



Globe Life – Cyber Security Failures

HIPAA Protected Health Information of Globe Life & ALL's clients are freely accessible online via agent portals with universal logins, distributed on public agent websites.

June 14, 2024 – This morning, Globe Life reported it received concerns of vulnerabilities related to access permissions to consumer and policyholder information. This is a direct result of Viceroy having been able to evidence significant vulnerabilities in the data privacy and protection practices of Globe Life Inc and its subsidiaries.

Item 8.01 Other Events

On June 13, 2024, following an inquiry from a state insurance regulator, Globe Life Inc. (the "Company") initiated a review of potential vulnerabilities related to access permissions and user identity management for a Company web portal that likely resulted in unauthorized access to certain consumer and policyholder information. Immediately upon notification of these circumstances, the Company removed external access to the portal. At this time, the Company believes the issue is specific to this portal, and all other systems remain operational. The Company's operations will not be significantly impacted by the removal of external web access to the portal in question. The Company has activated its incident response plan and retained leading security experts to investigate and assist in the remediation of any potential issues.

Figure 1 – Globe Like 8-K, June 14, 2024

We report that Protected Health Information (PHI) records of Globe Life's clients are freely accessible via online portals with universal login credentials distributed by agents across the web.

We believe that the lack of required internal controls represents multiple violations of laws and regulations and place the personal information of consumers, including minors, at substantial risk. We note that this data is live and publicly accessible as of the date of this letter.

These HIPAA deficiencies reflect a systemic lack of data security and access controls across all of Globe Life Inc.'s business, its subsidiaries' business, and the business of captive agencies.

Viceroy has reported this breach and lack of controls to the Department of Health and Human Services and to every State Insurance Commissioner. Given the severity of these breaches, we urged immediate action from regulators including:

1. Addressing the violations detailed above.
2. Conducting a thorough investigation of Globe Life, American Income Life, and their agencies for additional violations.
3. Informing the affected individuals of the unsafe storage and processing of their data.
4. Making a public announcement about the ongoing breach, its scale, and severity.
5. Request undertakings from Globe Life Inc. to restructure its information and data management practices to ensure compliance with all relevant data protection and privacy regulations.

Attached is Viceroy's censored letter to the DHHS detailing the security failures, including their replicability, the data concerned, and a cursory overview of the laws, acts and regulations that we believe are being contravened by Globe Life and its insurance subsidiaries. This letter was sent to every state insurance commissioner, and seems to have found its way to Globe Life rather quickly.

While Globe Life reports that the vulnerabilities have been patched, **Viceroy has still been able to re-access consumer and policyholder data**. We do not intend to disclose instructions on how to access live data and have not retained exploited data except for the purposes of reporting it to regulatory authorities.

We note that Health Insurance Portability and Accountability Act (**HIPAA**) violations carry severe penalties and attract expensive civil suits.

Globe life fails to meet their legal obligations to safeguard policyholders' personal and private information.

This report follows a series of research notes prepared by Viceroy Research, which can be found here:

<https://viceroyresearch.org/globe-life-research/>



Attention: Whistleblowers

Viceroy encourage any parties with information pertaining to misconduct within Globe Life, AIL, their sales agents, their affiliates, or any other entity to file a report with the appropriate regulatory body.

We also understand first-hand the retaliation whistleblowers sometimes face for championing these issues. Where possible, Viceroy is happy act as intermediaries in providing information to regulators and reporting information in the public interest in order to protect the identities of whistleblowers.

You can contact the Viceroy team via email on viceroy@viceroyresearch.com.

About Viceroy

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Viceroy Research, LLC
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Wilmington DE 19801

June 12, 2024

Ms. Melanie Fontes Rainer
Office for Civil Rights
U.S. Department of Health and Human Services
OCRPrivacy@hhs.gov

Dear Ms. Melanie Fontes Rainer,

Globe Life & AIL Data Protection Breaches

We are writing to formally disclose significant vulnerabilities in the data privacy and protection practices of the insurance holding company Globe Life Inc. During the course of our investigation into the operations of Globe Life and its insurance subsidiaries we have identified material vulnerabilities in Globe Life's consumer data management and protection practices.

