Congressional Budget Office
Cost Estimate

June 27, 2024

H.R. 5535, Insurance Data Protection Act

As ordered reported by the House Committee on Financial Services on April 17, 2024

By Fiscal Year, Millions of Dollars	2024	2024-2029	2024-2034
Direct Spending (Outlays)	*	*	*
Revenues	*	*	*
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	*	*	not estimated

Increases *net direct spending* in any of the four consecutive 10-year periods beginning in 2035?	*	Statutory pay-as-you-go procedures apply?	Yes
		Mandate Effects	
Increases *on-budget deficits* in any of the four consecutive 10-year periods beginning in 2035?	*	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Under Threshold

* = between -$500,000 and $500,000.

H.R. 5535 would eliminate the authority of the Department of the Treasury's Federal Insurance Office (FIO) and Office of Financial Research (OFR) to subpoena insurance companies for data or information. The bill also would require federal financial regulators to coordinate with relevant federal and state regulators and consult publicly available databases prior to collecting data or information from an insurance company. Federal financial regulators under the bill include the Commodity Futures Trading Commission (CFTC), Federal Deposit Insurance Corporation (FDIC), Federal Reserve, Financial Stability Oversight Council (FSOC), National Credit Union Administration (NCUA), Office of the Comptroller of the Currency (OCC), OFR, and Securities and Exchange Commission (SEC).

CBO estimates that any changes in direct spending, revenues, or spending subject to appropriation from administrative costs that would result from implementing H.R. 5535 would be insignificant. Some of the affected agencies rarely, if ever, collect data from insurance companies. For those that do, CBO expects that many of them already consult with federal and state regulators and seek out publicly available data prior to collecting information directly.

The operating costs for the FDIC, FSOC, NCUA, OCC, and OFR are classified in the budget as direct spending. Both the NCUA and OCC collect fees from financial institutions to offset

See also
CBO's Cost Estimates Explained, *CBO Describes Its Cost-Estimating Process*, *Glossary*

their operating costs; those fees are recorded as offsetting receipts, that is, as reductions in direct spending.

The FSOC and OFR are funded through the Financial Research Fund and collect fees to offset their operating costs. Those fees are treated as revenues. Costs incurred by the Federal Reserve reduce remittances to the Treasury, which are recorded as revenues.

The operating costs of the CFTC, FIO, and SEC are subject to appropriation. The SEC is authorized under current law to collect fees each year to offset its annual appropriation. Assuming appropriation action consistent with that authority, CBO estimates that the cost to the SEC to implement H.R. 5535 would be roughly offset by fees.

If federal financial regulators increase annual fees to offset the costs of implementing the bill, H.R. 5535 would increase the costs of an existing private-sector mandate on entities required to pay those fees. CBO estimates that the incremental cost of the mandate would be small and would fall well below the annual threshold established in the Unfunded Mandates Reform Act (UMRA) for private-sector mandates ($200 million in 2024, adjusted annually for inflation).

The bill contains no intergovernmental mandates as defined in UMRA.

The CBO staff contacts for this estimate are David Hughes (for federal costs) and Rachel Austin (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

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