with privacy notices as part of a document or brochure that describes the terms and features relating to the customer's insurance policy or annuity. Customers review and retain these documents because they are important documents. For example, companies that are required to provide a prospectus to customers in connection with certain types of insurance products generally include the privacy notice in the prospectus. Because of their importance and comprehensiveness, consumers typically review and retain these booklets or documents. Permitting the Model Form to be part of a comprehensive relationship document will not adversely affect the goals set forth in the Regulatory Relief Act. Indeed, permitting the form to be part of an important relationship document will focus attention on the notice and help ensure that it will be read by customers. It also ensures that the Model Form will be delivered to customers and will not inadvertently be omitted from among other documents provided to consumers at the time they become customers. Accordingly, ACLI requests that the Agencies permit institutions to incorporate the Model Form into a document that includes other material relating to the customer's relationship with the institution.

NOTICE OF CHANGES

Life insurers and other financial institutions typically notify consumers of changes to their privacy policies in annual privacy notices. The Agencies have requested comment on whether they should require financial institutions to highlight changes in their policies as part of the Model Form. ACLI believes that such a requirement will result in consumer confusion and is unnecessary. Requiring institutions to highlight changes in their privacy policies would be meaningful only if consumers are informed as to what the previous policies were. Moreover, requiring that this additional information be provided is inconsistent with the objective of providing privacy policies in a clear, straightforward manner that consumers can easily understand. Highlighting changes will make the Model Form unnecessarily complex and confusing to customers.

LOGOS AND COLOR

The Agencies ask whether financial institutions will use corporate logos and color in connection with the Model Form. Financial institutions use corporate logos to provide a consistent corporate identity that customers easily recognize and identify with. The use of color and logos increases the likelihood that customers will read the information the institution provides. Accordingly, ACLI supports the ability of life insurers and other financial institutions to use logos and color on the Model Form.

TESTING

The Agencies indicate they plan to test the next version of the Model Form with consumers. ACLI recommends that the Agencies also convene an advisory group composed of representatives of life insurers and other financial institutions with expertise in privacy matters to review the Model Form and advise on whether the next version provides useful information to consumers, is understandable, and conveys meaningful information in a clear manner.

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NOTICES ON WEBSITES

The Agencies indicate that if an institution posts a pdf version of the Model Form on its Internet websites it may come within the Agencies' safe harbor. The Agencies ask whether a web-based design should be developed. ACLI believes that a web-based Model Form would prove convenient to consumers because it would not require them to open a pdf document to view an institution's privacy policy. Consumers can review a web-based privacy policy by clicking on the appropriate web page. Accordingly, ACLI requests that life insurers and other financial institutions be permitted to develop and use a web-based design on their websites.

* * *

To enable life insurers to use the Model Form, the unique aspects of their information collection and sharing practices as well as various state privacy and disclosure requirements must be taken into account. This is particularly the case for life insurers that are part of diversified holding companies. Accordingly, ACLI urges: (i) the Agencies to permit life insurers to make limited modifications to the Model Form or to include supplemental materials with the Model Form, to reflect the unique aspects of the life insurance industry and state privacy laws, without losing the safe harbor, and (ii) that the Agencies make specific language changes to the Model Form, as discussed above, so that diversified holding companies that include life insurers may use a single notice, in line with the clear intent of the GLB Act.

ACLI appreciates the opportunity to provide its comments on the proposed Model Form and appreciates your consideration of its views. If you have any questions, please do not hesitate to contact me

Sincerely,

Roberta Meyer

Attachment

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ATTACHMENT

FACTS	WHAT DOES [name of financial institution] DO WITH YOUR PERSONAL INFORMATION?

Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: • information to establish your eligibility for our products and services; • Social Security number and income • account balances or payment or transaction history • consumer report ~~credit history~~or credit scores When you are no longer a customer~~close your account~~ we continue to share information about you according to our policies.
How?	All financial companies need to share customers' personal information to run their everyday business, such as to process transactions, maintain customer accounts, and report to consumer reporting agencies~~credit bureaus~~. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons [name of financial institution] chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does [name of financial institution] share?	Can you limit sharing?
For our every day business purposes - - such as to process your transactions, maintain your account, and report to ~~credit bureaus~~ consumer reporting agencies		
For our marketing purposes - - to offer our products and services to you		
For joint marketing with other financial companies		
For our affiliates' everyday business purposes - information about your transactions and experiences		
For our affiliates' everyday business purposes - Information other than information about your ~~creditworthiness~~ transactions and experiences with us		
For our affiliates to market their products to you		
For nonaffiliates to market their products to you		

Contact Us	[applicable means of contact] ~~Call or go to [web address]~~

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FACTS	WHAT DOES [name of financial institution] DO WITH YOUR PERSONAL INFORMATION?

Sharing practices	
How often does [name of financial institution] notify me about their practices	We must notify you about our sharing practices when you become a customer ~~open an account~~and each year while you are a customer.
How does [name of financial institution] protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer and physical safeguards~~ and secured files and buildings~~.
How does [name of financial institution] collect my personal information	[Option for life insurers] We collect your personal information, for example, when you • apply for insurance or benefits • request or use a product, service or ~~open an~~ account ~~or deposit money~~ • buy or sell securities~~, pay your bills or apply for a loan~~ • ~~use your credit or debit card~~ We also collect your personal information from others such as consumer reporting agencies, ~~credit bureaus,~~ affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit sharing only for • affiliates' everyday business purposes – information other than information about your transactions and experiences with us ~~creditworthiness~~ • affiliates to market their products to you • nonaffiliates to market their products to you State laws and individual companies may give you additional rights to limit sharing.
Definitions	
Everyday business purposes	The actions necessary by financial companies to run their business and manage customer accounts, such as: • processing transactions, mailing, and auditing services • providing information to consumer reporting agencies ~~credit bureaus~~ • responding to court orders and legal investigations
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. • [affiliate information]
Nonaffiliates	Companies not related by common ownership or control. They can be financial or nonfinancial companies. • [nonaffiliated information]
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you • [joint marketing]

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FACTS	WHAT DOES [name of financial institution] DO WITH YOUR PERSONAL INFORMATION?

If you want to limit our sharing	
Contact us	By telephone [toll-free telephone] – our menu will prompt you through your choices On the web: [web address] By mail: mark your choices below, fill in and send from to [mailing address] Unless we hear from you, we can begin sharing your information 30 days from the date of our first notice providing you the opportunity to limit our sharing~~this letter~~. However, you can contact us at any time to limit our sharing.

Check your choices			
Your choices will apply to everyone on your accou	**Check any/all you want to limit:** *(see page 1)* ☐ Do not share with your affiliates for their everyday business purposes information, other than information about my transactions and experiences with you~~creditworthiness with your affiliates for their everyday business purpose~~. ☐ Do not allow your affiliates with whom I do not do business to use my personal information to market to me. *(I will receive a renewal notice for this use for marketing in 5 years.)* ☐ Do not share my personal information with nonaffiliates to market their products and services to me.		
	Your name		Mail to: [mailing address]
	Your address		
	[Identifying Number] e.g. Account, Policy		

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