



January 12, 2021

ND Senate Industry, Business and Labor Committee

ND SB 2075

The American Property Casualty Insurance Association (APCIA) is composed of over 1,200 member companies and 330 insurance groups and represents the broadest cross-section of home, auto, and business insurers of any national insurance trade association. In North Dakota, APCIA member insurers provide almost 69 percent of all the insurance purchased by the state's citizens and businesses.

We urge you not to support SB 2075 as it poses information privacy and security questions for regulators and insurers, which we believe cannot be fully answered yet.

Specifically, new subsection 2 [26.1-02-330] eliminates the ability of an insurer to "restrict the insured from using third-party software to access policy, endorsement, or other policy-related information."

Of primary concern to insurers is this provision which seems to guarantee that we must grant access to policy related information to third-parties regardless of their purpose in accessing the information. Perhaps even more important is that these third-parties may pose viral security threats which could undermine insurer's technological capacities by avoiding or evading the insurers' security protocols. Yet insurers would, if this bill became law, ostensibly be proscribed from stopping them.

Are there to be any disclosure obligations or regulation of these third-parties?

Will the Department of Insurance have access to their operational protocols?

Will the Insurance Commissioner be empowered to regulate them?

These are the questions, and they are important ones, for which there do not seem to be ready answers.

Therefore, we ask you to oppose this legislation.

Thank you.

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