

Making Your GLB Privacy Notice “Readable”

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DMA Ethics & Consumer Affairs Department

- Helps companies “Do The Right Thing”
- Helps direct marketers comply with DMA guidelines and laws:
 - Plain language guidelines,
 - Hands-on assistance,
 - Online videostream briefing sessions, and
 - Privacy Policy Generators.



What is a Privacy Policy Generator?

DMA online generators or “wizards” walk companies through the process of creating a privacy policy notice step-by-step.



How Does the Policy Generator Work?

1. Company answers a series of questions online about its information collection and sharing practices.
2. A customized policy is automatically generated to be posted on the company's Web site and/or mailed to its customers.
3. Goal is to provide suggested language and standardized layout and format. Can be modified to meet company's needs.
4. Should be reviewed by company's legal counsel.



What Kinds of Generators Has DMA Developed?

- Privacy Policy Generator
 - to develop online privacy policy notice
- Children's Privacy Policy Generator
 - to meet the notice requirements of the
 - Children's Online Privacy Protection Act
- GLB Privacy Policy Generator
 - to meet the notice and opt-out requirements of the Gramm-Leach-Bliley Act



GLB Privacy Policy Generator

Why?

- No secret that developing a “readable” policy is a difficult process.
- DMA generator helps simplify the process.
- Helps build and strengthen business-customer trust.



What Should a GLB Policy Include?

1. Company Pledge
2. Information Collected*
3. Information Shared*
4. Information Protections
5. Former Customer Information Practices
6. Customer “Opt-Out” Preferences*

*Following three slides contain excerpts from DMA generator



Excerpt #1

We collect information:

(Please check all that apply.)

- you give to us on applications, surveys, registration forms, etc.;
- you give to us when you make a purchase, or other account information such as balance, payment history or credit card usage;
- you or others give to us about your credit history;
- others give to us to make sure that the data you provide is accurate and up-to-date. This may include information about you from employers, banks, or insurers.
- other (please specify) _____



Excerpt #2

How We Share Information

(Please check all that apply.)

- We **do not** share information that we have about you with anyone except in response to subpoenas or for other legal reasons.
- We share information with our affiliates (members of our corporate family) or companies outside our corporate family that perform services on our behalf. We share information to process transactions, respond to your inquiries, or provide information about the products or services that we offer.

We share (Please check all that apply.)

- | | |
|---|--|
| <input type="checkbox"/> data provided by customers | <input type="checkbox"/> credit history data |
| <input type="checkbox"/> purchase/account data | <input type="checkbox"/> verifying data |
| | <input type="checkbox"/> other (please specify) ____ |



Excerpt #3

Customer Preferences

**We honor your choices for sharing data as checked below.
Please fill out this form and return it to us at:**

(Company Name) _____

(Address) _____

(City) _____ (State) _____ (Zip) _____

(Company must provide customers with the appropriate options as listed below:)

- Please do not share information about me with companies outside your organization. *By law, this doesn't include companies that are performing services on our behalf or our financial marketing partners.*
- Please do not share my credit history with members of your corporate family.



How Did Our GLB Generator Achieve Readability?

- First, drafted by non-lawyers.
- Then, scored for “readability” through Flesch-Kincaid grade-readability software.
- Reworked text to make more “readable.”
- Finally, reviewed for compliance by legal counsel.

