

PROJECT HISTORY - 2017

PRIVACY OF CONSUMER FINANCIAL AND HEALTH INFORMATION REGULATION (#672)

1. Description of the Project, Issues Addressed, etc.

This project was to: 1) review the *Privacy of Consumer Financial and Health Information Regulation (#672)* to determine what, if any, changes should be made to the model regulation to be more consistent with the amendments to Regulation P (Privacy of Consumer Financial Information), which create an alternative electronic delivery option of privacy notices by financial institutions to consumers; and 2)

3. Project Authorized by What Charge and Date First Given to the Group

When this Working Group was created in 2015, this project was authorized by the following charges: "Review the *Privacy of Consumer Financial and Health Information Regulation (#672)* to determine with state privacy notice privacy notices to be more consistent with the privacy model notice form issued by federal regulatory agencies for use by financial institutions as a safe harbor of compliance with the privacy notification requirements of the federal Gramm- Leach-Bliley Act."

4.

August 2015 (NAIC 2015 Summer National Meeting)

The Working Group chair provided a briefing on past activities. The Working Group discussed th4 Tw 0.207 0 Td[348 0 Td

December 2016 (NAIC 2016 Fall National Meeting)

During the 2016 Fall National Meeting, the Market Regulation and Consumer Affairs (D) Committee adopted the revisions to Model 672.

6. A Discussion of the Significant Issues (items of some controversy raised during the due process and the group's response)

The revisions accomplish the following:

- Eliminate the requirement for financial institutions to provide annual privacy notices if certain conditions are met.
- Sunset the safe harbor of compliance with the privacy notice content requirements for the existing sample privacy notice clauses 18 months from Jan. 1, 2018 (by July 1, 2019).
- Create a new safe harbor of compliance with the privacy notice content requirements by replacing the existing sample privacy notice clauses with the federal model privacy form.
- Allow additional variations of the federal model privacy form, but without an explicit safe harbor of compliance.

Items of some controversy were whether to sunset the use of the sample clauses in the model as a safe harbor; whether to require and sunset as a safe harbor the use of the federal model privacy form; and the amount of transition time for the revisions to the model to become effective. Also of some controversy was

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PROJECT HISTORY - 2002

PRIVACY OF CONSUMER FINANCIAL AND HEALTH INFORMATION MODEL REGULATION (#672)

1. Project Description

The amendment to the Privacy of Consumer Financial and Health Information Model Regulation was drafted to ensure that the original intent of the model regulation with respect to the treatment of group policies was implemented by licensees. The amendment clarifies that licensees are required to provide privacy notices to group policyholders, including holders of group life, health and workers compensation plans, if they choose not to provide notices to individuals covered under such policies. Licensees are required to provide notices to individuals covered under such policies only if the licensee chooses to disclose nonpublic personal financial information outside the model regulation's legal, business and joint marketing exceptions.

2. Group Responsible for Drafting Model and States Participating

