

# State of South Dakota

SEVENTY-SIXTH SESSION  
LEGISLATIVE ASSEMBLY, 2001

535E0031

SENATE COMMERCE COMMITTEE ENGROSSED NO.

**SB 3 - 01/23/2001**

**This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.**

Introduced by: Senators Ham and Madden and Representatives McCoy, Monroe, and Slaughter at the request of Interim Judiciary Committee

1 FOR AN ACT ENTITLED, An Act to provide the director of insurance with rule-making  
2 authority regarding personal nonpublic financial information.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That chapter 58-2 be amended by adding thereto a NEW SECTION to read as  
5 follows:

6 The director shall promulgate rules pursuant to chapter 1-26 relating to the privacy of  
7 personal nonpublic financial information. The rules must be designed to provide privacy to the  
8 public of the personal nonpublic financial information that is shared or obtained in connection  
9 with insurance transactions. The director shall design the rules to protect the public's personal  
10 nonpublic financial information but also consider the impact of any rules on the cost and  
11 availability of insurance in this state. In promulgating the rules required by this Act the director  
12 shall give substantial consideration to the privacy standards contained in the NAIC Privacy of  
13 Consumer Financial and Health Information Regulation as in effect as of January 1, 2001, and  
14 otherwise design the rules to achieve uniformity, to the degree reasonably possible, in the

1 standards for personal nonpublic financial information. The rules may include the following as  
2 they relate to financial privacy:

- 3 (1) Definition of terms;
- 4 (2) Permitting the disclosure and use of personal nonpublic financial information between  
5 affiliates;
- 6 (3) Opt out procedures for the disclosure and use of personal nonpublic financial  
7 information with nonaffiliates;
- 8 (4) Notice and disclosure requirements and formats;
- 9 (5) Limits on disclosure of personal nonpublic financial information;
- 10 (6) Limits on redisclosure and reuse of personal nonpublic financial information;
- 11 (7) Limits on sharing account number information for marketing purposes;
- 12 (8) Exceptions for opt out and notice requirements; and
- 13 (9) Nondiscrimination requirements as they relate to persons who opt out or who do not  
14 grant an authorization.

15 Nothing in this Act applies to any rules that may be promulgated pursuant to § 58-2-40.

16 Nothing in this Act may be construed to impair or conflict with the Fair Credit Reporting Act.