

**SB 431, As Passed Senate, May 15, 2001**

**SUBSTITUTE FOR  
SENATE BILL NO. 431**

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
by amending section 115 (MCL 500.115), as added by 1992 PA 182,  
and by adding chapter 5.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 115. As used in this act unless the context clearly  
2 indicates otherwise:

3       (a) "Affiliate" or a person "affiliated" with a specific  
4 person means a person that directly, or indirectly through 1 or  
5 more intermediaries, controls, is controlled by, or is under  
6 common control with the person specified.

7       (b) "Control" including the terms "controlling", "controlled  
8 by", and "under common control with" mean the FOLLOWING:

9       (i) EXCEPT AS OTHERWISE PROVIDED IN SUBPARAGRAPH (ii), THE  
10 possession or the contingent or noncontingent right to acquire

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1 possession, direct or indirect, of the power to direct or cause  
2 the direction of the management and policies of a person, whether  
3 through the ownership of voting securities, by contract including  
4 acquisition of assets or bulk reinsurance, other than a commer-  
5 cial contract for goods or nonmanagement services, by pledge of  
6 securities, or otherwise, unless the power is the result of an  
7 official position with or corporate office held by the person.  
8 Control is presumed to exist if any person, by formal or informal  
9 arrangement, device, or understanding, directly or indirectly,  
10 owns, controls, holds with the power to vote, or holds proxies  
11 representing 10% or more of the voting securities of any other  
12 person or for a mutual insurer owns 10% or more of the insurer's  
13 surplus through surplus notes, guarantee fund certificates or  
14 other evidence of indebtedness issued by the insurer. This pre-  
15 sumption may be rebutted by a showing made in the manner provided  
16 by section 1332 that control does not in fact exist. The commis-  
17 sioner may determine after furnishing to all persons in interest  
18 notice and an opportunity to be heard and making specific find-  
19 ings of fact to support the determination that control in fact  
20 exists notwithstanding the absence of a presumption to that  
21 effect.

22 (ii) "CONTROL", FOR THE PURPOSE OF SECTION 1243 AND CHAPTER  
23 5 ONLY, MEANS 1 OR MORE OF THE FOLLOWING:

24 (A) OWNERSHIP, CONTROL, OR POWER TO VOTE 25% OR MORE OF THE  
25 OUTSTANDING SHARES OF ANY CLASS OF VOTING SECURITY OF THE COM-  
26 PANY, DIRECTLY OR INDIRECTLY, OR ACTING THROUGH 1 OR MORE OTHER  
27 PERSONS.

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1 (B) CONTROL IN ANY MANNER OVER THE ELECTION OF A MAJORITY OF  
2 THE DIRECTORS, TRUSTEES, OR GENERAL PARTNERS OR INDIVIDUALS EXER-  
3 CISING SIMILAR FUNCTIONS OF THE COMPANY.

4 (C) THE POWER TO EXERCISE, DIRECTLY OR INDIRECTLY, A CON-  
5 TROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF THE COM-  
6 PANY, AS THE COMMISSIONER DETERMINES.

7 (D) FOR A STATE OR FEDERAL CHARTERED CREDIT UNION, ANY OUT-  
8 STANDING OWNERSHIP IN A CREDIT UNION SERVICE ORGANIZATION THAT IS  
9 67% OWNED BY CREDIT UNIONS.

10 (c) "Insurance holding company system" means 2 or more  
11 affiliated persons, 1 or more of which is an insurer.

12 (d) "Securityholder" of a specified person means a person  
13 who owns any security of the person, including common stock, pre-  
14 ferred stock, debt obligations, and any other security convert-  
15 ible into or evidencing the right to acquire any of the  
16 foregoing.

17 (e) "Subsidiary" of a specified person means an affiliate  
18 controlled by that person directly or indirectly through 1 or  
19 more intermediaries.

20 (f) "Voting security" includes any security convertible into  
21 or evidencing a right to acquire a voting security.

22 CHAPTER 5

23 PRIVACY OF FINANCIAL INFORMATION

24 SEC. 501. (1) THIS CHAPTER APPLIES TO THE TREATMENT OF NON-  
25 PUBLIC PERSONAL FINANCIAL INFORMATION ABOUT INDIVIDUALS WHO  
26 OBTAIN OR ARE CLAIMANTS OR BENEFICIARIES OF PRODUCTS OR SERVICES  
27 PRIMARILY FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES FROM

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1 LICENSEES WHETHER THROUGH AN INDIVIDUAL OR GROUP PLAN. THIS  
2 CHAPTER DOES NOT APPLY TO INFORMATION ABOUT COMPANIES OR ABOUT  
3 INDIVIDUALS WHO OBTAIN PRODUCTS OR SERVICES FOR BUSINESS, COMMER-  
4 CIAL, OR AGRICULTURAL PURPOSES.

5 (2) THIS CHAPTER DOES NOT MODIFY, LIMIT, OR SUPERSEDE ANY  
6 PROVISION OF SECTION 1243.

7 (3) THIS CHAPTER DOES NOT MODIFY, LIMIT, OR SUPERSEDE STAT-  
8 UTE OR RULES GOVERNING THE CONFIDENTIALITY OR PRIVACY OF INDIVID-  
9 UALLY IDENTIFIABLE HEALTH AND MEDICAL INFORMATION, INCLUDING, BUT  
10 NOT LIMITED TO, ALL OF THE FOLLOWING:

11 (A) SECTION 2157 OF THE REVISED JUDICATURE ACT OF 1961, 1961  
12 PA 236, MCL 600.2157.

13 (B) SECTION 1750 OF THE MENTAL HEALTH CODE, 1974 PA 258, MCL  
14 330.1750.

15 (C) THE PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.1101 TO  
16 333.25211.

17 (D) SECTION 406 OF THE NONPROFIT HEALTH CARE CORPORATION  
18 REFORM ACT, 1980 PA 350, MCL 550.1406.

19 (E) SECTIONS 410 AND 492A OF THE MICHIGAN PENAL CODE, 1931  
20 PA 328, MCL 750.410 AND 750.492A.

21 (F) SECTION 13 OF THE FREEDOM OF INFORMATION ACT, 1976 PA  
22 442, MCL 15.243.

23 (G) SECTION 34 OF THE THIRD PARTY ADMINISTRATOR ACT, 1984 PA  
24 218, MCL 550.934.

25 SEC. 503. AS USED IN THIS CHAPTER:

26 (A) "AFFILIATE" MEANS ANY COMPANY THAT CONTROLS, IS  
27 CONTROLLED BY, OR IS UNDER COMMON CONTROL WITH ANOTHER COMPANY.

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1 (B) "ANNUAL NOTICE" MEANS THE PRIVACY NOTICE REQUIRED IN  
2 SECTION 513.

3 (C) "CLEAR AND CONSPICUOUS" MEANS THAT A NOTICE IS REASON-  
4 ABLY UNDERSTANDABLE AND DESIGNED TO CALL ATTENTION TO THE NATURE  
5 AND SIGNIFICANCE OF THE INFORMATION IN THE NOTICE.

6 (D) "COLLECT" MEANS TO OBTAIN INFORMATION THAT THE LICENSEE  
7 ORGANIZES OR CAN RETRIEVE BY THE NAME OF AN INDIVIDUAL OR BY  
8 IDENTIFYING NUMBER, SYMBOL, OR OTHER IDENTIFYING PARTICULAR  
9 ASSIGNED TO THE INDIVIDUAL, IRRESPECTIVE OF THE SOURCE OF THE  
10 UNDERLYING INFORMATION.

11 (E) "COMPANY" MEANS ANY CORPORATION, LIMITED LIABILITY COM-  
12 PANY, BUSINESS TRUST, GENERAL OR LIMITED PARTNERSHIP, ASSOCIA-  
13 TION, SOLE PROPRIETORSHIP, OR SIMILAR ORGANIZATION.

14 (F) "CONSUMER" MEANS AN INDIVIDUAL, OR THE INDIVIDUAL'S  
15 LEGAL REPRESENTATIVE, WHO SEEKS TO OBTAIN, OBTAINS, OR HAS  
16 OBTAINED AN INSURANCE PRODUCT OR SERVICE FROM A LICENSEE THAT IS  
17 TO BE USED PRIMARILY FOR PERSONAL, FAMILY, OR HOUSEHOLD  
18 PURPOSES. AS USED IN THIS CHAPTER:

19 (i) "CONSUMER" INCLUDES, BUT IS NOT LIMITED TO, ALL OF THE  
20 FOLLOWING:

21 (A) AN INDIVIDUAL WHO PROVIDES NONPUBLIC PERSONAL INFORMA-  
22 TION TO A LICENSEE IN CONNECTION WITH OBTAINING OR SEEKING TO  
23 OBTAIN FINANCIAL, INVESTMENT, OR ECONOMIC ADVISORY SERVICES  
24 RELATING TO AN INSURANCE PRODUCT OR SERVICE. AN INDIVIDUAL IS A  
25 CONSUMER UNDER THIS SUBPARAGRAPH REGARDLESS OF WHETHER THE  
26 LICENSEE ESTABLISHES AN ONGOING ADVISORY RELATIONSHIP.

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1 (B) AN APPLICANT FOR INSURANCE PRIOR TO THE INCEPTION OF  
2 INSURANCE COVERAGE.

3 (C) AN INDIVIDUAL THAT A LICENSEE DISCLOSES NONPUBLIC, PER-  
4 SONAL FINANCIAL INFORMATION ABOUT TO A NONAFFILIATED THIRD PARTY  
5 OTHER THAN AS PERMITTED UNDER SECTIONS 535, 537, AND 539, IF THE  
6 INDIVIDUAL IS ANY OF THE FOLLOWING:

7 (I) A BENEFICIARY OF A LIFE INSURANCE POLICY UNDERWRITTEN BY  
8 THE LICENSEE.

9 (II) A CLAIMANT UNDER AN INSURANCE POLICY ISSUED BY THE  
10 LICENSEE.

11 (III) AN INSURED UNDER AN INSURANCE POLICY OR AN ANNUITANT  
12 UNDER AN ANNUITY ISSUED BY THE LICENSEE.

13 (IV) A MORTGAGOR OF A MORTGAGE COVERED UNDER A MORTGAGE  
14 INSURANCE POLICY.

