

AN ACT

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

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

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

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

- (1) Definition of terms;
- (2) Permitting the disclosure and use of personal nonpublic financial information between affiliates;
- (3) Opt out procedures for the disclosure and use of personal nonpublic financial information with nonaffiliates;
- (4) Notice and disclosure requirements and formats;
- (5) Limits on disclosure of personal nonpublic financial information;
- (6) Limits on redisclosure and reuse of personal nonpublic financial information;
- (7) Limits on sharing account number information for marketing purposes;

- (8) Exceptions for opt out and notice requirements; and
- (9) Nondiscrimination requirements as they relate to persons who opt out or who do not grant an authorization.

Nothing in this Act applies to any rules that may be promulgated pursuant to § 58-2-40. Nothing in this Act may be construed to impair or conflict with the Fair Credit Reporting Act.

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I certify that the attached Act originated in the

SENATE as Bill No. 3

Secretary of the Senate

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President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 3
File No. _____
Chapter No. _____

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Received at this Executive Office this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

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The attached Act is hereby approved this _____ day of _____ , A.D., 20____

Governor

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STATE OF SOUTH DAKOTA,
ss.

Office of the Secretary of State

Filed _____ , 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State