

STATE OF CONNECTICUT
REGULATION
 OF

NAME OF AGENCY
 INSURANCE DEPARTMENT

SECTION 1

Safeguarding Customer Financial Information

SECTION 1

The Regulations of Connecticut State Agencies are amended by adding sections 38a-8-124 to 38a-8-126, inclusive, as follows:

(NEW) Sec. 38a-8-124. Definitions

As used in sections 38a-8-124 to 38a-8-126, inclusive, of the Regulations of Connecticut State Agencies:

- (1) “Customer” means “customer” as defined in section 38a-8-106 of the Regulations of Connecticut State Agencies.
- (2) “Customer information” means “nonpublic personal financial information” as defined in section 38a-8-106 of the Regulations of Connecticut State Agencies, about a customer, whether in paper, electronic, or other form that is maintained by or on behalf of the licensee.
- (3) “Customer information systems” means the methods used to access, collect, store, use, transmit, protect or dispose of customer information, and includes, but is not limited to, an “information processing system” as defined in section 1-267 of the Connecticut General Statutes.
- (4) “Licensee” means “licensee” as defined in section 38a-8-106 of the Regulations of Connecticut State Agencies.
- (5) “Service provider” means a person that provides services to the licensee and maintains, processes or otherwise is permitted access to customer information.

(NEW) Sec. 38a-8-125. Information Security Program

Each licensee shall implement a comprehensive written information security program that includes administrative, technical and physical safeguards for the protection of customer information that are appropriate to the size and complexity of the licensee and the nature and scope of its activities. Each information security program shall be designed to: ensure the security and confidentiality of customer information; protect against any anticipated threats or hazards to the security or integrity of customer information; and protect against unauthorized access to, or use of, customer information that could result in substantial harm or inconvenience to any customer.

(NEW) Sec. 38a-8-126. Developing and Implementing an Information Security Program

The actions and procedures described in this section are examples of methods of implementation of the requirements of section 38a-8-125 of the Regulations of Connecticut State Agencies. These examples are non-exclusive illustrations of actions and procedures that licensees may follow to implement section 38a-8-125 of the Regulations of Connecticut State Agencies.

- (1) The licensee identifies reasonably foreseeable internal or external threats that could result in unauthorized disclosure, misuse, alteration or destruction of customer information or customer information systems. The licensee assesses the likelihood and potential damage of the risks presented by the threats it has identified, taking into consideration the sensitivity of customer information. The licensee assesses the sufficiency of the policies and procedures it has in place to control the risks it has identified.
- (2) The licensee designs its information security program to control the identified risks, commensurate with the sensitivity of the information and the complexity and scope of the licensee’s activities. The licensee trains staff, as appropriate, to implement the licensee’s information security program and regularly tests or otherwise regularly monitors the key

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controls, systems and procedures of its information security program. The frequency and nature of these tests or other monitoring practices are determined by the licensee's risk assessment.

(3) The licensee exercises due diligence in selecting service providers, and requires its service providers to implement measures designed to meet the objectives of section 38a-8-125 of the Regulations of Connecticut State Agencies and takes appropriate steps to confirm that its service providers have done so.

(4) The licensee monitors, evaluates and adjusts, as appropriate, its information security program to reflect any relevant changes in technology, the sensitivity of its customer information, internal or external threats to information, and the licensee's own changing business arrangements, such as mergers and acquisitions, alliances and joint ventures, outsourcing arrangements and changes to its customer information systems.

Statement of purpose:

To establish standards for developing and implementing administrative, technical and physical safeguards to protect the security, confidentiality and integrity of customer financial information, pursuant to Sections 501, 505(b), and 507 of the Gramm-Leach-Bliley Act, codified at 15 U.S.C. 6801, 6805(b) and 6807 and section 38a-8a of the Connecticut General Statutes.

CERTIFICATION

R-39 REV. 1/77

Be it known that the foregoing:

Regulations Emergency Regulations

Are:

Adopted Amended as hereinabove stated Repealed

By the aforesaid agency pursuant to:

Section 38a-8a of the General Statutes.

Section _____ of the General Statutes, as amended by Public Act No. _____ of the _____ Public Acts.

Public Act No. _____ of the Public Acts.

After publication in the Connecticut Law Journal on, June 17, 2003 of the notice of the proposal to:

Adopt Amend Repeal such regulations

(If applicable): And the holding of an advertised public hearing on _____ day of _____ 20 _____

WHEREFORE, the foregoing regulations are hereby:

Adopted Amended as hereinabove stated Repealed

Effective:

When filed with the Secretary of the State.

(OR)

The 1st day of January, 2004.

In Witness Whereof:	DATE <u>9/5/03</u>	SIGNED (Head of Board, Agency or Commission) <u>J. Susan F. Capwell</u>	OFFICIAL TITLE, DULY AUTHORIZED INSURANCE COMMISSIONER
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Approved by the Attorney General as to legal sufficiency In accordance with Sec. 4-169, as amended, C. G. S. :	SIGNED <u>W. B. R.</u>	OFFICIAL TITLE, DULY AUTHORIZED Assoc. Atty. General
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9/17/03

Approved *

Disapproved

is approved in part, (Indicate Section Numbers disapproved only)

Rejected without prejudice.

By the Legislative Regulation Review Committee in accordance With Sec. 4-170, as amended, of the General Statutes.	DATE <u>11/25/03</u>	SIGNED (Clerk of the Legislative Regulation Review Committee) <u>Renee B. Booth</u>
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Two certified copies received and filed, and one such copy forwarded to the Commission on Official Legal Publications
In accordance with Section 4-172, as amended, of the General Statutes.

DATE	SIGNED (Secretary of the State.)	BY
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INSTRUCTION

1. One copy of all regulations for adoption, amendment or repeal, except emergency regulations, must be presented to the Attorney General for his determination of legal sufficiency. Section 4-169 of the General Statutes.
2. Seventeen copies of all regulations for adoption, amendment or repeal, except emergency regulations, must be presented to the standing Legislative Regulation Review Committee for its approval. Section 4-170 of the General Statutes.
3. Each regulation must be in the form intended for publication and must include the appropriate regulation section number and section heading. Section 4-172 of the General Statutes.
4. Indicate by "(NEW)" in heading if new regulation. Amended regulations must contain new language in capitol letters and deleted language in brackets. Section 4-170 of the General Statutes.