15 (ii) SO LONG AS THE LICENSEE PROVIDES THE INITIAL, ANNUAL,  
16 AND REVISED NOTICES UNDER THIS CHAPTER TO THE PLAN SPONSOR, GROUP  
17 OR BLANKET INSURANCE POLICYHOLDERS, AND GROUP ANNUITY CONTRACT  
18 HOLDER AND DOES NOT DISCLOSE TO A NONAFFILIATED THIRD PARTY NON-  
19 PUBLIC PERSONAL FINANCIAL INFORMATION OTHER THAN AS PERMITTED  
20 UNDER SECTIONS 535, 537, AND 539, "CONSUMER" DOES NOT INCLUDE AN  
21 INDIVIDUAL SOLELY BECAUSE HE OR SHE MEETS 1 OF THE FOLLOWING:

22 (A) IS A PARTICIPANT OR A BENEFICIARY OF AN EMPLOYEE BENEFIT  
23 PLAN THAT THE LICENSEE ADMINISTERS OR SPONSORS OR FOR WHICH THE  
24 LICENSEE ACTS AS A TRUSTEE, INSURER, OR FIDUCIARY.

25 (B) IS COVERED UNDER A GROUP OR BLANKET INSURANCE POLICY OR  
26 GROUP ANNUITY CONTRACT ISSUED BY THE LICENSEE.

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1           (iii) "CONSUMER" DOES NOT INCLUDE AN INDIVIDUAL SOLELY  
2 BECAUSE HE OR SHE MEETS 1 OF THE FOLLOWING:

3           (A) IS A BENEFICIARY OF A TRUST FOR WHICH THE LICENSEE IS A  
4 TRUSTEE.

5           (B) HAS DESIGNATED THE LICENSEE AS TRUSTEE FOR A TRUST.

6           (G) "CONSUMER REPORTING AGENCY" HAS THE SAME MEANING AS IN  
7 SECTION 603(f) OF THE FEDERAL FAIR CREDIT REPORTING ACT, TITLE VI  
8 OF THE CONSUMER CREDIT ACT, PUBLIC LAW 90-321, 15 U.S.C. 1681a.

9           (H) "CUSTOMER" MEANS A CONSUMER WHO HAS A CUSTOMER RELATION-  
10 SHIP WITH A LICENSEE. HOWEVER, CUSTOMER DOES NOT INCLUDE A BENE-  
11 FICIARY OR CLAIMANT UNDER A POLICY OF INSURANCE SOLELY BY VIRTUE  
12 OF HIS OR HER STATUS AS A BENEFICIARY OR CLAIMANT.

13           (I) "CUSTOMER RELATIONSHIP" MEANS A CONTINUING RELATIONSHIP  
14 BETWEEN A CONSUMER AND A LICENSEE UNDER WHICH THE LICENSEE PRO-  
15 VIDES 1 OR MORE INSURANCE PRODUCTS OR SERVICES TO THE CONSUMER  
16 THAT ARE TO BE USED PRIMARILY FOR PERSONAL, FAMILY, OR HOUSEHOLD  
17 PURPOSES.

18           (J) "INITIAL NOTICE" MEANS THE PRIVACY NOTICE REQUIRED IN  
19 SECTION 507.

20           (K) "INSURANCE PRODUCT OR SERVICE" MEANS ANY PRODUCT OR  
21 SERVICE THAT IS OFFERED BY A LICENSEE PURSUANT TO THE INSURANCE  
22 LAWS OF THIS STATE OR PURSUANT TO A FEDERAL INSURANCE PROGRAM.  
23 INSURANCE SERVICE INCLUDES A LICENSEE'S EVALUATION, BROKERAGE, OR  
24 DISTRIBUTION OF INFORMATION THAT THE LICENSEE COLLECTS IN CONNEC-  
25 TION WITH A REQUEST OR AN APPLICATION FROM A CONSUMER FOR AN  
26 INSURANCE PRODUCT OR SERVICE.

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1        (i) "LICENSEE" MEANS A LICENSED INSURER OR PRODUCER, AND  
2 OTHER PERSONS LICENSED OR REQUIRED TO BE LICENSED, AUTHORIZED OR  
3 REQUIRED TO BE AUTHORIZED, REGISTERED OR REQUIRED TO BE REGIS-  
4 TERED, OR HOLDING OR REQUIRED TO HOLD A CERTIFICATE OF AUTHORITY  
5 UNDER THIS ACT. LICENSEE INCLUDES, EXCEPT AS OTHERWISE PROVIDED,  
6 A NONPROFIT HEALTH CARE CORPORATION OPERATING PURSUANT TO THE  
7 NONPROFIT HEALTH CARE CORPORATION REFORM ACT, 1980 PA 350, MCL  
8 550.1101 TO 550.1704, AND A NONPROFIT DENTAL CARE CORPORATION  
9 OPERATING PURSUANT TO 1963 PA 125, MCL 550.351 TO 550.373.

10 LICENSEE INCLUDES AN UNAUTHORIZED INSURER WHO PLACES BUSINESS  
11 THROUGH A LICENSED SURPLUS LINE AGENT OR BROKER IN THIS STATE,  
12 BUT ONLY FOR THE SURPLUS LINE PLACEMENTS PLACED UNDER CHAPTER  
13 19. LICENSEE DOES NOT INCLUDE ANY OF THE FOLLOWING:

14        (i) A NONPROFIT HEALTH CARE CORPORATION FOR MEMBER PERSONAL  
15 DATA AND INFORMATION OTHERWISE PROTECTED UNDER SECTION 406 OF THE  
16 NONPROFIT HEALTH CARE CORPORATION REFORM ACT, 1980 PA 350, MCL  
17 550.1406.

18        (ii) THE MICHIGAN LIFE AND HEALTH GUARANTY ASSOCIATION AND  
19 THE PROPERTY AND CASUALTY GUARANTY ASSOCIATION.

20        (iii) THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY,  
21 THE MICHIGAN WORKER'S COMPENSATION PLACEMENT FACILITY, AND THE  
22 ASSIGNED CLAIMS FACILITY CREATED UNDER SECTION 3171. HOWEVER,  
23 SERVICING CARRIERS FOR THESE FACILITIES ARE LICENSEES.

24        (M) "NONAFFILIATED THIRD PARTY" MEANS ANY PERSON EXCEPT A  
25 LICENSEE'S AFFILIATE OR A PERSON EMPLOYED JOINTLY BY A LICENSEE  
26 AND ANY COMPANY THAT IS NOT THE LICENSEE'S AFFILIATE.

27 NONAFFILIATED THIRD PARTY INCLUDES THE OTHER COMPANY THAT JOINTLY



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1 EMPLOYS A PERSON WITH A LICENSEE. NONAFFILIATED THIRD PARTY ALSO  
2 INCLUDES ANY COMPANY THAT IS AN AFFILIATE SOLELY BY VIRTUE OF THE  
3 DIRECT OR INDIRECT OWNERSHIP OR CONTROL OF THE COMPANY BY THE  
4 LICENSEE OR ITS AFFILIATE IN CONDUCTING MERCHANT BANKING OR  
5 INVESTMENT BANKING ACTIVITIES OF THE TYPE DESCRIBED IN SECTION  
6 4(k)(4)(H) OF THE BANK HOLDING COMPANY ACT OF 1956, CHAPTER 240,  
7 70 STAT. 135, 12 U.S.C. 1843, OR INSURANCE COMPANY INVESTMENT  
8 ACTIVITIES OF THE TYPE DESCRIBED IN SECTION 4(k)(4)(I) OF THE  
9 BANK HOLDING COMPANY ACT OF 1956, CHAPTER 240, 70 STAT. 135, 12  
10 U.S.C. 1843.

11 (N) "NONPUBLIC PERSONAL FINANCIAL INFORMATION" MEANS PERSON-  
12 ALLY IDENTIFIABLE FINANCIAL INFORMATION AND ANY LIST, DESCRIP-  
13 TION, OR OTHER GROUPING OF CONSUMERS AND PUBLICLY AVAILABLE  
14 INFORMATION PERTAINING TO THEM THAT IS DERIVED USING ANY PERSON-  
15 ALLY IDENTIFIABLE FINANCIAL INFORMATION THAT IS NOT PUBLICLY  
16 AVAILABLE. NONPUBLIC PERSONAL FINANCIAL INFORMATION DOES NOT  
17 INCLUDE ANY OF THE FOLLOWING:

18 (i) HEALTH AND MEDICAL INFORMATION OTHERWISE PROTECTED BY  
19 STATE OR FEDERAL LAW.

20 (ii) PUBLICLY AVAILABLE INFORMATION.

21 (iii) ANY LIST, DESCRIPTION, OR OTHER GROUPING OF CONSUMERS  
22 AND PUBLICLY AVAILABLE INFORMATION PERTAINING TO THEM THAT IS  
23 DERIVED WITHOUT USING ANY PERSONALLY IDENTIFIABLE FINANCIAL  
24 INFORMATION THAT IS NOT PUBLICLY AVAILABLE.

25 (O) "OPT OUT" MEANS A DIRECTION BY THE CONSUMER THAT THE  
26 LICENSEE NOT DISCLOSE NONPUBLIC PERSONAL FINANCIAL INFORMATION

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1 ABOUT THAT CONSUMER TO A NONAFFILIATED THIRD PARTY, OTHER THAN AS  
2 PERMITTED BY SECTIONS 535, 537, AND 539.

3 (P) "PERSONALLY IDENTIFIABLE FINANCIAL INFORMATION" MEANS  
4 ANY OF THE FOLLOWING:

5 (i) INFORMATION A CONSUMER PROVIDES TO A LICENSEE TO OBTAIN  
6 AN INSURANCE PRODUCT OR SERVICE FROM THE LICENSEE.

7 (ii) INFORMATION ABOUT A CONSUMER RESULTING FROM ANY TRANS-  
8 ACTION INVOLVING AN INSURANCE PRODUCT OR SERVICE BETWEEN A  
9 LICENSEE AND A CONSUMER.

10 (iii) INFORMATION THE LICENSEE OTHERWISE OBTAINS ABOUT A  
11 CONSUMER IN CONNECTION WITH PROVIDING AN INSURANCE PRODUCT OR  
12 SERVICE TO THAT CONSUMER.

13 (Q) "PRODUCER" MEANS A PERSON REQUIRED TO BE LICENSED UNDER  
14 THIS ACT TO SELL, SOLICIT, OR NEGOTIATE INSURANCE.

15 (R) "PUBLICLY AVAILABLE INFORMATION" MEANS ANY INFORMATION  
16 THAT A LICENSEE HAS A REASONABLE BASIS TO BELIEVE IS LAWFULLY  
17 MADE AVAILABLE TO THE GENERAL PUBLIC FROM FEDERAL, STATE, OR  
18 LOCAL GOVERNMENT RECORDS BY WIDE DISTRIBUTION BY THE MEDIA OR BY  
19 DISCLOSURES TO THE GENERAL PUBLIC THAT ARE REQUIRED TO BE MADE BY  
20 FEDERAL, STATE, OR LOCAL LAW. A LICENSEE HAS A REASONABLE BASIS  
21 TO BELIEVE THAT INFORMATION IS LAWFULLY MADE AVAILABLE TO THE  
22 GENERAL PUBLIC IF BOTH OF THE FOLLOWING APPLY:

23 (i) THE LICENSEE HAS TAKEN STEPS TO DETERMINE THAT THE  
24 INFORMATION IS OF THE TYPE THAT IS AVAILABLE TO THE GENERAL  
25 PUBLIC.

