

115TH CONGRESS
2D SESSION

H. R. 6743

To amend the Gramm-Leach-Bliley Act to provide a national standard for financial institution data security and breach notification on behalf of all consumers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 7, 2018

Mr. LUETKEMEYER introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Gramm-Leach-Bliley Act to provide a national standard for financial institution data security and breach notification on behalf of all consumers, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Consumer Information
5 Notification Requirement Act”.

6 **SEC. 2. BREACH NOTIFICATION STANDARDS.**

7 Section 501 of the Gramm-Leach-Bliley Act (15
8 U.S.C. 6801) is amended—

1 (1) in subsection (b)(3) by striking the period
2 at the end and inserting “, including through the
3 provision of a breach notice in the event of unau-
4 thorized access that is reasonably likely to result in
5 identity theft, fraud, or economic loss.”; and

6 (2) by adding at the end the following:

7 “(c) STANDARDS WITH RESPECT TO BREACH NOTI-
8 FICATION.—Each agency or authority required to estab-
9 lish standards described under subsection (b)(3) with re-
10 spect to the provision of a breach notice shall establish
11 the standards with respect to such notice that are con-
12 tained in the interpretive guidance issued by the Comp-
13 troller of the Currency, the Board of Governors of the
14 Federal Reserve System, the Federal Deposit Insurance
15 Corporation, and the Office of Thrift Supervision titled
16 ‘Interagency Guidance on Response Programs for Unau-
17 thorized Access to Customer Information and Customer
18 Notice’, published March 29, 2005 (70 Fed. Reg. 15736),
19 and for a financial institution that is not a bank, such
20 standards shall be applied to the institution as if the insti-
21 tution was a bank to the extent appropriate and prac-
22 ticable.

23 “(d) INSURANCE.—

24 “(1) ENFORCEMENT.—Notwithstanding section
25 505(a)(6), with respect to an entity engaged in pro-

1 viding insurance, the standards under subsection (b)
2 shall be enforced—

3 “(A) with respect to any such standards
4 related to data security safeguards, by—

5 “(i) the State insurance authority of
6 the State in which the entity is domiciled;
7 or

8 “(ii) in the case of an insurance
9 agent, agency, or brokerage, the State in-
10 surance authority of the State in which
11 such agent, agency, or brokerage has its
12 principal place of business; and

13 “(B) with respect to any such standards
14 related to notification of the breach of data se-
15 curity, by the State insurance authority of any
16 State in which customers of the entity are af-
17 fected by such a breach of data security.

18 “(2) NOTIFICATION BY ASSUMING INSURER.—

19 “(A) IN GENERAL.—Notwithstanding sub-
20 section (b), an assuming insurer that experi-
21 ences a breach of data security shall only be re-
22 quired to notify the State insurance authority
23 of the State in which the assuming insurer is
24 domiciled.

1 “(B) ASSUMING INSURER DEFINED.—For
2 purposes of this paragraph, the term ‘assuming
3 insurer’ means an entity engaged in providing
4 insurance that acquires an insurance obligation
5 or risk from another entity engaged in pro-
6 viding insurance pursuant to a reinsurance
7 agreement.

8 “(3) SAFEGUARDS FOR INSURANCE CUS-
9 TOMERS.—In carrying out subsection (b) with re-
10 spect to an entity engaged in providing insurance, a
11 State insurance authority shall establish the stand-
12 ards for safeguarding customer information main-
13 tained by entities engaged in activities described in
14 section 4(k)(4)(B) of the Bank Holding Company
15 Act of 1956 (12 U.S.C. 1843(4)(k)(4)(B)) that are
16 the same as the standards contained in the inter-
17 agency guidelines issued by the Comptroller of the
18 Currency, the Board of Governors of the Federal
19 Reserve Board, the Federal Deposit Insurance Cor-
20 poration, and the Office of Thrift Supervision titled
21 ‘Interagency Guidelines Establishing Standards for
22 Safeguarding Customer Information’, published Feb-
23 ruary 1, 2001 (66 Fed. Reg. 8633), and such stand-
24 ards shall be applied as if the entity engaged in pro-

1 viding insurance was a bank to the extent appro-
2 priate and practicable.”.

3 **SEC. 3. PREEMPTION WITH RESPECT TO FINANCIAL INSTI-**
4 **TUTION SAFEGUARDS.**

5 Section 507 of the Gramm-Leach-Bliley Act (15
6 U.S.C. 6807) is amended to read as follows:

7 **“SEC. 507. RELATION TO STATE LAWS.**

8 “(a) IN GENERAL.—This subtitle preempts any law,
9 rule, regulation, requirement, standard, or other provision
10 having the force and effect of law of any State, or political
11 subdivision of a State, with respect to securing personal
12 information from unauthorized access or acquisition, in-
13 cluding notification of unauthorized access or acquisition
14 of data.

15 “(b) INSURANCE.—Subsection (a) shall not prevent
16 a State or political subdivision of a State from establishing
17 the standards for entities engaged in providing insurance
18 required by sections 501(c) and 501(d), provided the
19 standards established by such State or political subdivision
20 do not impose any requirement that is in addition to or
21 different from those standards, except where necessary to
22 effectuate the purposes of this subtitle.”.

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