

JAN 19 2018

A BILL FOR AN ACT

RELATING TO INSURANCE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that Hawaii law requires
2 insurers to send annual privacy notices to all individuals
3 covered by a group policy rather than to just the group
4 policyholder, which results in insurers spending an
5 extraordinary amount of time sending notices to individuals in
6 the State.

7 The purpose of this Act is to provide an insurer with an
8 exception to the requirement that the insurer provide annual
9 privacy notices to all its customers if:

10 (1) The insurer provides nonpublic personal financial
11 information to nonaffiliated third parties under
12 certain conditions where the notice, opt out, or
13 service providers and joint marketing provisions do
14 not apply; and

15 (2) The insurer's policies and practices relating to
16 disclosure of nonpublic personal information remain
17 unchanged.



SECTION 2. Section 431:3A-202, Hawaii Revised Statutes, is amended to read as follows:

"~~[§]431:3A-202~~ Annual privacy notice to customers required. (a) [A] Except as provided in subsection (b), a licensee shall provide a clear and conspicuous notice to customers that accurately reflects its privacy policies and practices not less than annually during the continuation of the customer relationship. [Annually] For purposes of this section, "annually" means at least once in any period of twelve consecutive months during which that relationship exists. A licensee may define the [twelve consecutive month] twelve-consecutive-month period, but the licensee shall apply it to the customer on a consistent basis.

(b) A licensee shall not be required to provide an annual notice to a customer under this section if the licensee:

(1) Has provided nonpublic personal financial information to nonaffiliated third parties in accordance with section 431:3A-401, 431:3A-402, or 431:3A-403; and

(2) Has not changed its policies and practices relating to the disclosure of nonpublic personal information from



1 the most recent notice sent to customers in accordance
2 with this section or section 431:3A-201.

3 ~~[(b)]~~ (c) A licensee shall not be required to provide an
4 annual notice to a former customer. A former customer is an
5 individual with whom a licensee no longer has a continuing
6 relationship.

7 ~~[(e)]~~ (d) If a licensee is required under this section to
8 deliver an annual privacy notice, the licensee shall deliver it
9 according to section 431:3A-206."

10 SECTION 3. This Act does not affect rights and duties that
11 matured, penalties that were incurred, and proceedings that were
12 begun before its effective date.

13 SECTION 4. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 5. This Act shall take effect upon its approval.

16
INTRODUCED BY:

Rosely H. Bell



S.B. NO. 2643

Report Title:

Insurance; Financial Information; Privacy

Description:

Provides an insurer with an exception to the requirement of providing all of its customers with annual privacy notices where the insurer provides nonpublic personal financial information to nonaffiliated third parties under certain conditions and the insurer's policies and practices regarding disclosure of such information are unchanged.

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