26 (ii) IF AN INDIVIDUAL CAN DIRECT THAT THE INFORMATION NOT BE  
27 MADE AVAILABLE TO THE GENERAL PUBLIC, THAT THE LICENSEE'S

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1 CONSUMER HAS NOT DIRECTED THAT THE INFORMATION NOT BE MADE  
2 AVAILABLE TO THE GENERAL PUBLIC.

3 (S) "REVISED NOTICE" MEANS THE PRIVACY NOTICE REQUIRED IN  
4 SECTION 525.

5 SEC. 505. (1) A LICENSEE IS NOT REQUIRED TO PROVIDE THE  
6 NOTICE AND OPT OUT REQUIREMENTS FOR NONPUBLIC PERSONAL FINANCIAL  
7 INFORMATION UNDER THIS CHAPTER IF THE LICENSEE IS AN EMPLOYEE,  
8 AGENT, OR OTHER REPRESENTATIVE OF A PRINCIPAL AND ALL OF THE FOL-  
9 LOWING ARE MET:

10 (A) THE PRINCIPAL IS ANOTHER LICENSEE.

11 (B) THE PRINCIPAL OTHERWISE COMPLIES WITH AND PROVIDES THE  
12 NOTICES REQUIRED BY THIS CHAPTER.

13 (C) THE LICENSEE DOES NOT DISCLOSE ANY NONPUBLIC PERSONAL  
14 INFORMATION TO ANY PERSON OTHER THAN THE PRINCIPAL OR ITS AFFILI-  
15 ATES AS PROVIDED IN THIS CHAPTER.

16 (2) A SURPLUS LINES BROKER OR SURPLUS LINES INSURER IS CON-  
17 SIDERED TO BE IN COMPLIANCE WITH THE NOTICE AND OPT OUT REQUIRE-  
18 MENTS FOR NONPUBLIC PERSONAL FINANCIAL INFORMATION UNDER THIS  
19 CHAPTER IF ALL OF THE FOLLOWING ARE MET:

20 (A) THE BROKER OR INSURER DOES NOT DISCLOSE NONPUBLIC PER-  
21 SONAL INFORMATION OF A CONSUMER OR A CUSTOMER TO NONAFFILIATED  
22 THIRD PARTIES FOR ANY PURPOSE, INCLUDING JOINT SERVICING OR MAR-  
23 KETING UNDER SECTION 535, EXCEPT AS PERMITTED BY SECTION 537 OR  
24 539.

25 (B) THE BROKER OR INSURER DELIVERS A NOTICE TO THE CONSUMER  
26 AT THE TIME A CUSTOMER RELATIONSHIP IS ESTABLISHED ON WHICH THE  
27 FOLLOWING IS PRINTED IN 16-POINT TYPE:

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1 PRIVACY NOTICE

2 "NEITHER THE U.S. BROKERS THAT HANDLED THIS INSURANCE NOR  
3 THE INSURERS THAT HAVE UNDERWRITTEN THIS INSURANCE WILL DISCLOSE  
4 NONPUBLIC PERSONAL INFORMATION CONCERNING THE BUYER TO NONAFFILI-  
5 ATES OF THE BROKERS OR INSURERS EXCEPT AS PERMITTED BY LAW."

6 SEC. 507. (1) BEGINNING JULY 1, 2001, A LICENSEE SHALL PRO-  
7 VIDE A CLEAR AND CONSPICUOUS NOTICE THAT ACCURATELY REFLECTS ITS  
8 PRIVACY POLICIES AND PRACTICES TO ALL OF THE FOLLOWING:

9 (A) AN INDIVIDUAL WHO ON OR AFTER JULY 1, 2001 BECOMES THE  
10 LICENSEE'S CUSTOMER, NOT LATER THAN WHEN THE LICENSEE ESTABLISHES  
11 A CUSTOMER RELATIONSHIP, EXCEPT AS PROVIDED IN SECTION 511.

12 (B) AN INDIVIDUAL WHO WAS THE LICENSEE'S CUSTOMER BEFORE  
13 JULY 1, 2001, EITHER AT THE NEXT REGULARLY SCHEDULED CONTACT WITH  
14 THAT CUSTOMER BUT NOT LATER THAN JULY 1, 2002, SO LONG AS THE  
15 LICENSEE DOES NOT DISCLOSE ANY NONPUBLIC PERSONAL FINANCIAL  
16 INFORMATION ABOUT THE CUSTOMER TO ANY NONAFFILIATED THIRD PARTY  
17 OTHER THAN AS AUTHORIZED BY SECTIONS 537 AND 539 OR ANNUALLY IN  
18 ACCORDANCE WITH SECTION 513 IF THE LICENSEE PROVIDED A NOTICE  
19 BEFORE JULY 1, 2001 AND THAT NOTICE WAS CONSISTENT WITH THE  
20 REQUIREMENTS OF THIS CHAPTER.

21 (C) A CONSUMER, BEFORE THE LICENSEE DISCLOSES ANY NONPUBLIC  
22 PERSONAL FINANCIAL INFORMATION ABOUT THE CONSUMER TO ANY NONAF-  
23 FILIATED THIRD PARTY, IF THE LICENSEE MAKES SUCH A DISCLOSURE  
24 OTHER THAN AS AUTHORIZED BY SECTIONS 537 AND 539.

25 (2) A LICENSEE IS NOT REQUIRED TO PROVIDE AN INITIAL NOTICE  
26 TO A CONSUMER UNDER SUBSECTION (1) IF THE LICENSEE MEETS ANY OF  
27 THE FOLLOWING:

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1 (A) THE LICENSEE DOES NOT DISCLOSE ANY NONPUBLIC PERSONAL  
2 FINANCIAL INFORMATION ABOUT THAT CONSUMER TO ANY NONAFFILIATED  
3 THIRD PARTY, OTHER THAN AS AUTHORIZED BY SECTIONS 537 AND 539,  
4 AND THE LICENSEE DOES NOT HAVE A CUSTOMER RELATIONSHIP WITH THE  
5 CONSUMER.

6 (B) A NOTICE HAS BEEN PROVIDED TO THAT CONSUMER BY AN AFFIL-  
7 IATED LICENSEE, AS LONG AS THE NOTICE CLEARLY IDENTIFIES ALL  
8 LICENSEES TO WHOM THE NOTICE APPLIES AND IS ACCURATE WITH RESPECT  
9 TO THE LICENSEE AND THE OTHER INSTITUTIONS.

10 SEC. 509. (1) A LICENSEE ESTABLISHES A CUSTOMER RELATION-  
11 SHIP AT THE TIME THE LICENSEE AND THE CONSUMER ENTER INTO A CON-  
12 TINUING RELATIONSHIP. A CONTINUING RELATIONSHIP INCLUDES, BUT IS  
13 NOT LIMITED TO, ALL OF THE FOLLOWING:

14 (A) FOR AN INSURER, WHEN THE CONSUMER RECEIVES THE DELIVERY  
15 OF AN INSURANCE POLICY OR CONTRACT.

16 (B) FOR A PRODUCER, WHEN THE CONSUMER OBTAINS INSURANCE  
17 THROUGH THAT LICENSEE.

18 (C) WHEN THE CONSUMER AGREES TO OBTAIN FINANCIAL, ECONOMIC,  
19 OR INVESTMENT ADVISORY SERVICES RELATING TO INSURANCE PRODUCTS OR  
20 SERVICES FOR A FEE FROM THE LICENSEE.

21 (2) AN INDIVIDUAL DOES NOT HAVE A CONTINUING RELATIONSHIP  
22 WITH A LICENSEE AS FOLLOWS:

23 (A) IF THE INDIVIDUAL'S POLICY IS LAPSED, EXPIRED, OR OTHER-  
24 WISE INACTIVE OR DORMANT UNDER THE LICENSEE'S BUSINESS PRACTICES  
25 AND THE LICENSEE HAS NOT COMMUNICATED WITH THE INDIVIDUAL ABOUT  
26 THE POLICY FOR A PERIOD OF 12 CONSECUTIVE MONTHS, OTHER THAN TO  
27 PROVIDE ANNUAL PRIVACY NOTICES, MATERIAL REQUIRED BY LAW OR

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1 REGULATION, COMMUNICATION AT THE DIRECTION OF A STATE OR FEDERAL  
2 AUTHORITY, OR PROMOTIONAL MATERIALS.

3 (B) IF THE INDIVIDUAL IS AN INSURED OR AN ANNUITANT UNDER AN  
4 INSURANCE POLICY OR ANNUITY, BUT IS NOT THE POLICYHOLDER OR OWNER  
5 OF THE INSURANCE POLICY OR ANNUITY.

6 (C) IF THE INDIVIDUAL'S LAST KNOWN ADDRESS ACCORDING TO THE  
7 LICENSEE'S RECORDS IS INVALID. AN ADDRESS OF RECORD IS CONSID-  
8 ERED INVALID IF MAIL SENT TO THAT ADDRESS BY THE LICENSEE HAS  
9 BEEN RETURNED BY THE POSTAL AUTHORITIES AS UNDELIVERABLE AND IF  
10 SUBSEQUENT ATTEMPTS BY THE LICENSEE TO OBTAIN A CURRENT, VALID  
11 ADDRESS FOR THE INDIVIDUAL HAVE BEEN UNSUCCESSFUL.

12 (3) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, WHEN AN  
13 EXISTING CUSTOMER OBTAINS A NEW INSURANCE PRODUCT OR SERVICE FROM  
14 A LICENSEE THAT IS TO BE USED PRIMARILY FOR PERSONAL, FAMILY, OR  
15 HOUSEHOLD PURPOSES, THE LICENSEE SHALL PROVIDE A REVISED PRIVACY  
16 NOTICE THAT MEETS THE REQUIREMENTS OF SECTION 525 AND THAT COVERS  
17 THE CUSTOMER'S NEW INSURANCE PRODUCT OR SERVICE. IF THE INITIAL,  
18 REVISED, OR ANNUAL NOTICE THAT THE LICENSEE MOST RECENTLY PRO-  
19 VIDED TO THAT CUSTOMER UNDER THIS CHAPTER IS ACCURATE WITH  
20 RESPECT TO THE NEW INSURANCE PRODUCT OR SERVICE, THE LICENSEE  
21 DOES NOT NEED TO PROVIDE A NEW PRIVACY NOTICE UNDER THIS  
22 SUBSECTION.

