

ICI and Others File Friend of the Court Brief in Support of National Privacy Standard, August 2004

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Washington, DC, August 9, 2004 - The Investment Company Institute, together with the Securities Industry Association, the Investment Counsel Association of America, the American Insurance Association, the American Council of Life Insurers, and the National Business Coalition on E-Commerce and Privacy, today is filing an [amicus brief in a case before the Ninth Circuit Court of Appeals](#). The brief expresses support for a uniform federal standard that was established by the Fair Credit Reporting Act (FCRA) in 1996 and reaffirmed in 2003 to govern the protection of consumer privacy interests when financial institutions share customer information with affiliated companies.

“When Congress enacted the 1996 and 2003 amendments to FCRA it did so because it recognized that a single national standard, as opposed to a quilt-like patchwork of state and local regulations, was beneficial to consumers for the protection of privacy and delivery of services,” said ICI President Paul Schott Stevens. “The brief we file today lays out very clearly that Congress, with respect to the sharing of customer information among affiliates, not third parties, fully intended for the federal regulators to set the rules.”

The case, *American Bankers Association v. Lockyer*, involves a challenge to a California law, the California Financial Information Privacy Act, that prohibits financial institutions, including mutual funds, broker-dealers, investment advisers, insurance companies and banks, from sharing customer information with affiliates unless special conditions applicable only to California residents are met. The suit and the amicus brief assert that the California law is in direct conflict with provisions in the FCRA adopted by Congress in 1996 and 2003.

FCRA establishes a uniform federal standard for the sharing of information among financial institutions and their affiliates and pre-empts state and local governments from imposing restrictions contrary to federal law. It also gives consumers nationwide an important new right to block marketing solicitations by affiliates of their financial institutions. FCRA does not address the sharing of information among unaffiliated third parties. Thus, the suit and brief do not affect current privacy protections afforded under Gramm-Leach-Bliley and state law with respect to third-party information sharing.