We believe the lack of internal controls has resulted in contraventions of multiple laws and regulations and places the personal information of consumers, including minors, at material risk. This data is live and publicly accessible as of the date of this letter.

These deficiencies reflect a systemic lack of data security and access controls across all of Globe Life Inc.'s subsidiaries and captive agencies, which fail to meet their legal obligations to safeguard policyholders' personal and private information.

Globe Life fails to meet their legal obligations to safeguard policyholders' personal and private information.

Overview of Breaches:

Alrecords:

Globe Life agencies provide recruits and agents with a "playbook" that includes universal login credentials for <https://prodwebapps.aillife.com/apsweb/>, Globe Life's attending physician statement database.

These credentials, which have remained unchanged for over four years, are publicly accessible on various platforms. This database permits searches by case number, policy number, or name, thereby revealing detailed medical and personal information, including data of minors.

Globe Life's American Income Life insurance ("AIL") subsidiary experiences exceptionally high staff turnover, averaging approximately 1,600 new agent recruitments per month while losing 1,500 agents per month. Each of these many thousands of agents that have worked at AIL over at least the last four years retains access to policyholders' personal and private information.

██████████

The ██████████ section on ██████████ which, until June 2, 2024, was not password protected links to spreadsheets containing sensitive policyholder information such as policy numbers, names, phone numbers, and coverage details. These spreadsheets, still accessible via archived URLs, represent a clear data protection breach.

Scope of Breach:

The Globe Life agents, considered contractors, have unfettered access to sensitive medical underwriting data on the Alrecords platform. The unchanged login credentials over several years make it nearly impossible to trace unauthorized access.



Similarly, the unprotected spreadsheets at [REDACTED] contain the details of over 1,057 policies, accessible to current and former agents without restriction. Any sufficiently motivated third party can also access the medical underwriting data and spreadsheets.

Violations:

We believe that Globe Life and American Income Life's data management practices breach the following provisions:

NAIC Insurance Data Security Model Law:

- Section 4(D)(2)(a): Failure to implement access controls to protect Nonpublic Information.
- Section 4(D)(2)(g): Failure to utilize effective security controls, such as Multi-Factor Authentication.

Gramm-Leach-Bliley Act (GLBA):

- FTC Title 16 CFR Part 314: Failing to limit access to necessary customer information, monitor user activity, and implement multifactor authentication.

Health Insurance Portability and Accountability Act (HIPAA):

- DHHS Title 45 CFR 164.306(a): Failing to meet general security requirements.
- DHHS Title 45 CFR 164.312(a)(2)(i): Not using unique user identification.
- DHHS Title 45 CFR 164.308(a)(3)(i): Lacking appropriate workforce security policies.
- DHHS Title 45 CFR 164.312(d): Not authenticating the person or entity accessing sensitive information.

California Financial Information Privacy Act (CFIPA):

- Section 4056(a)(2)(B): Failing to limit the use of nonpublic personal information to authorized transactions.

Children's Online Privacy Protection Act (COPPA):

- Section 312.8: Failing to ensure the security, confidentiality, and integrity of personal information collected from children.

Conclusion and Requests:

Given the severity of these breaches, we urge immediate action:

1. Address the violations detailed above.
2. Conduct a thorough investigation of Globe Life, American Income Life, and their agencies for additional violations.
3. Inform the affected individuals of the unsafe storage and processing of their data.
4. Make a public announcement about the ongoing breach given its scale and severity.
5. Request undertakings from Globe Life Inc. to restructure its information and data management practices to ensure compliance with all relevant data protection and privacy regulations.

Attached is a full analysis of our findings including their replicability, the data concerned and a cursory overview of the laws, acts and regulations that we believe are being contravened by Globe Life and its insurance subsidiaries.

We intend to disclose the existence of these breaches publicly within 7 days to ensure Globe Life's thousands of clients are aware that their personal data is available for free on the web. We do not intend to disclose instructions on how to access the data.