23 SEC. 511. (1) A LICENSEE MAY PROVIDE THE INITIAL NOTICE  
24 WITHIN A REASONABLE TIME AFTER THE LICENSEE ESTABLISHES A CUS-  
25 TOMER RELATIONSHIP IF ESTABLISHING THE CUSTOMER RELATIONSHIP IS  
26 NOT AT THE CUSTOMER'S ELECTION OR PROVIDING NOTICE NOT LATER THAN  
27 WHEN THE LICENSEE ESTABLISHES A CUSTOMER RELATIONSHIP WOULD

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1 SUBSTANTIALLY DELAY THE CUSTOMER'S TRANSACTION AND THE CUSTOMER  
2 AGREES TO RECEIVE THE NOTICE AT A LATER TIME.

3 (2) WHEN A LICENSEE IS REQUIRED TO DELIVER AN INITIAL NOTICE  
4 UNDER THIS SECTION, THE LICENSEE SHALL DELIVER IT ACCORDING TO  
5 SECTION 527. IF THE LICENSEE USES A SHORT-FORM INITIAL NOTICE  
6 FOR NONCUSTOMERS ACCORDING TO SECTION 517, THE LICENSEE MAY  
7 DELIVER ITS PRIVACY NOTICE ACCORDING TO SECTION 517(3).

8 SEC. 513. (1) A LICENSEE SHALL PROVIDE A CLEAR AND CONSPIC-  
9 UOUS NOTICE TO CUSTOMERS THAT ACCURATELY REFLECTS ITS PRIVACY  
10 POLICIES AND PRACTICES NOT LESS THAN ANNUALLY DURING THE CONTINU-  
11 ATION OF THE CUSTOMER RELATIONSHIP. AS USED IN THIS SECTION,  
12 "ANNUALLY" MEANS AT LEAST ONCE IN ANY PERIOD OF 12 CONSECUTIVE  
13 MONTHS DURING WHICH THAT CUSTOMER RELATIONSHIP EXISTS. A  
14 LICENSEE MAY DEFINE THE 12-CONSECUTIVE-MONTH PERIOD, BUT THE  
15 LICENSEE SHALL APPLY IT TO THE CUSTOMER ON A CONSISTENT BASIS.

16 (2) A LICENSEE IS NOT REQUIRED TO PROVIDE AN ANNUAL NOTICE  
17 UNDER SUBSECTION (1) TO A FORMER CUSTOMER.

18 SEC. 515. (1) THE INITIAL, ANNUAL, AND REVISED NOTICES  
19 SHALL INCLUDE EACH OF THE FOLLOWING ITEMS OF INFORMATION, IN  
20 ADDITION TO ANY OTHER INFORMATION THE LICENSEE WISHES TO PROVIDE,  
21 THAT APPLY TO THE LICENSEE AND TO THE CONSUMERS TO WHOM THE  
22 LICENSEE SENDS ITS PRIVACY NOTICE:

23 (A) THE CATEGORIES OF NONPUBLIC PERSONAL FINANCIAL INFORMA-  
24 TION THAT THE LICENSEE COLLECTS.

25 (B) THE CATEGORIES OF NONPUBLIC PERSONAL FINANCIAL INFORMA-  
26 TION THAT THE LICENSEE DISCLOSES.

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1 (C) THE CATEGORIES OF AFFILIATES AND NONAFFILIATED THIRD  
2 PARTIES TO WHOM THE LICENSEE DISCLOSES NONPUBLIC PERSONAL  
3 FINANCIAL INFORMATION, OTHER THAN THOSE PARTIES TO WHOM THE  
4 LICENSEE DISCLOSES INFORMATION UNDER SECTIONS 537 AND 539.

5 (D) THE CATEGORIES OF NONPUBLIC PERSONAL FINANCIAL INFORMA-  
6 TION ABOUT THE LICENSEE'S FORMER CUSTOMERS THAT THE LICENSEE DIS-  
7 CLOSURES AND THE CATEGORIES OF AFFILIATES AND NONAFFILIATED THIRD  
8 PARTIES TO WHOM THE LICENSEE DISCLOSES NONPUBLIC PERSONAL FINAN-  
9 CIAL INFORMATION ABOUT THE LICENSEE'S FORMER CUSTOMERS, OTHER  
10 THAN THOSE PARTIES TO WHOM THE LICENSEE DISCLOSES INFORMATION  
11 UNDER SECTIONS 537 AND 539.

12 (E) IF A LICENSEE DISCLOSES NONPUBLIC PERSONAL FINANCIAL  
13 INFORMATION TO A NONAFFILIATED THIRD PARTY UNDER SECTION 535 AND  
14 NO OTHER EXCEPTION IN SECTION 537 OR 539 APPLIES TO THAT DISCLO-  
15 SURE, A SEPARATE DESCRIPTION OF THE CATEGORIES OF INFORMATION THE  
16 LICENSEE DISCLOSES AND THE CATEGORIES OF THIRD PARTIES WITH WHOM  
17 THE LICENSEE HAS CONTRACTED.

18 (F) AN EXPLANATION OF THE CONSUMER'S RIGHT UNDER SECTION 529  
19 TO OPT OUT OF THE DISCLOSURE OF NONPUBLIC PERSONAL FINANCIAL  
20 INFORMATION TO NONAFFILIATED THIRD PARTIES, INCLUDING THE METHOD  
21 BY WHICH THE CONSUMER MAY EXERCISE THAT RIGHT AT THAT TIME.

22 (G) ANY DISCLOSURES THAT THE LICENSEE MAKES UNDER SECTION  
23 603(d)(2)(A)(iii) OF THE FAIR CREDIT REPORTING ACT, TITLE VI OF  
24 THE CONSUMER CREDIT PROTECTION ACT, PUBLIC LAW 90-321, 15  
25 U.S.C. 1681a.



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1 (H) THE LICENSEE'S POLICIES AND PRACTICES WITH RESPECT TO  
2 PROTECTING THE CONFIDENTIALITY AND SECURITY OF NONPUBLIC PERSONAL  
3 FINANCIAL INFORMATION.

4 (I) ANY DISCLOSURE THAT THE LICENSEE MAKES UNDER SUBSECTION  
5 (2).

6 (2) IF A LICENSEE DISCLOSES NONPUBLIC PERSONAL FINANCIAL  
7 INFORMATION AS AUTHORIZED UNDER SECTIONS 537 AND 539, THE  
8 LICENSEE IS NOT REQUIRED TO LIST THOSE EXCEPTIONS IN THE INITIAL  
9 OR ANNUAL NOTICES. WHEN DESCRIBING THE CATEGORIES OF PARTIES TO  
10 WHOM DISCLOSURE IS MADE, THE LICENSEE IS REQUIRED TO STATE ONLY  
11 THAT IT MAKES DISCLOSURES TO OTHER AFFILIATED OR NONAFFILIATED  
12 THIRD PARTIES, AS APPLICABLE, AS PERMITTED BY LAW.

13 (3) INSTEAD OF PROVIDING THE INFORMATION REQUIRED UNDER SUB-  
14 SECTION (1) AND IF A LICENSEE DOES NOT DISCLOSE AND DOES NOT WANT  
15 TO RESERVE THE RIGHT TO DISCLOSE NONPUBLIC PERSONAL FINANCIAL  
16 INFORMATION ABOUT CUSTOMERS OR FORMER CUSTOMERS TO AFFILIATES OR  
17 NONAFFILIATED THIRD PARTIES EXCEPT AS AUTHORIZED UNDER SECTIONS  
18 537 AND 539, THE LICENSEE MAY STATE THAT FACT AS PART OF A SIM-  
19 PLIFIED NOTICE SO LONG AS THE LICENSEE PROVIDES THE INFORMATION  
20 REQUIRED UNDER SUBSECTIONS (1)(A), (H), AND (I) AND (2).

21 (4) THE LICENSEE'S INITIAL NOTICE MAY INCLUDE CATEGORIES OF  
22 NONPUBLIC PERSONAL FINANCIAL INFORMATION THAT THE LICENSEE  
23 RESERVES THE RIGHT TO DISCLOSE IN THE FUTURE BUT DOES NOT CUR-  
24 RENTLY DISCLOSE, AND CATEGORIES OF AFFILIATES OR NONAFFILIATED  
25 THIRD PARTIES TO WHOM THE LICENSEE RESERVES THE RIGHT IN THE  
26 FUTURE TO DISCLOSE BUT TO WHOM THE LICENSEE DOES NOT CURRENTLY  
27 DISCLOSE, NONPUBLIC PERSONAL FINANCIAL INFORMATION.

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1           SEC. 517. (1) A LICENSEE MAY SATISFY THE INITIAL NOTICE  
2 REQUIREMENTS IN SECTIONS 507 AND 519(3) FOR A CONSUMER WHO IS NOT  
3 A CUSTOMER BY PROVIDING A SHORT-FORM INITIAL NOTICE AT THE SAME  
4 TIME AS THE LICENSEE DELIVERS AN OPT OUT NOTICE AS REQUIRED IN  
5 SECTION 519.

6           (2) A SHORT-FORM INITIAL NOTICE UNDER SUBSECTION (1) SHALL  
7 BE CLEAR AND CONSPICUOUS, STATE THAT THE LICENSEE'S PRIVACY  
8 NOTICE IS AVAILABLE UPON REQUEST, AND EXPLAIN A REASONABLE MEANS  
9 BY WHICH THE CONSUMER MAY OBTAIN THAT NOTICE.

10           (3) THE LICENSEE SHALL DELIVER ITS SHORT-FORM INITIAL NOTICE  
11 ACCORDING TO SECTION 527. THE LICENSEE IS NOT REQUIRED TO  
12 DELIVER ITS PRIVACY NOTICE WITH ITS SHORT-FORM INITIAL NOTICE AND  
13 MAY PROVIDE THE CONSUMER A REASONABLE MEANS TO OBTAIN ITS PRIVACY  
14 NOTICE. IF A CONSUMER WHO RECEIVES THE LICENSEE'S SHORT-FORM  
15 NOTICE REQUESTS THE LICENSEE'S PRIVACY NOTICE, THE LICENSEE SHALL  
16 DELIVER ITS PRIVACY NOTICE ACCORDING TO SECTION 527.

