

EXECUTIVE PERSONAL INFORMATION

State laws that require financial services companies to report the personal financial details of company executives to regulators, though not common, have become a feature of modern policymaking. Critics contend that these policies fulfill no useful consumer protection function and raise serious questions relating to privacy, data security and government overreach.

In an era where consumer financial data is prized by criminals looking to exploit it, the collection, packaging and onward submission of executives' personal information creates a security risk for individuals that is unconscionable when weighed against the benefit created. Many believe that the very idea that the personal financial details of senior executives might be a valuable indicator of a company's criminality is far-fetched. What is clear, is that there are better consumer protections available to regulators, and many of these are already in place.

It is worth noting that no other industry or profession requires this kind of information as a condition of doing business, including securities brokers, attorneys, insurance agents, or physicians. Furthermore, requiring personal financial details from senior executives from large, well-established companies is even more preposterous. These companies are highly regulated and scrutinized. Knowledge of the state of the CEOs finances is unlikely to enhance the consumer protections already in place.

AFSA'S POSITION

The American Financial Services Association (AFSA) opposes legislative efforts to mandate the collection of personal financial information from financial services executives, believing that this kind of government intrusion into the private affairs of citizens is particularly unnecessary when the negligible consumer protection benefit is taken into account.