We trust that this disclosure will prompt swift and decisive action to protect consumers.



Yours faithfully

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Airecords

Airecords, which can be found at <https://prodwebapps.ailife.com/apsweb/> is Globe Life’s attending physician statement database. These login credentials have not changed in over 4 years, and there is a single set of login credentials for the entire organization.

Username: airecords

Password: agents1

These login credentials have not changed in over 4 years, and there is a single set of login credentials for the entire AIL organization.

Thus far we have found 3 publicly available online sets of these credentials:

1. An agency playbook from the Carvajal agency¹
2. A Google cached copy of Globe Life’s captive agency AO National’s website²
3. A page on www.job-result.com for AIL captive agency Altig agency’s login³

THE BULLETIN

4 Helpful Tips For underwriting

1. AIRECORDS:
 - a. Found in the underwriting section of the ARC
 - i. Username: airecords
 - ii. Password: agents1
 - b. Click on case search at the bottom
 - c. Use the policy number option
 - d. Find out what’s actually going on with the policy

AIRECORDS

Username: airecords

Password: agents1

Important Links & Forms – AO-National

<https://www.ao-national.com>

Username: airecords. Password: agents1. HPPRO. EAPP. EAPP Training Login (Use for Practice Purposes Only) ... Login using Planet Altig username and password.

Figure 1, 2 & 3 – Globe Life’s Carvajal Agencies playbook 2022, cached AO National webpage & job-result.com

Records can be searched by case number, policy number and first and last name. Only one field must be filled to return results. All responsive results are returned; for example, a search for the last name “Smith” returns over 100 results. Viceroy have not attempted to ascertain how many records there are on the platform in total.

Each record displays the customer’s attending physician information, case history and special notes in the case of follow-ups or prescribed handling of cases. The site also contains the information of minors.

¹ <https://www.scribd.com/document/588710111/The-Playbook-2022-002>

² <https://webcache.googleusercontent.com/search?q=cache:https%3A%2F%2Fwww.ao-national.com%2Flogin%2Ffor-all-team-members%2Fimportant-links-forms>