17           SEC. 519. (1) IF A LICENSEE IS REQUIRED TO PROVIDE AN OPT  
18 OUT NOTICE UNDER SECTION 529, IT SHALL PROVIDE A CLEAR AND CON-  
19 SPICUOUS NOTICE TO EACH OF ITS CONSUMERS THAT ACCURATELY EXPLAINS  
20 THE RIGHT TO OPT OUT UNDER THAT SECTION. THE NOTICE SHALL STATE  
21 ALL OF THE FOLLOWING:

22           (A) THAT THE LICENSEE DISCLOSES OR RESERVES THE RIGHT TO  
23 DISCLOSE NONPUBLIC PERSONAL FINANCIAL INFORMATION ABOUT ITS CON-  
24 SUMER TO A NONAFFILIATED THIRD PARTY.

25           (B) THAT THE CONSUMER HAS THE RIGHT TO OPT OUT OF THAT  
26 DISCLOSURE.

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1 (C) A REASONABLE MEANS BY WHICH THE CONSUMER MAY EXERCISE  
2 THE OPT OUT RIGHT.

3 (2) A LICENSEE MAY PROVIDE THE REQUIRED OPT OUT NOTICE  
4 TOGETHER WITH OR ON THE SAME WRITTEN OR ELECTRONIC FORM AS THE  
5 INITIAL NOTICE.

6 (3) IF A LICENSEE PROVIDES THE OPT OUT NOTICE LATER THAN  
7 REQUIRED FOR THE INITIAL NOTICE, THE LICENSEE SHALL ALSO INCLUDE  
8 A COPY OF THE INITIAL NOTICE WITH THE OPT OUT NOTICE IN WRITING  
9 OR, IF THE CONSUMER AGREES, ELECTRONICALLY.

10 SEC. 521. (1) IF 2 OR MORE CONSUMERS JOINTLY OBTAIN AN  
11 INSURANCE PRODUCT OR SERVICE FROM A LICENSEE, THE LICENSEE MAY  
12 PROVIDE A SINGLE OPT OUT NOTICE. THE LICENSEE'S OPT OUT NOTICE  
13 SHALL EXPLAIN HOW THE LICENSEE WILL TREAT AN OPT OUT DIRECTION BY  
14 A JOINT CONSUMER AND MAY EITHER TREAT AN OPT OUT DIRECTION BY A  
15 JOINT CONSUMER AS APPLYING TO ALL OF THE ASSOCIATED JOINT CONSUM-  
16 ERS OR PERMIT EACH JOINT CONSUMER TO OPT OUT SEPARATELY.

17 (2) IF A LICENSEE PERMITS UNDER SUBSECTION (1) EACH JOINT  
18 CONSUMER TO OPT OUT SEPARATELY, THE LICENSEE SHALL PERMIT 1 OF  
19 THE JOINT CONSUMERS TO OPT OUT ON BEHALF OF ALL OF THE JOINT  
20 CONSUMERS. A LICENSEE MAY NOT REQUIRE ALL JOINT CONSUMERS TO OPT  
21 OUT BEFORE IT IMPLEMENTS ANY OPT OUT DIRECTION.

22 SEC. 523. (1) A LICENSEE SHALL COMPLY WITH A CONSUMER'S OPT  
23 OUT DIRECTION AS SOON AS REASONABLY PRACTICABLE AFTER THE  
24 LICENSEE RECEIVES IT.

25 (2) A CONSUMER MAY EXERCISE THE RIGHT TO OPT OUT AT ANY  
26 TIME. A CONSUMER'S DIRECTION TO OPT OUT UNDER THIS SUBSECTION IS

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1 EFFECTIVE UNTIL THE CONSUMER REVOKES IT IN WRITING OR, IF THE  
2 CONSUMER AGREES, REVOKES IT ELECTRONICALLY.

3 (3) IF A CUSTOMER RELATIONSHIP TERMINATES, THE CUSTOMER'S  
4 OPT OUT DIRECTION SHALL CONTINUE TO APPLY TO THE NONPUBLIC PER-  
5 SONAL FINANCIAL INFORMATION THAT THE LICENSEE COLLECTED DURING OR  
6 RELATED TO THAT RELATIONSHIP. IF THE INDIVIDUAL SUBSEQUENTLY  
7 ESTABLISHES A NEW CUSTOMER RELATIONSHIP WITH THE LICENSEE, THE  
8 OPT OUT DIRECTION THAT APPLIED TO THE FORMER RELATIONSHIP DOES  
9 NOT APPLY TO THE NEW RELATIONSHIP.

10 SEC. 525. EXCEPT AS OTHERWISE AUTHORIZED IN THIS CHAPTER, A  
11 LICENSEE SHALL NOT, DIRECTLY OR THROUGH ANY AFFILIATE, DISCLOSE  
12 ANY NONPUBLIC PERSONAL FINANCIAL INFORMATION ABOUT A CONSUMER TO  
13 A NONAFFILIATED THIRD PARTY OTHER THAN AS DESCRIBED IN THE INI-  
14 TIAL NOTICE UNLESS ALL OF THE FOLLOWING HAVE BEEN MET:

15 (A) THE LICENSEE HAS PROVIDED TO THE CONSUMER A CLEAR AND  
16 CONSPICUOUS REVISED NOTICE THAT ACCURATELY DESCRIBES ITS POLICIES  
17 AND PRACTICES.

18 (B) THE LICENSEE HAS PROVIDED TO THE CONSUMER A NEW OPT OUT  
19 NOTICE.

20 (C) THE LICENSEE HAS GIVEN THE CONSUMER A REASONABLE OPPOR-  
21 TUNITY, BEFORE THE LICENSEE DISCLOSES THE INFORMATION TO THE NON-  
22 AFFILIATED THIRD PARTY, TO OPT OUT OF THE DISCLOSURE, AND THE  
23 CONSUMER DOES NOT OPT OUT.

24 SEC. 527. (1) A LICENSEE SHALL PROVIDE ANY NOTICE REQUIRED  
25 UNDER THIS CHAPTER SO THAT EACH CONSUMER CAN REASONABLY BE  
26 EXPECTED TO RECEIVE ACTUAL NOTICE IN WRITING OR, IF THE CONSUMER  
27 AGREES, ELECTRONICALLY. A LICENSEE MAY REASONABLY EXPECT THAT A

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1 CONSUMER WILL RECEIVE ACTUAL NOTICE IF THE LICENSEE DOES ANY OF  
2 THE FOLLOWING:

3 (A) HAND DELIVERS A PRINTED COPY OF THE NOTICE TO THE  
4 CONSUMER.

5 (B) MAILES A PRINTED COPY OF THE NOTICE TO THE LAST KNOWN  
6 ADDRESS OF THE CONSUMER SEPARATELY, OR IN A POLICY, BILLING, OR  
7 OTHER WRITTEN COMMUNICATION.

8 (C) FOR A CONSUMER WHO CONDUCTS TRANSACTIONS ELECTRONICALLY,  
9 POSTS THE NOTICE ON THE ELECTRONIC SITE AND REQUIRES THE CONSUMER  
10 TO ACKNOWLEDGE RECEIPT OF THE NOTICE AS A NECESSARY STEP TO  
11 OBTAINING A PARTICULAR INSURANCE PRODUCT OR SERVICE.

12 (D) FOR AN ISOLATED TRANSACTION WITH A CONSUMER, SUCH AS THE  
13 LICENSEE PROVIDING AN INSURANCE QUOTE OR SELLING THE CONSUMER  
14 TRAVEL INSURANCE, POSTS THE NOTICE AND REQUIRES THE CONSUMER TO  
15 ACKNOWLEDGE RECEIPT OF THE NOTICE AS A NECESSARY STEP TO OBTAIN-  
16 ING THE PARTICULAR INSURANCE PRODUCT OR SERVICE.

17 (2) THE FOLLOWING DO NOT PROVIDE A REASONABLE EXPECTATION  
18 THAT A CONSUMER WILL RECEIVE ACTUAL NOTICE OF A LICENSEE'S PRI-  
19 VACY POLICIES AND PRACTICES UNDER SUBSECTION (1):

20 (A) THE LICENSEE ONLY POSTS A SIGN IN ITS OFFICE OR GENER-  
21 ALLY PUBLISHES ADVERTISEMENTS OF ITS PRIVACY POLICIES AND  
22 PRACTICES.

23 (B) THE LICENSEE SENDS THE NOTICE VIA ELECTRONIC MAIL TO A  
24 CONSUMER WHO DOES NOT OBTAIN AN INSURANCE PRODUCT OR SERVICE FROM  
25 THE LICENSEE ELECTRONICALLY.

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1 (3) A LICENSEE MAY REASONABLY EXPECT THAT A CUSTOMER WILL  
2 RECEIVE ACTUAL NOTICE OF THE LICENSEE'S ANNUAL NOTICE IN EITHER  
3 OF THE FOLLOWING CASES:

4 (A) THE CUSTOMER USES THE LICENSEE'S WEBSITE TO ACCESS  
5 INSURANCE PRODUCTS AND SERVICES ELECTRONICALLY AND AGREES TO  
6 RECEIVE NOTICES AT THE WEBSITE AND THE LICENSEE POSTS ITS CURRENT  
7 PRIVACY NOTICE CONTINUOUSLY IN A CLEAR AND CONSPICUOUS MANNER ON  
8 THE WEBSITE.

9 (B) THE CUSTOMER HAS REQUESTED THAT THE LICENSEE REFRAIN  
10 FROM SENDING ANY INFORMATION REGARDING THE CUSTOMER RELATIONSHIP,  
11 AND THE LICENSEE'S CURRENT PRIVACY NOTICE REMAINS AVAILABLE TO  
12 THE CUSTOMER UPON REQUEST.

13 (4) A LICENSEE SHALL NOT PROVIDE ANY NOTICE REQUIRED BY THIS  
14 CHAPTER SOLELY BY ORALLY EXPLAINING THE NOTICE, EITHER IN PERSON  
15 OR OVER THE TELEPHONE.

16 (5) FOR CUSTOMERS ONLY, A LICENSEE SHALL PROVIDE THE INITIAL  
17 ANNUAL AND REVISED NOTICES SO THAT THE CUSTOMER CAN RETAIN THEM  
18 OR OBTAIN THEM LATER IN WRITING OR, IF THE CUSTOMER AGREES,  
19 ELECTRONICALLY. A LICENSEE PROVIDES AN INITIAL, ANNUAL, OR  
20 REVISED NOTICE TO THE CUSTOMER SO THAT THE CUSTOMER CAN RETAIN IT  
21 OR OBTAIN IT LATER IF THE LICENSEE DOES ANY OF THE FOLLOWING:

22 (A) HAND DELIVERS A PRINTED COPY OF THE NOTICE TO THE  
23 CUSTOMER.

24 (B) MAILES A PRINTED COPY OF THE NOTICE TO THE LAST KNOWN  
25 ADDRESS OF THE CUSTOMER.

