

**Testimony of State Farm Mutual Insurance Company**  
**In Opposition to LD 1977**  
**An Act To Create the Data Privacy and Protection Act**  
**Public Hearing- October 17, 2023**

Senator Carney, Representative Moonen and distinguished members of Joint Standing Committee on Judiciary:

My name is Ben Gilman. I am an attorney with Drummond Woodsum in Portland, and I represent State Farm Mutual Insurance Company. State Farm is the largest property and casualty insurer in the United States. Thank you for this opportunity to offer testimony in opposition to LD 1977, An Act To Create the Data Privacy and Protection Act.

State Farm Mutual Insurance Company takes customer privacy very seriously and protects all customer data. LD 1977, while well intentioned, is a very broadly written law that doesn't take into consideration a number of factors regarding protections already in place safeguarding customer privacy in the insurance industry. The insurance industry is already comprehensively regulated at the federal and state level protecting consumer's privacy. For example, State Farm is already subject to and complies with laws regarding the protection of customer data in accordance with the Gramm-Leach-Bliley Act of 1999 (GLBA). State Farm would request that in any privacy bill that moves forward, companies and their affiliates that comply with GLBA would not be subject to a Maine specific law since they are already receiving protection under GLBA. Another example of protection of privacy is compliance with HIPPA regulations - currently there is not an exception within LD 1977 for HIPPA regulations. It is very concerning that any legislation such as this doesn't take HIPPA regulations into account. Any legislation regarding privacy protection should contain clear exceptions for GLBA and HIPPA.

Another significant concern with LD 1977 is the private right of action proposal for enforcement. A private right of action requirement would have a chilling effect in Maine and lead to undue litigation and drive up the costs of doing business in Maine which could in turn increase rates on our customers. We would request any language around the private right of action be removed.

Lastly, LD 1977 proposes an opt-out model for regulating privacy. The more widely accepted model would be an opt-in, giving the customer the choice to opt-in to the regulatory environment. We would recommend the opt-in based on regulatory consistency that is occurring in other states.

For these reasons above, we respectfully request that the Committee vote Ought Not to Pass on LD 1977. We would be pleased to provide any additional information helpful to your consideration of this bill.