³ <https://job-result.com/altig-login/>

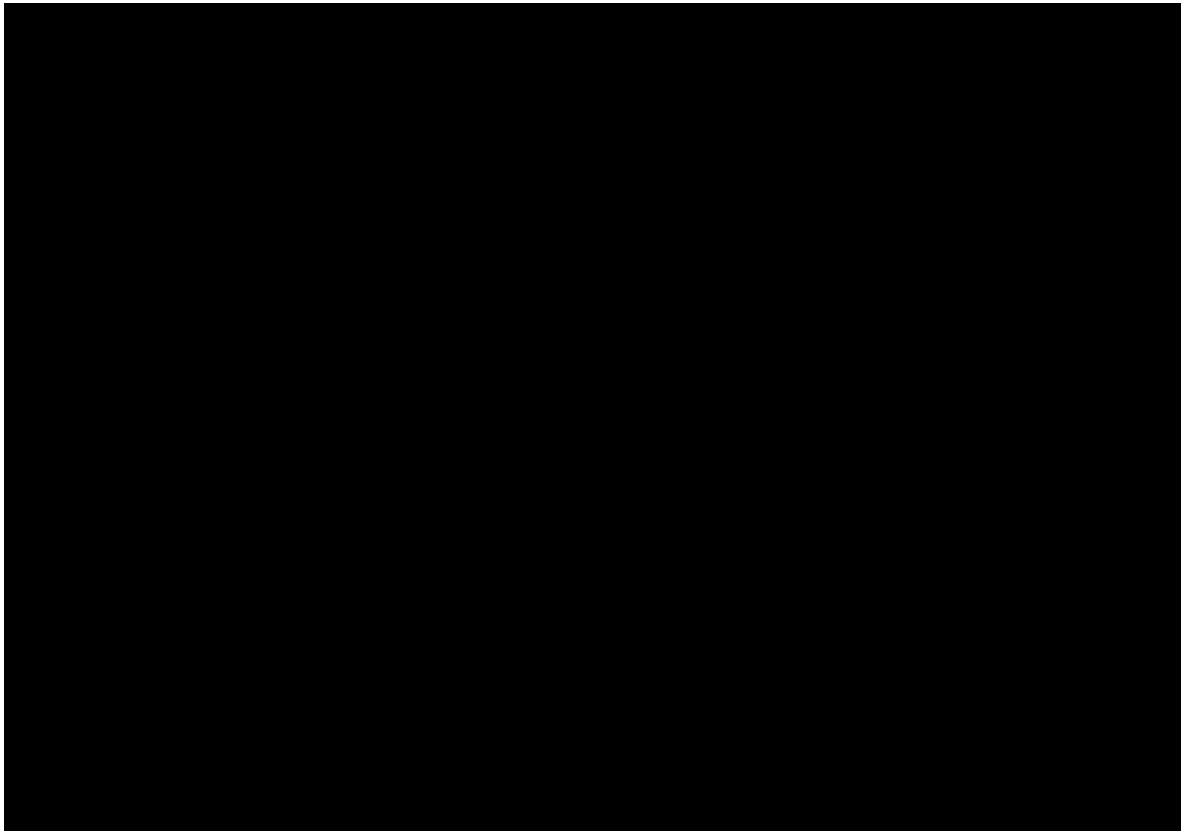


Figure 4 & 5 – Policyholder profiles on Alrecords

We believe the ability to see all records stems from the single shared login across the entire Globe Life organization.

Access to sensitive personal information of policyholders is not limited to users to whom such access is necessary. Such information is instead accessible to all current and previous (going back at least 4 years) agents, as well as anyone who comes across the publicly available login credentials.

[REDACTED]

During our investigation Viceroy found the [REDACTED] section of the [REDACTED] website, which functions as a central repository of business material for Globe Life captive agency [REDACTED]. Prior to June 2, 2024, this page was not password protected.

[REDACTED] appears to operate under the umbrella of the [REDACTED].

The page includes a link to 2 spreadsheets of critical interest: the [REDACTED] [REDACTED] hosted publicly on the [REDACTED] SharePoint server.

These spreadsheets appear to be a central policy monitoring resource used by the [REDACTED] and are updated daily. We are unaware of when [REDACTED] began hosting these spreadsheets on a public website.

These spreadsheets contain significant policyholder information including:

- Policy number
- Policyholder name
- Policyholder phone number
- Coverage type (Life, A&H)
- Annualized premium
- Issue date
- Writing agent and commission structure



The information can still be accessed if the URL of the spreadsheets is known. [REDACTED]
[REDACTED]
[REDACTED] As of June 11, 2024, both spreadsheets are still accessible.

Scope of breach

Alrecords

We reiterate that, according to Globe Life, agents are simply contractors whose role is to write policies and service the ongoing client relationships. Access by such agents to medical underwriting data is a clear data protection breach. The use of a single set of credentials makes restricting and tracking access nearly impossible.

As mentioned above the login credentials have not changed since at least 2020, and possibly earlier. This means Globe Life has been unable to revoke access to former agents or even change the password for security reasons. American Income Life's agent retention is extremely low: the company averages ~1600 new agents a month and ~1,500 agents lost each month according to Spotlight, its company magazine.