26 (C) MAKES THE CURRENT INITIAL, ANNUAL, OR REVISED NOTICE  
27 AVAILABLE ON A WEBSITE OR A LINK TO ANOTHER WEBSITE FOR THE

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1 CUSTOMER WHO OBTAINS AN INSURANCE PRODUCT OR SERVICE  
2 ELECTRONICALLY AND AGREES TO RECEIVE THE NOTICE AT THE WEBSITE.

3 (6) A LICENSEE MAY PROVIDE A JOINT NOTICE FROM THE LICENSEE  
4 AND 1 OR MORE OF ITS AFFILIATES OR OTHER FINANCIAL INSTITUTIONS,  
5 AS IDENTIFIED IN THE NOTICE, IF THE NOTICE IS ACCURATE WITH  
6 RESPECT TO THE LICENSEE AND THE OTHER INSTITUTIONS. A LICENSEE  
7 MAY ALSO PROVIDE A NOTICE ON BEHALF OF ANOTHER FINANCIAL INSTITU-  
8 TION, AS IDENTIFIED IN THE NOTICE, IF THE NOTICE IS ACCURATE WITH  
9 RESPECT TO THE LICENSEE AND THE OTHER INSTITUTION.

10 (7) IF 2 OR MORE CONSUMERS JOINTLY OBTAIN AN INSURANCE PRO-  
11 DUCT OR SERVICE FROM A LICENSEE, THE LICENSEE MAY SATISFY THE  
12 INITIAL, ANNUAL, AND REVISED NOTICE REQUIREMENTS BY PROVIDING 1  
13 NOTICE TO THOSE CONSUMERS JOINTLY.

14 SEC. 529. (1) EXCEPT AS OTHERWISE PROVIDED IN THIS CHAPTER,  
15 A LICENSEE SHALL NOT, DIRECTLY OR THROUGH ANY AFFILIATE, DISCLOSE  
16 ANY NONPUBLIC PERSONAL FINANCIAL INFORMATION ABOUT A CONSUMER TO  
17 A NONAFFILIATED THIRD PARTY UNLESS ALL OF THE FOLLOWING ARE MET:

18 (A) THE LICENSEE HAS PROVIDED TO THE CONSUMER AN INITIAL  
19 NOTICE.

20 (B) THE LICENSEE HAS PROVIDED TO THE CONSUMER AN OPT OUT  
21 NOTICE AS REQUIRED IN SECTION 519.

22 (C) THE LICENSEE HAS GIVEN THE CONSUMER A REASONABLE OPPOR-  
23 TUNITY, BEFORE IT DISCLOSES THE INFORMATION TO THE NONAFFILIATED  
24 THIRD PARTY, TO OPT OUT OF THE DISCLOSURE AND THE CONSUMER DOES  
25 NOT OPT OUT.

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1           (2) A LICENSEE PROVIDES A CONSUMER WITH A REASONABLE  
2 OPPORTUNITY TO OPT OUT UNDER SUBSECTION (1) IN ANY OF THE  
3 FOLLOWING WAYS:

4           (A) IF THE LICENSEE MAILS THE NOTICES REQUIRED IN SUBSECTION  
5 (1) TO THE CONSUMER AND ALLOWS THE CONSUMER TO OPT OUT BY MAILING  
6 A FORM, CALLING A TOLL-FREE TELEPHONE NUMBER, OR ANY OTHER REA-  
7 SONABLE MEANS WITHIN 30 DAYS FROM THE DATE THE LICENSEE MAILED  
8 THE NOTICES.

9           (B) A CUSTOMER OPENS AN ON-LINE ACCOUNT WITH A LICENSEE AND  
10 AGREES TO RECEIVE THE NOTICES REQUIRED IN SUBSECTION (1) ELEC-  
11 TRONICALLY, AND THE LICENSEE ALLOWS THE CUSTOMER TO OPT OUT BY  
12 ANY REASONABLE MEANS WITHIN 30 DAYS AFTER THE DATE THAT THE CUS-  
13 TOMER ACKNOWLEDGES RECEIPT OF THE NOTICES IN CONJUNCTION WITH  
14 OPENING THE ACCOUNT.

15           (C) FOR AN ISOLATED TRANSACTION SUCH AS PROVIDING THE CON-  
16 SUMER WITH AN INSURANCE QUOTE, IF THE LICENSEE PROVIDES THE  
17 NOTICES REQUIRED IN SUBSECTION (1) AT THE TIME OF THE TRANSACTION  
18 AND REQUESTS THAT THE CONSUMER DECIDE, AS A NECESSARY PART OF THE  
19 TRANSACTION, WHETHER TO OPT OUT BEFORE COMPLETING THE  
20 TRANSACTION.

21           (3) THIS SECTION APPLIES TO A LICENSEE WHETHER OR NOT THE  
22 LICENSEE AND THE CONSUMER HAVE ESTABLISHED A CUSTOMER  
23 RELATIONSHIP.

24           (4) UNLESS A LICENSEE COMPLIES WITH THIS SECTION, THE  
25 LICENSEE SHALL NOT, DIRECTLY OR THROUGH ANY AFFILIATE, DISCLOSE  
26 ANY NONPUBLIC PERSONAL FINANCIAL INFORMATION ABOUT A CONSUMER  
27 THAT THE LICENSEE HAS COLLECTED, REGARDLESS OF WHETHER THE



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1 LICENSEE COLLECTED IT BEFORE OR AFTER RECEIVING THE DIRECTION TO  
2 OPT OUT FROM THE CONSUMER.

3 (5) A LICENSEE MAY ALLOW A CONSUMER TO SELECT CERTAIN NON-  
4 PUBLIC PERSONAL FINANCIAL INFORMATION OR CERTAIN NONAFFILIATED  
5 THIRD PARTIES WITH RESPECT TO WHICH THE CONSUMER WISHES TO OPT  
6 OUT.

7 SEC. 531. (1) IF A LICENSEE RECEIVES NONPUBLIC PERSONAL  
8 FINANCIAL INFORMATION FROM A NONAFFILIATED FINANCIAL INSTITUTION  
9 UNDER AN EXCEPTION IN SECTION 537 OR 539, THE LICENSEE'S DISCLO-  
10 SURE AND USE OF THAT INFORMATION IS LIMITED AS FOLLOWS:

11 (A) THE LICENSEE MAY DISCLOSE THE INFORMATION TO THE AFFILI-  
12 ATES OF THE FINANCIAL INSTITUTION FROM WHICH THE LICENSEE  
13 RECEIVED THE INFORMATION.

14 (B) THE LICENSEE MAY DISCLOSE THE INFORMATION TO ITS AFFILI-  
15 ATES, BUT THE LICENSEE'S AFFILIATES MAY, IN TURN, DISCLOSE AND  
16 USE THE INFORMATION ONLY TO THE EXTENT THAT THE LICENSEE MAY DIS-  
17 CLOSE AND USE THE INFORMATION.

18 (C) THE LICENSEE MAY DISCLOSE AND USE THE INFORMATION PURSU-  
19 ANT TO AN EXCEPTION IN SECTION 537 OR 539 IN THE ORDINARY COURSE  
20 OF BUSINESS TO CARRY OUT THE ACTIVITY COVERED BY THE EXCEPTION  
21 UNDER WHICH THE LICENSEE RECEIVED THE INFORMATION.

22 (2) IF A LICENSEE RECEIVES NONPUBLIC PERSONAL FINANCIAL  
23 INFORMATION FROM A NONAFFILIATED FINANCIAL INSTITUTION OTHER THAN  
24 UNDER AN EXCEPTION IN SECTION 537 OR 539, THE LICENSEE MAY DIS-  
25 CLOSE THE INFORMATION ONLY AS FOLLOWS:

26 (A) TO THE AFFILIATES OF THE FINANCIAL INSTITUTION FROM  
27 WHICH THE LICENSEE RECEIVED THE INFORMATION.

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1 (B) TO ITS AFFILIATES, BUT ITS AFFILIATES MAY, IN TURN,  
2 DISCLOSE THE INFORMATION ONLY TO THE EXTENT THAT THE LICENSEE MAY  
3 DISCLOSE THE INFORMATION.

4 (C) TO ANY OTHER PERSON, IF THE DISCLOSURE WOULD BE LAWFUL  
5 IF MADE DIRECTLY TO THAT PERSON BY THE FINANCIAL INSTITUTION FROM  
6 WHICH THE LICENSEE RECEIVED THE INFORMATION.

7 (3) IF A LICENSEE DISCLOSES NONPUBLIC PERSONAL FINANCIAL  
8 INFORMATION TO A NONAFFILIATED THIRD PARTY UNDER AN EXCEPTION IN  
9 SECTION 537 OR 539, THE THIRD PARTY MAY DISCLOSE AND USE THAT  
10 INFORMATION ONLY AS FOLLOWS:

11 (A) TO THE LICENSEE'S AFFILIATES.

12 (B) TO ITS AFFILIATES, BUT ITS AFFILIATES MAY, IN TURN, DIS-  
13 CLOSE AND USE THE INFORMATION ONLY TO THE EXTENT THAT THE THIRD  
14 PARTY MAY DISCLOSE AND USE THE INFORMATION.

15 (C) PURSUANT TO AN EXCEPTION IN SECTION 537 OR 539 IN THE  
16 ORDINARY COURSE OF BUSINESS TO CARRY OUT THE ACTIVITY COVERED BY  
17 THE EXCEPTION UNDER WHICH IT RECEIVED THE INFORMATION.

18 (4) IF A LICENSEE DISCLOSES NONPUBLIC PERSONAL FINANCIAL  
19 INFORMATION TO A NONAFFILIATED THIRD PARTY OTHER THAN UNDER AN  
20 EXCEPTION IN SECTION 537 OR 539, THE THIRD PARTY MAY DISCLOSE THE  
21 INFORMATION ONLY AS FOLLOWS:

22 (A) TO THE LICENSEE'S AFFILIATES.

23 (B) TO THE THIRD PARTY'S AFFILIATES, BUT THE THIRD PARTY'S  
24 AFFILIATES MAY, IN TURN, DISCLOSE THE INFORMATION ONLY TO THE  
25 EXTENT THE THIRD PARTY CAN DISCLOSE THE INFORMATION.

26 (C) TO ANY OTHER PERSON, IF THE DISCLOSURE WOULD BE LAWFUL  
27 IF THE LICENSEE MADE IT DIRECTLY TO THAT PERSON.

