

NOTICE OF
CHANGE IN PROPOSED RULE

- The agency identified below in box 1 provides notice of proposed rule change pursuant to Utah Code Section 63G-3-301 and Subsection 53C-1-201(3)(c).
- Please address questions regarding information on this notice to the agency.
- The full text of all rule filings is published in the Utah State Bulletin unless excluded because of space constraints.
- The full text of all rule filings may also be inspected at the Office of Administrative Rules.

Agency Information

1. Agency: Insurance - Administration
 Room no.: 3110
 Building: STATE OFFICE BLDG
 Street address 1: 450 N MAIN ST
 Street address 2:
 City, state, zip: SALT LAKE CITY UT 84114-1201
 Mailing address 1: PO BOX 146901
 Mailing address 2:
 City, state, zip: SALT LAKE CITY UT 84114-6901

Contact person(s):

Name:	Phone:	Fax:	E-mail:
Steve Gooch	801-538-3803	801-538-3829	sgooch@utah.gov

(Interested persons may inspect this filing at the above address or at DAR during business hours)

Rule Information

DAR file no: 41296 Date filed: 05/15/2017 11:17 AM
 State Admin Rule Filing Key: 158864
 Utah Admin. Code ref. (R no.): R 590 - 206 -
 Changed to Admin. Code ref. (R no.): - -

Title

2. Title of rule or section (catchline):
 Privacy of Consumer Financial and Health Information Rule

Notice Type

3. Type of notice: Change in Proposed Rule
 Changes original proposed rule file no.: 41296

Rule Purpose

4. Purpose of the rule or reason for the change:

The purpose of this rule change is to incorporate changes to be consistent with the National Association of Insurance Commissioners, NAIC Model #672, Privacy of Consumer Financial and Health Information Regulation. Changes to Model #672 were adopted by the NAIC on April 11, 2017. The model was updated to incorporate changes for compliance with the Fixing America's Surface Transportation (FAST) Act, passed December 3, 2015, which included amendments to the Gramm-Leach-Bliley Act (GLBA), also known as the Financial Services Modernization Act of 1999, enacted November 12, 1999, which eliminated a financial institution's obligation to provide duplicative annual privacy notices under certain circumstances. The changes also correct references to Utah code and sections within the rule, and correct a few minor grammatical errors.

Response Information

5. This change is a response to comments by the Administrative Rules Review Committee.

No

Rule Summary

6. Summary of the rule or change:

The changes are as follows: Incorporated the Federal Model Privacy Form as Appendix B, allowing licensees to rely on this form as a safe harbor for compliance with the rule. Clarified that licensees may continue to use existing language in the current Appendix A, but as of July 1, 2019 will not be considered safe harbor language. Updated several citations within the rule to reflect changes to the rule based on adoption of the NAIC model #672. Updated reference to a beneficiary in a workers compensation plan, to be a claimant covered by a workers' compensation plan. Changes consistent with NAIC model #672. Added language to address settlement options and clarifying the consumer is a beneficiary or claimant that has submitted a claim. Changes consistent with NAIC model #672. Add a new section, R590-206-10. Privacy notices to group Policyholders, which adopts specific language for notice requires for group policyholders. The Department previously added language in R590-206-11(3)(a) which was strongly opposed by industry. This revision removes the previously proposed language, and adopts the NAIC model #672 language.

Aggregate Cost Information

7. Aggregate anticipated cost or savings to:

A) State budget:

Affected: No

There are no anticipated costs or savings to the state budget as a direct result of the changes to this rule. Licensees are currently required to comply with the federal law. Any costs or savings would have already been realized as the state adopted the requirements of the FAST Act and the GLBA.

B) Local government:

Affected: No

There are no anticipated costs or savings to local government as a direct result of the changes to this rule. Licensees are currently required to comply with the federal law. Any costs or savings would have already been realized as the state adopted the requirements of the FAST Act and the GLBA.

