

Viceroy Research, LLC 1901 Orange Street Wilmington DE 19801

February 14, 2025

Insurance Commissioners of the United States of America As listed

By email:

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Dear Insurance Commissioners of the United States of America,

Globe Life & AIL Data Protection Breaches

We last wrote to you on June 12, 2024, regarding significant data vulnerabilities at Globe Life, in which sensitive policy holder details were publicly available. We have attached a copy of our previous letter to the end of this letter.

We write to you again to inform you that these vulnerabilities have not been resolved.

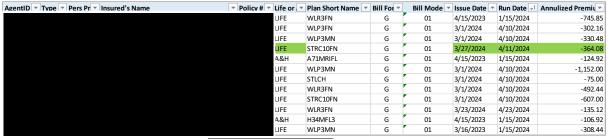
| Our previous correspondence detailed security flaws in the website and the of several spreadsheets containing policyholder information. As of Februal vulnerability remains unresolved; any user with the URL to the spreadsheets are accessible at the following URLs: | ruary 13, 2025, this |
|---|----------------------|
| | |
| | |
| The URLs to the spreadsheets are easily accessible through webpage ¹ . | |
| ² . This indicates that, instead of implementing <i>any</i> security measures to lo | ack consitive client |
| information, agencies have simply removed the unprotected link from the new iteration of the | |
| | |
| | |
| Vicensy Becomb Crayer | |



Information contained in vulnerabilities

Upon re-inspection, we have found that divide a much greater extend of sensitive information than we initially thought. The following (inexhaustive) list of sensitive data includes:

Policyholder names, policy numbers, coverage types, premiums and phone numbers.

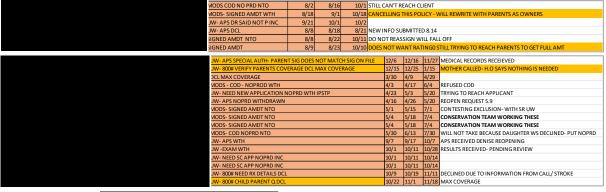


spreadsheet

The status and reasons for lapses, underwriting denials, trial applications and modifications.

spreadsheet

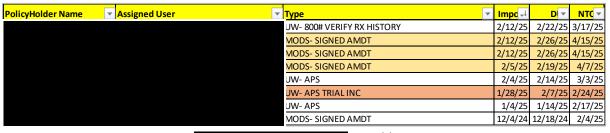
- Notes by agents in some cases including references to arrests, incarcerations, financial conditions, medical prescriptions and medical conditions.
 - Some entries explicitly reference policyholders' medical conditions with comments such as "UW- 800# DEPRESSION Q DCL" and "ELEVATED LACTATE DEHYDROGENASE- CAN BE RECONSIDERED IF CLIENT CAN SHOWS NORMAL LDH LEVELS".
 - Some entries explicitly reference policyholders' arrest records with comments such as "UW- 800# ALCOHOL/ ARREST Qs NOPRD TRIAL INC" and "DECLINED- ARREST HISTORY".
- Information we believe belongs to minors, indicated by agent notes regarding parental signatures and questionnaires.



spreadsheet (bright orange highlights added)



These spreadsheets are also currently in use with policies from as recently as February 2025.



spreadsheet

The number of policies assigned to each agent category has also changed compared to the previous count in June 2024.

| | | June 2024 | |
|------------|---|--------------|--------------|
| Sheet Name | Policy Count | Sheet Name | Policy Count |
| | 34 | | 293 |
| | 10 | | |
| | 22 | | |
| | 6 | | |
| | 16 | | |
| | 13 | | |
| | 5 | | |
| | 18 | | |
| | 19 | | |
| | 46 | | |
| | 85 | | |
| | 48 | | |
| | 79 | | |
| | 54 | | |
| | 28 | | |
| | 36 | | |
| | 89 | | |
| | 27 | | |
| Total | 129 | | |
| | Fe | ebruary 2025 | 1057 |
| Sheet Name | Policy Count | Sheet Name | Policy Count |
| | 8 | | 202 |
| | | | 293 |
| | 17 | | 293 |
| | | | 293 |
| | 17 | | 293 |
| | 17 10 | | 293 |
| | 17 10 10 | | 293 |
| | 17 10 10 10 | | 293 |
| | 17 10 10 12 4 | | 293 |
| | 17 10 10 12 4 9 | | 293 |
| | 17 10 10 12 4 9 | | 293 |
| | 17 10 10 12 4 9 4 | | 293 |
| | 17 10 10 12 4 9 4 19 17 | | 293 |
| | 17 10 10 12 4 9 4 19 | | 293 |
| | 17 10 10 12 4 9 4 19 17 74 | | 293 |
| | 17 10 10 12 4 9 4 19 17 74 132 66 | | 293 |
| | 17 10 10 12 4 9 4 19 17 74 132 66 123 | | 293 |
| | 17 10 10 12 4 9 4 19 17 74 132 66 123 75 | | 293 |
| | 17 10 10 12 4 9 4 19 17 74 132 66 123 75 34 | | 290 |

The spreadsheet was created in April 2022 while the was created in January 2023. They have been publicly accessible since at least May 2024 though we believe they have been publicly accessible since their creation.



Violations:

As we wrote in our previous letter, 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:

We reiterate the closing remarks from our previous letter:

"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."

Globe Life has failed to ensure the security of its policyholders' data even after we reported these breaches to you.

If we had not reported the initial vulnerabilities, it is unclear how long it would have gone unaddressed by the company. After almost 9 months, those same vulnerabilities are still unresolved.

Our ability to investigate further flaws in Globe Life's security pales in comparison to that of your offices. Given the **complete** lack of comprehensive data protection policies at all sample agencies we have explored, we believe these flaws are systemic across Globe Life's business.



We reiterate our urge for 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.

We intend to disclose the existence of these breaches publicly on February 17, 2025, to ensure Globe Life's policyholders are aware that their personal information, medical information, is available freely on the web. We do not intend to disclose instructions on how to access the data.

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

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

Yours faithfully

Viceroy Research, LLC 1901 Orange Street Wilmington DE 19801, USA



Attention: Whistleblowers

Viceroy encourage any parties with information pertaining to misconduct within Globe Life, its 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.

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