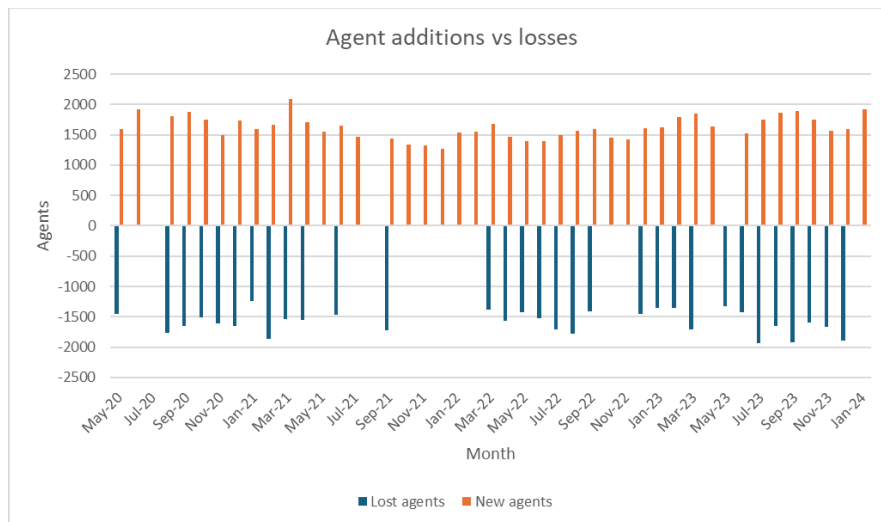


Figure 6 – AIL agent additions vs losses

Every agent at American Income Life over at least that timeframe has had unfettered access to this data, as well as any sufficiently motivated third party. This likely constitutes thousands of breaches alone over this four-year period, although this is speculation.

[REDACTED]

The scope of [REDACTED] is smaller but far easier to calculate. On June 6, 2024, the combined [REDACTED] list the details of 1,057 policies. These spreadsheets appear to be updated daily, although it's unclear how often policies rotate in or out of these spreadsheets.

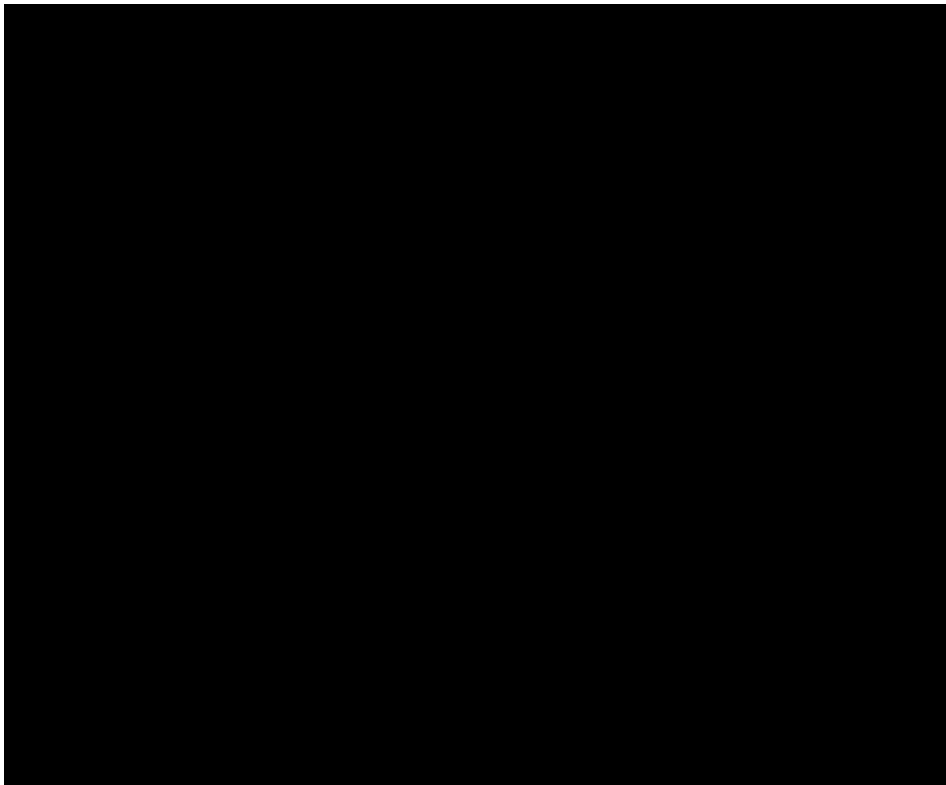


Figure 7 – [REDACTED]

As was the case in the Alrecords breach, any current and former agent has access to this data, even for policies they did not write or that were not assigned to them. While the [REDACTED] site is not indexed, the [REDACTED] page that led to it was. The lack of password protection prior to June 2, 2024, means that this spreadsheet was even easier to access then than it is now.

