

State Corporation Commission

2017 Fiscal Impact Statement

1. **Bill Number:** HB2422

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. **Patron:** Hugo

3. **Committee:** Commerce and Labor

4. **Title:** Notice of financial information collection and disclosure practices.

5. **Summary:** Notice of financial information collection and disclosure practices. Creates an exemption from the requirement that insurance institutions and agents provide policyholders with an annual notice of financial information collection and disclosure practices in connection with insurance transactions. The exemption applies when the insurance institution or agent provides nonpublic personal information to nonaffiliated third parties only in accordance with § 38.2-613 and has not changed its policies and practices with regard to disclosing nonpublic financial information from the policies and practices that were disclosed in the most recent notice sent to the policyholder.

6. **Budget amendment necessary:** No

7. **Fiscal Impact Estimates:** No Fiscal Impact on the State Corporation Commission

8. **Fiscal implications:** None on the State Corporation Commission

9. **Specific agency or political subdivisions affected:** State Corporation Commission Bureau of Insurance

10. **Technical amendment necessary:** No

11. **Other comments:** House Bill 2422 provides that an insurance institution or agent that shares nonpublic personal information with non-affiliated parties only in accordance with § 38.2-613 of the Code of Virginia does not have to continue to provide the annual privacy notice if the insurance institution's or agent's sharing practices have not changed since the last time a notice was given. (An insurance institution or agent that only shares nonpublic personal information with non-affiliated third parties in accordance with § 38.2-613 is not required to provide the consumer with an opt-out notice since this type of sharing is in accordance with the law.) If the insurance institution or agent changes its sharing practices, then a notice outlining the new practices must be given to the consumer.

House Bill 2422 makes Virginia law consistent with amendments to the federal Gramm Leach Bliley Act made in December, 2015, as part of the federal Fixing America's Surface Transportation Act to amend the GLBA annual privacy notice provisions.

Date: 01/30/17/V. Tompkins