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1           SEC. 533. (1) A LICENSEE SHALL NOT, DIRECTLY OR THROUGH AN  
2 AFFILIATE, DISCLOSE, OTHER THAN TO A CONSUMER REPORTING AGENCY, A  
3 POLICY OR ACCOUNT NUMBER OR OTHER ACCESS NUMBER OR ACCESS CODE  
4 FOR A CONSUMER'S POLICY, CREDIT CARD ACCOUNT, DEPOSIT ACCOUNT, OR  
5 TRANSACTION ACCOUNT TO ANY NONAFFILIATED THIRD PARTY FOR USE IN  
6 TELEMARKETING, DIRECT MAIL MARKETING, OR OTHER MARKETING THROUGH  
7 ELECTRONIC MAIL TO THE CONSUMER.

8           (2) SUBSECTION (1) DOES NOT APPLY IF A LICENSEE DISCLOSES A  
9 POLICY OR ACCOUNT NUMBER OR OTHER ACCESS NUMBER OR ACCESS CODE AS  
10 FOLLOWS:

11           (A) TO THE LICENSEE'S SERVICE PROVIDER SOLELY IN ORDER TO  
12 PERFORM MARKETING FOR THE LICENSEE'S OWN PRODUCTS OR SERVICES, AS  
13 LONG AS THE SERVICE PROVIDER IS NOT AUTHORIZED TO DIRECTLY INITI-  
14 ATE CHARGES TO THE ACCOUNT.

15           (B) TO A LICENSEE WHO IS A PRODUCER SOLELY IN ORDER TO PER-  
16 FORM MARKETING FOR THE LICENSEE'S OWN PRODUCTS OR SERVICES.

17           (C) TO A PARTICIPANT IN AN AFFINITY OR SIMILAR PROGRAM WHERE  
18 THE PARTICIPANTS IN THE PROGRAM ARE IDENTIFIED TO THE CUSTOMER  
19 WHEN THE CUSTOMER ENTERS INTO THE PROGRAM.

20           (3) SUBSECTION (1) DOES NOT APPLY IF THE POLICY OR ACCOUNT  
21 NUMBER, OR OTHER ACCESS NUMBER OR ACCESS CODE, IS IN AN ENCRYPTED  
22 FORM, AS LONG AS THE LICENSEE DOES NOT PROVIDE THE RECIPIENT WITH  
23 A MEANS TO DECODE THE NUMBER OR CODE.

24           (4) AS USED IN THIS SECTION, "TRANSACTION ACCOUNT" MEANS AN  
25 ACCOUNT OTHER THAN A DEPOSIT ACCOUNT OR A CREDIT CARD ACCOUNT. A  
26 TRANSACTION ACCOUNT DOES NOT INCLUDE AN ACCOUNT TO WHICH THIRD  
27 PARTIES CANNOT INITIATE CHARGES.

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1           SEC. 535. (1) THE OPT OUT REQUIREMENTS IN SECTIONS 519 AND  
2 529 DO NOT APPLY WHEN A LICENSEE PROVIDES NONPUBLIC PERSONAL  
3 FINANCIAL INFORMATION TO A NONAFFILIATED THIRD PARTY TO PERFORM  
4 SERVICES FOR THE LICENSEE OR FUNCTIONS ON THE LICENSEE'S BEHALF,  
5 IF THE LICENSEE DOES BOTH OF THE FOLLOWING:

6           (A) PROVIDES THE INITIAL NOTICE.

7           (B) ENTERS INTO A CONTRACTUAL AGREEMENT WITH THE THIRD PARTY  
8 THAT PROHIBITS THE THIRD PARTY FROM DISCLOSING OR USING THE  
9 INFORMATION OTHER THAN TO CARRY OUT THE PURPOSES FOR WHICH THE  
10 LICENSEE DISCLOSED THE INFORMATION, INCLUDING USE UNDER AN EXCEP-  
11 TION IN SECTION 537 OR 539 IN THE ORDINARY COURSE OF BUSINESS TO  
12 CARRY OUT THOSE PURPOSES.

13           (2) THE SERVICES A NONAFFILIATED THIRD PARTY PERFORMS FOR A  
14 LICENSEE UNDER SUBSECTION (1) MAY INCLUDE MARKETING OF THE  
15 LICENSEE'S OWN PRODUCTS OR SERVICES OR MARKETING OF INSURANCE  
16 PRODUCTS OR SERVICES OFFERED PURSUANT TO JOINT AGREEMENTS BETWEEN  
17 THE LICENSEE AND 1 OR MORE FINANCIAL INSTITUTIONS.

18           (3) AS USED IN THIS SECTION, "JOINT AGREEMENT" MEANS A WRIT-  
19 TEN CONTRACT PURSUANT TO WHICH A LICENSEE AND 1 OR MORE FINANCIAL  
20 INSTITUTIONS JOINTLY OFFER, ENDORSE, OR SPONSOR A FINANCIAL PRO-  
21 DUCT OR SERVICE.

22           SEC. 537. (1) SECTIONS 507(1)(C), 519, 529, AND 535 DO NOT  
23 APPLY IF THE LICENSEE DISCLOSES NONPUBLIC PERSONAL FINANCIAL  
24 INFORMATION AS NECESSARY TO EFFECT, ADMINISTER, OR ENFORCE A  
25 TRANSACTION THAT A CONSUMER REQUESTS OR AUTHORIZES, OR IN CONNEC-  
26 TION WITH ANY OF THE FOLLOWING:

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1 (A) SERVICING, ADJUSTING, OR PROCESSING AN INSURANCE PRODUCT  
2 OR SERVICE THAT A CONSUMER REQUESTS OR AUTHORIZES.

3 (B) MAINTAINING OR SERVICING THE CONSUMER'S ACCOUNT WITH A  
4 LICENSEE, OR WITH ANOTHER ENTITY AS PART OF A PRIVATE LABEL  
5 CREDIT CARD PROGRAM OR OTHER EXTENSION OF CREDIT ON BEHALF OF  
6 THAT ENTITY.

7 (C) A PROPOSED OR ACTUAL SECURITIZATION, SECONDARY MARKET  
8 SALE INCLUDING SALES OF SERVICING RIGHTS, OR SIMILAR TRANSACTION  
9 RELATED TO A TRANSACTION OF THE CONSUMER.

10 (D) REINSURANCE OR STOP LOSS OR EXCESS LOSS INSURANCE.

11 (E) SERVICING OR PROCESSING AN INSURANCE PRODUCT OR SERVICE  
12 ON BEHALF OF THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILI-  
13 TY, THE MICHIGAN WORKER'S COMPENSATION PLACEMENT FACILITY, OR THE  
14 ASSIGNED CLAIMS FACILITY CREATED UNDER SECTION 3171.

15 (2) AS USED IN SUBSECTION (1), "NECESSARY TO EFFECT, ADMIN-  
16 ISTER, OR ENFORCE A TRANSACTION" MEANS THAT THE DISCLOSURE IS  
17 EITHER OF THE FOLLOWING:

18 (A) REQUIRED OR IS 1 OF THE LAWFUL OR APPROPRIATE METHODS TO  
19 ENFORCE THE LICENSEE'S RIGHTS OR THE RIGHTS OF OTHER PERSONS  
20 ENGAGED IN CARRYING OUT THE FINANCIAL TRANSACTION OR PROVIDING  
21 THE PRODUCT OR SERVICE.

22 (B) REQUIRED OR IS A USUAL, APPROPRIATE, OR ACCEPTABLE  
23 METHOD FOR ANY OF THE FOLLOWING:

24 (i) TO CARRY OUT THE TRANSACTION OR THE PRODUCT OR SERVICE  
25 BUSINESS OF WHICH THE TRANSACTION IS A PART, AND RECORD, SERVICE,  
26 OR MAINTAIN THE CONSUMER'S ACCOUNT IN THE ORDINARY COURSE OF  
27 PROVIDING THE INSURANCE PRODUCT OR SERVICE.

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1           (ii) TO ADMINISTER, ADJUST, OR SERVICE BENEFITS OR CLAIMS  
2 RELATING TO THE TRANSACTION OR THE PRODUCT OR SERVICE BUSINESS OF  
3 WHICH IT IS A PART.

4           (iii) TO PROVIDE A CONFIRMATION, EXPLANATION, STATEMENT, OR  
5 OTHER RECORD OF THE TRANSACTION, OR INFORMATION ON THE STATUS OR  
6 VALUE OF THE INSURANCE PRODUCT OR SERVICE TO THE CONSUMER, THE  
7 CONSUMER'S AGENT OR BROKER, OR A POLICYHOLDER OR THE  
8 POLICYHOLDER'S AGENT OR BROKER WITH RESPECT TO A CLAIM ASSERTED  
9 BY, OR PAID TO, A CONSUMER UNDER THE POLICY.

10           (iv) TO ACCRUE OR RECOGNIZE INCENTIVES OR BONUSES ASSOCIATED  
11 WITH THE TRANSACTION THAT ARE PROVIDED BY A LICENSEE OR ANY OTHER  
12 PARTY.

13           (v) TO UNDERWRITE INSURANCE AT THE CONSUMER'S REQUEST OR FOR  
14 ANY OF THE FOLLOWING PURPOSES AS THEY RELATE TO A CONSUMER'S  
15 INSURANCE OR TO AN INSURANCE POLICY UNDER WHICH THE CONSUMER IS A  
16 CLAIMANT: ACCOUNT ADMINISTRATION, REPORTING, INVESTIGATING, OR  
17 PREVENTING FRAUD OR MATERIAL MISREPRESENTATION, PROCESSING PRE-  
18 MIUM PAYMENTS, PROCESSING, ADJUSTING, SETTTLING, OR PAYING INSUR-  
19 ANCE CLAIMS, ADMINISTERING INSURANCE BENEFITS INCLUDING UTILIZA-  
20 TION REVIEW ACTIVITIES, PARTICIPATING IN RESEARCH PROJECTS, OR AS  
21 OTHERWISE REQUIRED OR SPECIFICALLY PERMITTED BY FEDERAL OR STATE  
22 LAW.

23           (vi) IN CONNECTION WITH ANY OF THE FOLLOWING:

24           (A) THE AUTHORIZATION, SETTLEMENT, BILLING, PROCESSING,  
25 CLEARING, TRANSFERRING, RECONCILING, OR COLLECTION OF AMOUNTS  
26 CHARGED, DEBITED, OR OTHERWISE PAID USING A DEBIT, CREDIT, OR

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1 OTHER PAYMENT CARD, CHECK, OR ACCOUNT NUMBER, OR BY OTHER PAYMENT  
2 MEANS.

3 (B) THE TRANSFER OR COLLECTION OF DEBTS, RECEIVABLES,  
4 ACCOUNTS, OR INTERESTS IN RECEIVABLES OR ACCOUNTS.

5 (C) THE AUDIT OF DEBIT, CREDIT, OR OTHER PAYMENT  
6 INFORMATION.

