

## Union Calendar No. 849

115<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 6743

[Report No. 115–1097]

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.

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### IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 7, 2018

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

DECEMBER 21, 2018

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italics]

[For text of introduced bill, see copy of bill as introduced on September 7, 2018]

# **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 U.S.C.*  
8 *6801) is amended—*

9            *(1) in subsection (b)(3) by striking the period at*  
10 *the end and inserting “, including through the provi-*  
11 *sion of a breach notice in the event of unauthorized*  
12 *access that is reasonably likely to result in identity*  
13 *theft, fraud, or economic loss.”; and*

14            *(2) by adding at the end the following:*

15        *“(c) STANDARDS WITH RESPECT TO BREACH NOTIFI-*  
16 *CATION.—Subject to section 504(a)(2) and sections 505(b)*  
17 *and 505(c), within 6 months after the date of enactment*  
18 *of this subsection, each agency or authority required to es-*  
19 *tablish standards described under subsection (b)(3) with re-*  
20 *spect to the provision of a breach notice shall ensure that*  
21 *such standards are in compliance with subsection (b).*

22        *“(d) INSURANCE.—*

23            *“(1) ENFORCEMENT.—Notwithstanding section*  
24 *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 re-*  
4 *lated 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 agen-*  
9 *cy or brokerage, the State insurance author-*  
10 *ity of the State in which such agency or*  
11 *brokerage has its principal place of busi-*  
12 *ness; and*

13 *“(B) with respect to any such standards re-*  
14 *lated to notification of the breach of data secu-*  
15 *rity, by the State insurance authority of any*  
16 *State in which customers of the entity are af-*  
17 *ected 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 experiences*  
21 *a breach of data security shall only be required*  
22 *to notify the State insurance authority of the*  
23 *State in which the assuming insurer is domi-*  
24 *ciled.*

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 providing  
6           insurance pursuant to a reinsurance agreement.

7           “(3) *SAFEGUARDS FOR INSURANCE CUS-*  
8           *TOMERS.*—In carrying out subsection (b) with respect  
9           to an entity engaged in providing insurance, a State  
10          insurance authority shall establish the standards for  
11          safeguarding customer information maintained by en-  
12          tities engaged in activities described in section  
13          4(k)(4)(B) of the Bank Holding Company Act of 1956  
14          (12 U.S.C. 1843(4)(k)(4)(B)) that are the same as the  
15          standards contained in the interagency guidelines  
16          issued by the Comptroller of the Currency, the Board  
17          of Governors of the Federal Reserve Board, the Fed-  
18          eral Deposit Insurance Corporation, and the Office of  
19          Thrift Supervision titled ‘Interagency Guidelines Es-  
20          tablishing Standards for Safeguarding Customer In-  
21          formation’, published February 1, 2001 (66 Fed. Reg.  
22          8633), and such standards shall be applied as if the  
23          entity engaged in providing insurance was a bank to  
24          the extent appropriate and practicable.”.

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

3 *Section 507 of the Gramm-Leach-Bliley Act (15 U.S.C.*  
4 *6807) is amended to read as follows:*

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

6 *“(a) IN GENERAL.—This subtitle preempts any law,*  
7 *rule, regulation, requirement, standard, or other provision*  
8 *having the force and effect of law of any State, or political*  
9 *subdivision of a State, with respect to a financial institu-*  
10 *tion or affiliate thereof securing personal information from*  
11 *unauthorized access or acquisition, including notification*  
12 *of unauthorized access or acquisition of data.*

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



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