

**STATE OF MICHIGAN  
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

**Bulletin 2010-21-INS**

**In the matter of**

**Safeguarding Customer  
Information**

---

**Issued and entered  
this 29<sup>th</sup> day of December 2010  
by Ken Ross  
Commissioner**

**SAFEGUARDING CUSTOMER INFORMATION**

Michigan resident and non-resident insurance producers are required under Section 500.547 of the Insurance Code to “adopt policies and procedures for administrative, technical, and physical safeguards for the protection of customer records and information.” The intent of this bulletin is to emphasize the importance of protecting customers’ nonpublic personal financial information.

Under administrative rule R 500.553, producers must implement a comprehensive written information security program for the protection of customer information. Standards for developing and implementing safeguards to protect the security, confidentiality, and integrity of customer information are found in administrative rules R 500.555 – R 500.560.

Failure to have in place an appropriate security program to protect customer information and prevent unauthorized access to or use of that information is “an unfair or deceptive act or practice in the business of insurance” under Section 500.2013 that may subject a producer to disciplinary action.

The Office of Financial and Insurance Regulation makes the following recommendations to producers:

- Never just throw away old records or leave them in an abandoned office. Documents containing customer information that are discarded in trash containers create the potential for identity theft. Customer information is especially vulnerable to inadvertent disclosure when producers change office locations and records are simply discarded.
- Consult with insurance companies. Every insurance company has guidelines on how to store customer records and methods for properly disposing of those records (shredding, offsite storage, etc.).

- Periodically review your information security program and make adjustments in light of new circumstances (changes in technology, changes in the sensitivity of the customer information, new internal or external threats, etc.). Train office staff in the elements of your information security program and emphasize the need to safeguard customer information.

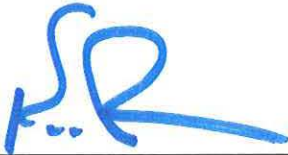
Producers are also reminded that a breach of the security of a database containing personal customer information may subject them to penalties under the Identity Theft Protection Act, MCL Section 445.61 *et seq.*

The sections of the Insurance Code, the administrative rules referenced in this bulletin, and additional information on producers' responsibilities to safeguard customer information, can be found at [www.michigan.gov/ofir](http://www.michigan.gov/ofir).

Any questions regarding this bulletin should be directed to:

Office of Financial and Insurance Regulation  
Consumer Services Division  
Market Conduct Section  
611 West Ottawa Street  
P.O. Box 30220  
Lansing, Michigan 48909-7720

Toll Free: (866-999-6442)



---

Ken Ross  
Commissioner