A full assessment of the number and severity of breaches is beyond the scope of Viceroy’s analysis without knowing how long both websites were available publicly and how many have accessed them. We also believe due to the decentralized structure of Globe Life’s agencies that [REDACTED] is not the only agency with policyholder information so poorly secured.

Violations

NAIC Insurance Data Security Model Law (The Model Laws)

Globe Life and American Income Life are in breach of NAIC Insurance Data Security Model Law⁵. While we understand the model laws are intended as a guide for each state’s insurance regulator, a full analysis of each state’s insurance code is beyond the scope of this already-lengthy letter.

Information accessible through Alrecords conforms with the Model Law’s definition of Nonpublic Information as specified in Section 3(K):

- Business related information of a Licensee the tampering with which, or unauthorized disclosure, access or use of which, would cause a material adverse impact to the business, operations or security of the Licensee
- Information or data related to the provision of health care

⁵ <https://content.naic.org/sites/default/files/inline-files/MDL-668.pdf>



- K. "Nonpublic Information" means information that is not Publicly Available Information and is:
- (1) Business related information of a Licensee the tampering with which, or unauthorized disclosure, access or use of which, would cause a material adverse impact to the business, operations or security of the Licensee;
 - (2) Any information concerning a Consumer which because of name, number, personal mark, or other identifier can be used to identify such Consumer, in combination with any one or more of the following data elements:
 - (a) Social Security number,
 - (b) Driver's license number or non-driver identification card number,
 - (c) Account number, credit or debit card number,
 - (d) Any security code, access code or password that would permit access to a Consumer's financial account, or
 - (e) Biometric records;
 - (3) Any information or data, except age or gender, in any form or medium created by or derived from a health care provider or a Consumer and that relates to
 - (a) The past, present or future physical, mental or behavioral health or condition of any Consumer or a member of the Consumer's family,
 - (b) The provision of health care to any Consumer, or
 - (c) Payment for the provision of health care to any Consumer.

Figure 8 – NAIC Insurance Data Security Model Law

Contrary to the Model Laws, Globe Life and American Income have failed to determine and implement appropriate security measures including failing to:

- Place access controls on Information Systems, including controls to authenticate and permit access only to Authorized Individuals to protect against the unauthorized acquisition of Nonpublic Information; Section 4(D)(2)(a)
- Utilize effective controls, which may include Multi-Factor Authentication procedures for any individual accessing Nonpublic Information; Section 4(D)(2)(g)

The lack of data security practices on the Alrecords platform also points to a failure to develop, maintain, update and monitor any relevant Information Security Program.

As of January 2024, the following 23 states have adopted the NAIC Insurance Data Security Model Law: AL, CT, DE, HI, IL, IN, IA, KY, LA, ME, MD, MI, MN, MS, NH, ND, OH, PA, SC, TN, VT, VA, WI. 6 jurisdictions are pending: AK, NE, MO, RI, OK and NJ⁶.

Gramm-Leach-Bliley Act (GLBA)

Globe Life and American Income Life are subject to the implementation of the GLBA's implementation as defined in FTC Title 16 CFR Part 314. Specifically, the definition of financial institutions in the example outlined in Part 314.2(h)(2)(vi) of "A business that regularly wires money to and from consumers..."⁷⁸.

⁶ <https://content.naic.org/sites/default/files/inline-files/2024%200430Model%23668Map.pdf>

⁷ <https://www.ecfr.gov/current/title-16/chapter-I/subchapter-C/part-314>

⁸ <https://www.govinfo.gov/content/pkg/PLAW-106publ102/pdf/PLAW-106publ102.pdf>



(vi) A business that regularly wires money to and from consumers is a financial institution because transferring money is a financial activity referenced in section 4(k)(4)(A) of the Bank Holding Company Act, 12 U.S.C. 1843(k)(4)(A), and regularly providing that service demonstrates that the business is significantly engaged in that activity.

Figure 9 – FTC Title 16 CFR 314.2(h)(2)(vi)

The information involved in the breach are neatly encompasses by the FTC Title 16 CFR Part 314 definition of non-public personal information.

