



American Insurance Association

2101 L Street NW  
Suite 400  
Washington, DC 20037  
202-828-7100  
Fax 202-293-1219  
www.aiadc.org

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SUBMITTED ELECTRONICALLY  
Federal Trade Commission  
600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20580

**Re: Preliminary FTC Staff Report, December 2010  
Protecting Consumer Privacy in an Era of Rapid Change**

Dear Sir/Madam:

The American Insurance Association (AIA) appreciates the opportunity to comment on the Federal Trade Commission's (FTC) preliminary staff report (preliminary report) entitled "Protecting Consumer Privacy in an Era of Rapid Change." While the FTC does not have direct jurisdiction over the business of insurance, AIA is concerned that the preliminary report, if not modified, may be read as establishing a standard for all companies.

Concerns with the scope of the preliminary report were raised in a public forum last month. Staff of the FTC Division of Privacy and Identity Protection described the intent of the framework as "a gap filler for companies that are not subject to" the Gramm-Leach Bliley Act (GLBA) or to the Fair Credit Reporting Act (FCRA). AIA strongly urges the FTC to explicitly clarify the scope of the preliminary report consistent with that response. Financial institutions are subject to existing federal laws like GLBA and FCRA as well as to a multitude of state laws and regulations, which provide a robust privacy framework and document retention requirements applicable to their industry. The current system embedded in these laws and regulations recognizes extensive and practical day-to-day operational issues (including, but not limited to, common practices like: handling claims in litigation, fraud investigations, dealing with those with a legal or beneficial interest) that are part of business relationships with financial institutions. Including financial services in the scope of the preliminary report may not only call into question the paper's role to the extent it is inconsistent with the current governing regulatory requirements, but it may be disruptive to financial institutions' privacy framework and have unintended consequences.

Further with respect to scope, the preliminary report generally seems to focus on internet and online transactions. Perhaps this should be made explicit given that some of the concepts do not seem to lend themselves to brick-and-mortar interactions.

Thank you for your consideration.

Respectfully submitted,

/s/

Angela Gleason  
Associate Counsel

/s/

Catherine Paolino  
Senior Counsel