



Senate Fiscal Agency
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Senate Bill 172 (as reported without amendment)
Sponsor: Senator Jim Stamas
Committee: Insurance and Banking

CONTENT

The bill would amend the Insurance Code to exempt a licensee from providing to its customers an annual notice that accurately reflected its privacy policies and practices under certain circumstances.

Section 513 of the Code requires a licensee to provide a clear and conspicuous notice to customers that accurately reflects its privacy policies and practices at least annually during the continuation of the customer relationship.

("Licensee" means a licensed insurer or producer, and other persons licensed or required to be licensed, authorized or required to be authorized, registered or required to be registered, or holding or required to hold a certificate of authority under the Code.)

Under the bill, a licensee would not have to provide an annual notice described above if all of the following applied:

- The licensee only provided nonpublic personal information to a nonaffiliated third party.
- The licensee's privacy policies and practices about disclosing nonpublic personal information had not changed from the previous notice the licensee provided under Section 513 or Section 511.

(Section 511 allows a licensee to provide an initial notice reflecting its privacy policies and practices within a reasonable time after the licensee establishes a customer relationship if establishing the relationship is not at the customer's election or providing notice not later than when the licensee establishes a customer relationship would substantially delay the customer's transaction and the customer agrees to receive the notice at a later time.)

MCL 500.513

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

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