(1) **Nonpublic personal information** means:

- (i) Personally identifiable financial information; and
- (ii) Any list, description, or other grouping of consumers (and publicly available information pertaining to them) that is derived using any personally identifiable financial information that is not publicly available.

Figure 10 – FTC Title 16 CFR 314.2(l)(1)

In accordance with the FTC Title 16 CFR 314 any access by unauthorized individuals constitutes a notification event.

(m) **Notification event** means acquisition of unencrypted customer information without the authorization of the individual to which the information pertains. Customer information is considered unencrypted for this purpose if the encryption key was accessed by an unauthorized person. Unauthorized acquisition will be presumed to include unauthorized access to unencrypted customer information unless you have reliable evidence showing that there has not been, or could not reasonably have been, unauthorized acquisition of such information.

Figure 11 – FTC Title 16 CFR 314.2(m)

The Alrecords platform also fails to:

- Limit authorized users' access only to customer information that they need to perform their duties and functions per FTC Title 16 CFR 314.4(c)(1)(ii)
- Implement policies, procedures and controls designed to monitor and log the activity of authorized users per FTC Title 16 CFR 314.4(c)(8)
- Implement any multifactor authentication per FTC Title 16 CFR 314.4(c)(5)

Health Insurance Portability and Accountability Act (HIPAA)

Globe Life and American Income Life are subject to the implementation of the HIPAA's implementation as defined in DHHS Title 45 CFR 160^{9,10}.

Globe Life and American Income Life are defined as "covered entities" by HIPAA in their capacity as a health plan under DHHS Title 45 CFR 160.103. [REDACTED] is a covered entity as a business associate. AIL agents are covered entities as business associate contractors.

⁹ <https://www.govinfo.gov/content/pkg/PLAW-104publ191/pdf/PLAW-104publ191.pdf>

¹⁰ <https://www.ecfr.gov/current/title-45/subtitle-A/subchapter-C/part-160?toc=1>



Covered entity means:

- (1) A health plan.
- (2) A health care clearinghouse.
- (3) A health care provider who transmits any health information in electronic form in connection with a transaction covered by this subchapter.

Business associate:

- (1) Except as provided in paragraph (4) of this definition, business associate means, with respect to a covered entity, a person who:
 - (i) On behalf of such covered entity or of an organized health care arrangement (as defined in this section) in which the covered entity participates, but other than in the capacity of a member of the workforce of such covered entity or arrangement, creates, receives, maintains, or transmits protected health information for a function or activity regulated by this subchapter, including claims processing or administration, data analysis, processing or administration, utilization review, quality assurance, patient safety activities listed at 42 CFR 3.20, billing, benefit management, practice management, and repricing; or

Figure 12 & 13 – DHHS Title 45 CFR 160.103 Definitions

We believe our investigation has found the following breaches of HIPAA by Globe Life and American Income Life:

- Security standards: General Rules: General requirements DHHS Title 45 CFR 164.306(a)
 - Globe Life and American Income Life failed to meet the general requirements.
- Administrative Safeguards: Standard: Workforce security DHHS Title 45 CFR 164.308(a)(3)(i)
 - Globe Life and American Income Life failed to implement policies to ensure that all members of its workforce have **appropriate** access to protected health information, and prevent access to workforce members who do not have access. The publication of the single password to Alrecords which has not changed in 4 years in both an introductory training manual and a public website is proof of this failure.
- Administrative Safeguards: Standard: Implementation specifications in its entirety DHHS Title 45 CFR 164.308(a)(3)(ii)
 - Globe Life and American Income Life have failed to implement access authorization, supervision, monitoring, as well as terminating access for terminated workforce members. The single password to Alrecords which has not changed in at least 4 years is proof of this failure.
- Administrative Safeguards: Standard: Evaluation: Business associate contracts and other arrangements DHHS Title 45 CFR 164.308(b)(1) & (2)
 - Globe Life and American Income Life have failed to obtain assurances that business associates, in this case its agencies and agents, will appropriately safeguard the information. [REDACTED] public access to protected health information is proof of this failure.
- Technical Safeguards: Implementation specifications: Unique user identification DHHS Title 45 CFR 164.312(a)(2)(i)
 - Globe Life and American Income Life have failed to use unique user identification. The single shared password to Alrecords is proof of this failure.
- Technical Safeguards: Implementation specifications: Automatic logoff DHHS Title 45 CFR 164.312(a)(2)(i)
 - Globe Life and American Income Life have failed to implement an automatic logoff policy for Alrecords. There appears to be no maximum session length or inactivity check.
- Technical Safeguards: Implementation specifications: Standard: Person or entity authentication DHHS Title 45 CFR 164.312(d)
 - Globe Life and American Income Life have failed to authenticate the person or entity accessing Alrecords or [REDACTED] spreadsheets.
- Organizational requirements DHHS Title 45 CFR 164.314
 - All failures above are repeated for Globe Life and American Income Life’s business associate contracts or other arrangements.

