

SB 986 STAFF MEASURE SUMMARY
Senate Committee On Business and Transportation

Carrier: Sen. Girod

Action Date: 04/10/17
Action: Do pass.
Vote: 5-0-0-0
Yeas: 5 - Beyer, Girod, Monroe, Riley, Thomsen
Fiscal: No fiscal impact
Revenue: No revenue impact
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WHAT THE MEASURE DOES:

Permits insurance licensee to not provide annual notices of the licensee's policies and practices with respect to disclosing personal information if the licensee provides such information to nonaffiliated third parties only in accordance with applicable law and does not change policies and practices that the licensee last disclosed to the customer.

ISSUES DISCUSSED:

- Compliance with federal law
- Provide notification only upon initial issuance and policy changes

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The federal Gramm-Leach-Bliley Act, enacted in 1999, seeks to protect consumer financial privacy by limiting when financial institutions may disclose a consumer's nonpublic personal information to nonaffiliated third parties.

Current law specifies that insurers must provide information regarding personal information disclosure practices to policy holders when the policy is issued and each time the policy is renewed. Senate Bill 986 allows insurers to provide notice of personal information practices only upon initial issuance of the policy and following amendment to the personal information disclosure practices.