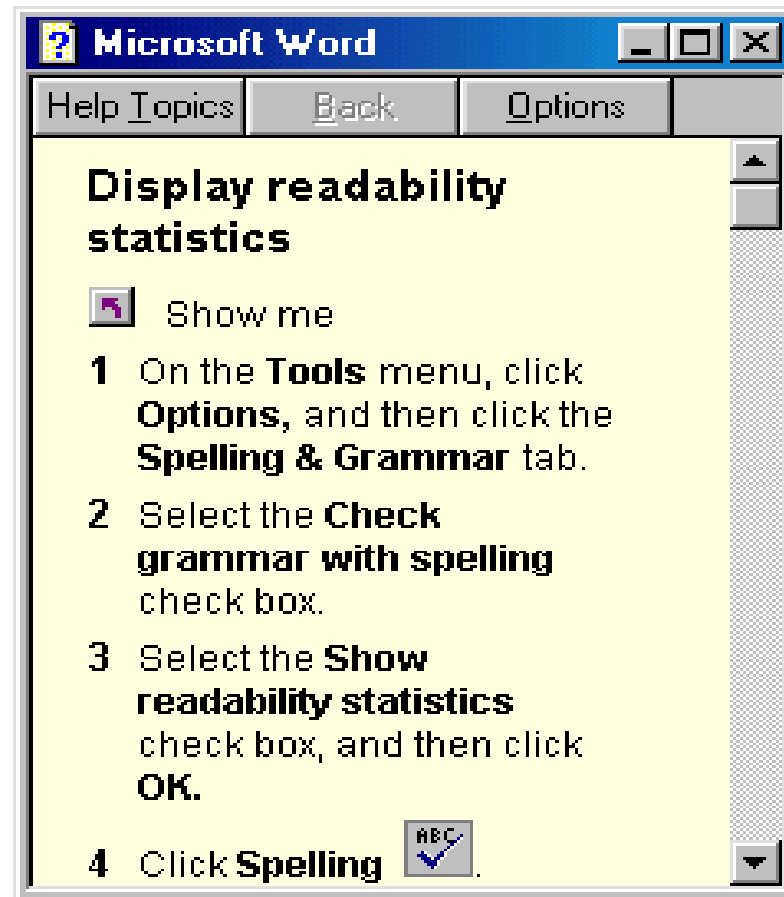


What's Flesch-Kincaid?

- Microsoft's best kept secret!
- Can be accessed in Microsoft Word through the spell check feature.
- Checks your document and gives it several "readability" scores.
- Scores are based on the average number of syllables per word, words per sentence and passive sentence structure.



How Do You Access Flesch in Microsoft Word?



What Do the Scores Mean?

- **Flesch Reading Ease score**
 - Rates text on a 100-point scale; the higher the score, the easier it is to understand.
 - 0-30 (college graduate level)
 - ***50-60 (high school level or target level)**
 - 90-100 (4th grade level)
- **Flesch-Kincaid Grade Level Score**
 - Rates text by grade-school level. A score of 8.0 means that an eighth grader can understand the document.



Overall Readability Typical v. DMA

	Typical <u>Notices</u> *	DMA <u>Notices</u> **
Flesch:	34	44 to 51
Flesch-Kincaid:	Junior to Senior in College	10 th to 11 th Grade

* Based on survey of 60 financial privacy notices by Mark Hochhauser, Ph.D., Readability Consultant.

** Results vary depending on company's selections.



DMA Policy Example

OUR PLEDGE TO YOU

You have a right to know how information about you is used in our business with you. Some is shared with others to process your statement. We invite you to state your choices in the Customer Choice Statement.

INFORMATION WE COLLECT

We collect information:

- information you give to us on applications, surveys, registration forms, etc.;
- information you give to us when you make a purchase, or other account information;
- information others give to us to make sure that the data you provide is accurate.

HOW WE SHARE INFORMATION

We share information with our affiliates (members of our company or companies under common control with us) on our behalf. We share information to process transactions, register your account, and provide you with services. We share data provided by customers and purchase/account information.

We share information with companies that we have a special relationship with.

We share information with non-affiliates (companies outside our company or companies under common control with us) that have a legitimate interest to you. We share data provided by customers and purchase/account information. The types of companies that we share information include companies with non-financial companies such as retailers, magazine publishers, and service providers. **The law permits us to share information about our customers under certain circumstances. For example, we may be required to share certain information under certain laws.**

HOW WE PROTECT INFORMATION

We strive to protect your data and safeguard it from those not authorized to access it.

Readability Statistics

Counts

Words	565
Characters	3242
Paragraphs	40
Sentences	31

Averages

Sentences per Paragraph	1.8
Words per Sentence	13.3
Characters per Word	5.3

Readability

Passive Sentences	9%
Flesch Reading Ease	44.5
Flesch-Kincaid Grade Level	10.3

OK



How Do We Rate?

Typical Policy

**(35 reading ease,
11.4 grade level)**

- We collect, retain, and use nonpublic personal information about you, as allowed by law, to provide you with various products and services. We may collect nonpublic personal information from sources such as:
 - Information submitted by you to us on applications, signature cards, and other forms;
 - Transactions you conduct with us, our affiliates, or others; and
 - Consumer reporting agencies.

DMA Policy

**(69.7 reading ease,
6 grade level)**

- We collect information:
 - you give to us on applications, surveys, registration forms, etc.;
 - you give to us when you make a purchase, or other account information such as balance, payment history or credit card usage; and
 - you or others give to us about your credit history.



How Do We Rate?

Typical Policy

**(.5 reading ease,
12th grade level)**

- We maintain physical, electronic and procedural safeguards that comply with federal standards to guard nonpublic personal information about you.

DMA Policy

**(74.2 reading ease,
6.8 grade level)**

- We strive to protect your data and safeguard it from those not authorized to see it.



What's the Status of the GLB Policy Generator?

- Reviewed by:
 - Legal Counsel
 - Selected DMA members
- Will be available soon for DMA members and others for next round of privacy notices.



DMA Online

- GLB Generator (text version)

<http://www.the-dma.org/cgi/dispnewsstand?article=548>

- Business Assistance Page

<http://www.the-dma.org/channels/businessethics.shtml>

- Consumer Assistance Page

<http://www.the-dma.org/consumers/>





THANK YOU!



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