California Financial Information Privacy Act (CFIPA)

Globe Life and American Income Life are both “financial institutions” as defined by the California Financial Information Privacy Act as defined in Section 4052(c). We believe that Globe Life and American Income Life’s mishandling of the Alrecords platform violates the California Financial Information Privacy Act*

Information included in the Alrecords platform includes, as defined in the CFIPA:



1. Nonpublic personal information in particular “any list, description, or other grouping of consumers.
2. Personally identifiable financial information, in particular:
 - a. Information provided to obtain a product or service from the financial institution Section 4052(b)(1)
 - b. Information about a consumer resulting from a transaction involving a product or service between the financial institution and a consumer Section 4052(b)(2)
 - c. Information that the financial institution otherwise obtains about a consumer in connection with providing a product or service to that consumer Section 4052(b)(3)

The Alrecords platform violates Section 4056(a)(2)(B) of the CFIPA, by failing to limit the use of nonpublic personal information about a consumer to transactions authorized by the contract and permitted pursuant to this division. In effect, that an insurance producer should only be able to search for policies they wrote themselves.

Children's Online Privacy Protection Act (COPPA) (FTC)

Globe Life, American Income Life and [REDACTED] are all in breach of section 312.8 of COPPA, “Confidentiality, security, and integrity of personal information collected from children”. As noted, both Alrecords and [REDACTED] may contain the information of individuals under 13 years of age.

Neither Alrecords nor [REDACTED] state the age of the individuals, but Alrecords does include several records of individuals with pediatric clinics listed as the treating physician.

Closing remarks

We are bringing this to your attention because it has become clear to us that Globe Life exercises no effective oversight over its subsidiaries and agencies whilst providing them with unfettered access to sensitive policyholder information. In separate issues Globe Life has distanced themselves from the actions of its agents using their 1099 contractor status as a shield.

Nonetheless, as the ultimate insurer and custodian of policyholder information it is their responsibility to ensure their compliance with the relevant regulations. We do not believe that these are the only violations the company is responsible for.

Our belief is based on the following:

- Globe Life’s systems have proven to have extremely poor security. [REDACTED]
- Multiple allegations of ongoing fraudulent insurance activity at Globe Life by agents suggests a culture that rewards bad actors. Multiple Globe Life agents have had their insurance licenses revoked for insurance fraud including for writing policies without the holder’s knowledge or consent. These agents retain access to this sensitive policyholder information via the single set of login credentials for these data portals.
- Globe Life’s largest subsidiary, American Income Life, sees almost 1,500 agents leave each year, potentially all of which have knowledge and access to Alrecords and potentially other systems.
- We do not believe that the weak security of [REDACTED] is a one-off occurrence. We do not believe that Globe Life has defined protocols for its agencies regarding their data protection practices for its agencies. If Globe Life does have such protocols in place, they are insufficiently monitored and audited.
- There is no definitive list or number of Globe Life agencies. Some are simply informally organized groups of agents or a single limited liability company whose operations consist of a Zoom channel.

The above, in addition to our findings, demonstrates a clear and persistent disregard for required data protection and management practices.