7 SEC. 539. SECTIONS 507(1)(C), 519, 529, AND 535 DO NOT  
8 APPLY WHEN A LICENSEE DISCLOSES NONPUBLIC PERSONAL FINANCIAL  
9 INFORMATION AS FOLLOWS:

10 (A) WITH THE CONSENT OR AT THE DIRECTION OF THE CONSUMER,  
11 PROVIDED THAT THE CONSUMER HAS NOT REVOKED THE CONSENT OR  
12 DIRECTION.

13 (B) TO PROTECT THE CONFIDENTIALITY OR SECURITY OF A  
14 LICENSEE'S RECORDS PERTAINING TO THE CONSUMER, SERVICE, PRODUCT,  
15 OR TRANSACTION.

16 (C) TO PROTECT AGAINST OR PREVENT ACTUAL OR POTENTIAL FRAUD  
17 OR UNAUTHORIZED TRANSACTIONS.

18 (D) FOR REQUIRED INSTITUTIONAL RISK CONTROL OR FOR RESOLVING  
19 CONSUMER DISPUTES OR INQUIRIES.

20 (E) TO PERSONS HOLDING A LEGAL OR BENEFICIAL INTEREST RELAT-  
21 ING TO THE CONSUMER.

22 (F) TO PERSONS ACTING IN A FIDUCIARY OR REPRESENTATIVE  
23 CAPACITY ON BEHALF OF THE CONSUMER.

24 (G) TO PROVIDE INFORMATION TO INSURANCE RATE ADVISORY ORGAN-  
25 IZATIONS, GUARANTY FUNDS OR AGENCIES, AGENCIES THAT ARE RATING A  
26 LICENSEE, PERSONS THAT ARE ASSESSING THE LICENSEE'S COMPLIANCE

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1 WITH INDUSTRY STANDARDS, OR THE LICENSEE'S ATTORNEYS,  
2 ACCOUNTANTS, AND AUDITORS.

3       (H) TO THE EXTENT SPECIFICALLY PERMITTED OR REQUIRED UNDER  
4 OTHER PROVISIONS OF LAW AND IN ACCORDANCE WITH THE RIGHT TO PRI-  
5 VACY ACT OF 1978, TITLE XI OF THE FINANCIAL INSTITUTIONS REGULA-  
6 TORY AND INTEREST RATE CONTROL ACT OF 1978, PUBLIC LAW 95-630, 12  
7 U.S.C. 3401 TO 3420 AND 3422, TO LAW ENFORCEMENT AGENCIES INCLUD-  
8 ING THE FEDERAL RESERVE BOARD, OFFICE OF THE COMPTROLLER OF THE  
9 CURRENCY, FEDERAL DEPOSIT INSURANCE CORPORATION, OFFICE OF THRIFT  
10 SUPERVISION, NATIONAL CREDIT UNION ADMINISTRATION, THE SECURITIES  
11 AND EXCHANGE COMMISSION, THE SECRETARY OF THE TREASURY, WITH  
12 RESPECT TO SUBCHAPTER II OF CHAPTER 53 OF SUBTITLE IV OF TITLE 31  
13 OF THE UNITED STATES CODE, 31 U.S.C. 5311 AND 5330, AND SECTIONS  
14 121 TO 129 OF CHAPTER 2 OF TITLE I OF PUBLIC LAW 91-508, 12  
15 U.S.C. 1951 TO 1959, THE FEDERAL TRADE COMMISSION, A STATE INSUR-  
16 ANCE AUTHORITY, SELF-REGULATORY ORGANIZATIONS, OR FOR AN INVESTI-  
17 GATION ON A MATTER RELATED TO PUBLIC SAFETY.

18       (I) TO A CONSUMER REPORTING AGENCY IN ACCORDANCE WITH THE  
19 FAIR CREDIT REPORTING ACT, TITLE VI OF THE CONSUMER CREDIT PRO-  
20 TECTION ACT, PUBLIC LAW 90-321, 15 U.S.C. 1681 TO 1681u.

21       (J) FROM A CONSUMER REPORT REPORTED BY A CONSUMER REPORTING  
22 AGENCY.

23       (K) IN CONNECTION WITH A PROPOSED OR ACTUAL SALE, MERGER,  
24 TRANSFER, OR EXCHANGE OF ALL OR A PORTION OF A BUSINESS OR OPER-  
25 ATING UNIT OF THE LICENSEE IF THE DISCLOSURE OF NONPUBLIC PER-  
26 SONAL FINANCIAL INFORMATION CONCERNS SOLELY CONSUMERS OF THAT  
27 BUSINESS OR UNIT.



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1 (L) TO COMPLY WITH FEDERAL, STATE, OR LOCAL LAWS, RULES, AND  
2 OTHER APPLICABLE LEGAL REQUIREMENTS.

3 (M) TO COMPLY WITH A PROPERLY AUTHORIZED CIVIL, CRIMINAL, OR  
4 REGULATORY INVESTIGATION, SUBPOENA, OR SUMMONS BY A FEDERAL,  
5 STATE, OR LOCAL AUTHORITY.

6 (N) TO RESPOND TO JUDICIAL PROCESS OR A GOVERNMENT REGULA-  
7 TORY AUTHORITY HAVING JURISDICTION OVER A LICENSEE FOR EXAMINA-  
8 TION, COMPLIANCE, OR OTHER PURPOSES AS AUTHORIZED BY LAW.

9 (O) FOR PURPOSES RELATED TO THE REPLACEMENT OF A GROUP BENE-  
10 FIT PLAN, A GROUP HEALTH PLAN, A GROUP WELFARE PLAN, OR WORKER'S  
11 COMPENSATION PLAN TO THE EXTENT NECESSARY TO EFFECTUATE THE  
12 REPLACEMENT.

13 SEC. 540. THE MICHIGAN LIFE AND HEALTH GUARANTY ASSOCIA-  
14 TION, THE PROPERTY AND CASUALTY GUARANTY ASSOCIATION, THE  
15 MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY, THE MICHIGAN  
16 WORKER'S COMPENSATION PLACEMENT FACILITY, AND THE ASSIGNED CLAIMS  
17 FACILITY CREATED UNDER SECTION 3171 SHALL NOT DISCLOSE OR USE  
18 NONPUBLIC PERSONAL FINANCIAL INFORMATION EXCEPT AS PROVIDED IN  
19 SECTION 537(1)(A) TO (E) OR SECTION 539(A) TO (O).

20 SEC. 541. NOTHING IN THIS CHAPTER SHALL BE CONSTRUED TO  
21 MODIFY, LIMIT, OR SUPERSEDE THE OPERATION OF THE FAIR CREDIT  
22 REPORTING ACT, TITLE VI OF THE CONSUMER CREDIT PROTECTION ACT,  
23 PUBLIC LAW 90-321, 15 U.S.C. 1681 TO 1681u, AND NO INFERENCE  
24 SHALL BE DRAWN ON THE BASIS OF THE PROVISIONS OF THIS CHAPTER  
25 REGARDING WHETHER INFORMATION IS TRANSACTION OR EXPERIENCE INFOR-  
26 MATION UNDER SECTION 603 OF THE FAIR CREDIT REPORTING ACT, TITLE

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1 VI OF THE CONSUMER CREDIT PROTECTION ACT, PUBLIC LAW 90-321, 15  
2 U.S.C. 1681a.

3 SEC. 543. A LICENSEE SHALL NOT UNFAIRLY DISCRIMINATE  
4 AGAINST ANY CONSUMER BECAUSE THAT CONSUMER HAS OPTED OUT OR  
5 INTENDS TO OPT OUT FROM THE DISCLOSURE OF HIS OR HER NONPUBLIC  
6 PERSONAL FINANCIAL INFORMATION PURSUANT TO THE PROVISIONS OF THIS  
7 CHAPTER.

8 SEC. 545. UNTIL JULY 1, 2002, A CONTRACT THAT A LICENSEE  
9 HAS ENTERED INTO WITH A NONAFFILIATED THIRD PARTY TO PERFORM  
10 SERVICES FOR THE LICENSEE OR FUNCTIONS ON THE LICENSEE'S BEHALF  
11 SATISFIES THE PROVISIONS OF SECTION 535(1)(B), EVEN IF THE CON-  
12 TRACT DOES NOT INCLUDE A REQUIREMENT THAT THE THIRD PARTY MAIN-  
13 TAIN THE CONFIDENTIALITY OF NONPUBLIC PERSONAL FINANCIAL INFORMA-  
14 TION, AS LONG AS THE LICENSEE ENTERED INTO THE AGREEMENT ON OR  
15 BEFORE JULY 1, 2000.

16 SEC. 547. (1) THE COMMISSIONER SHALL ADOPT GUIDELINES FOR  
17 ADMINISTRATIVE, TECHNICAL, AND PHYSICAL SAFEGUARDS THAT PROTECT  
18 THE SECURITY, CONFIDENTIALITY, AND INTEGRITY OF CUSTOMER INFORMA-  
19 TION, PURSUANT TO SECTIONS 501, 505(b), AND 507 OF THE  
20 GRAMM-LEACH-BLILEY ACT, PUBLIC LAW 106-102, 113 STAT. 1338, 15  
21 U.S.C. 6801, 6805(b), AND 6807.

22 (2) EACH LICENSEE SHALL ADOPT POLICIES AND PROCEDURES FOR  
23 ADMINISTRATIVE, TECHNICAL, AND PHYSICAL SAFEGUARDS FOR THE PRO-  
24 TECTION OF CUSTOMER RECORDS AND INFORMATION. THE POLICIES AND  
25 PROCEDURES SHALL BE BASED ON THE GUIDELINES ADOPTED UNDER SUBSEC-  
26 TION (1), SHALL BE FILED WITH THE COMMISSIONER, AND SHALL BE  
27 REASONABLY DESIGNED TO DO ALL OF THE FOLLOWING:

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1 (A) ENSURE THE SECURITY AND CONFIDENTIALITY OF CUSTOMER  
2 RECORDS AND INFORMATION.

3 (B) PROTECT AGAINST ANY ANTICIPATED THREATS OR HAZARDS TO  
4 THE SECURITY OR INTEGRITY OF CUSTOMER RECORDS AND INFORMATION.

5 (C) PROTECT AGAINST UNAUTHORIZED ACCESS TO OR USE OF CUS-  
6 TOMER RECORDS OR INFORMATION THAT COULD RESULT IN SUBSTANTIAL  
7 HARM OR INCONVENIENCE TO ANY CUSTOMER.

8 SEC. 549. A VIOLATION OF THIS CHAPTER OR A RULE PROMULGATED  
9 UNDER THIS CHAPTER IS AN UNFAIR METHOD OF COMPETITION AND AN  
10 UNFAIR OR DECEPTIVE ACT OR PRACTICE UNDER SECTION 2043.