C) Small businesses:

Affected: No

("small business" means a business employing fewer than 50 persons)

There are no anticipated costs or savings to small business as a direct result of the changes to this rule. Licensees are currently required to comply with the federal law. Any costs or savings would have already been realized as the state adopted the requirements of the FAST Act and the GLBA.

D) Persons other than small businesses, businesses, or local government entities:

Affected: No

("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an agency)

There are no anticipated costs or savings to persons other than small businesses, businesses, or local governmental entities as a direct result of the changes to this rule. Licensees are currently required to comply with the federal law. Any costs or savings would have already been realized as the state adopted the requirements of the FAST Act and the GLBA.

Compliance Cost Information

8. Compliance costs for affected persons:

There are no anticipated costs to affected persons as a result of the changes to this rule. The changes adopt changes in federal law, correct references to Utah code and sections within the rule, and correct a few minor grammatical errors. Licensees are currently required to comply with the federal law. Any compliance costs would have already been realized as affected persons adopted the requirements of the FAST Act and the GLBA.

Department Head Comments

9. A) Comments by the department head on the fiscal impact the rule may have on businesses:

I believe there is no potential for fiscal impact on the businesses as a result of the changes to the rule. The changes merely adopt existing federal requirements and align the Utah rule with the NAIC model #672, adopted April 11, 2017.

B) Name and title of department head commenting on the fiscal impacts:

Todd E. Kiser, Insurance Commissioner

Citation Information

10. This rule change is authorized or mandated by state law, and implements or interprets the following state and federal laws.

State code or constitution citations (required) (e.g., Section 63G-3-402; Subsection 63G-3-601(3); Article IV) :
Subsection 31A-2-201(3)(a)

Subsection 31A-2-201(2)

Subsection 31A-23a-417(3)

Subsection 31A-2-202(1)

15 U.S.C. 6805

Incorporated Materials

11. This rule adds, updates, or removes the following title of materials incorporated by reference (a copy of materials incorporated by reference must be submitted to DAR; if none, leave blank) :

Official Title of Materials Incorporated (from title page):
Publisher:
Date Issued:
Issue, or version:
ISBN Number:
ISSN Number:
Cost of Incorporated Reference:
Adds, updates, removes:

Comments

12. The public may submit written or oral comments to the agency identified in box 1. (The public may also request a hearing by submitting a written request to the agency. The agency is required to hold a hearing if it receives requests from ten interested persons or from an association having not fewer than ten members. Additionally, the request must be received by the agency not more than 15 days after the publication of this rule in the Utah State Bulletin. See Section 63G-3-302 and Rule R15-1 for more information.)

A) Comments will be accepted until 5:00 p.m. on (mm/dd/yyyy) : 07/03/2017

B) A public hearing (optional) will be held:

On (mm/dd/yyyy): At (hh:mm AM/PM): At (place):

Proposed Effective Date

13. This rule change may become effective on (mm/dd/yyyy): 07/10/2017

NOTE: The date above is the date on which this rule MAY become effective. It is NOT the effective date. After a minimum of seven days following the date designated in Box 12(A) above, the agency must submit a Notice of Effective Date to the Office of Administrative Rules to make this rule effective. Failure to submit a Notice of Effective Date will result in this rule lapsing and will require the agency to start the rulemaking process over.

Indexing Information

14. Indexing information - keywords (maximum of four, in lower case, except for acronyms (e.g., "GRAMA") or proper nouns (e.g., "Medicaid")):
insurance law

File Information

15. Attach an RTF document containing the text of this rule change (filename):
There is a document associated with this rule filing.

To the Agency

Information requested on this form is required by Sections 63G-3-301, 302, 303, and 402. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the Utah State Bulletin, and delaying the first possible effective date.

Agency Authorization

Agency head or designee, and title:	Steve Gooch Information Specialist	Date (mm/dd/yyyy): 05/15/2017
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