
A BILL FOR AN ACT

RELATING TO INSURANCE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that Hawaii law requires
2 insurers to send annual privacy notices to all individuals
3 covered by a group policy rather than to just the group
4 policyholder, which results in insurers spending an
5 extraordinary amount of time sending notices to individuals in
6 the State.

7 The purpose of this Act is to clarify the requirements for
8 additional privacy notices that an insurer must send by:

9 (1) Permitting an insurer to send a privacy notice every
10 five years, if the relationship between the insurer
11 and a customer is renewed annually or less than
12 annually and the insurer has not changed its policies
13 and practices regarding disseminating customers'
14 nonpublic personal financial information to
15 nonaffiliated third parties;

16 (2) Requiring an insurer to provide an additional privacy
17 notice upon renewal of a relationship between an



insurer and a customer that lasts longer than a year;

and

- (3) Requiring an insurer that changes its policies and practices to send an additional notice to customers after the change to the policies and practices.

SECTION 2. Section 431:3A-202, Hawaii Revised Statutes, is amended to read as follows:

"[+] §431:3A-202 []- ~~Annual~~ Additional privacy notice to customers required. (a) ~~[A licensee shall provide a clear and conspicuous notice to customers that accurately reflects its privacy policies and practices not less than annually during the continuation of the customer relationship. Annually means at least once in any period of twelve consecutive months during which that relationship exists. A licensee may define the twelve consecutive month period, but the licensee shall apply it to the customer on a consistent basis.]~~ For a customer relationship between a licensee and a customer that is renewed annually or less than annually, a licensee may provide a clear and conspicuous notice to customers that accurately reflects its privacy policies and practices every five years, if the licensee:



1 (1) Has provided nonpublic personal financial information
2 to nonaffiliated third parties in accordance with
3 section 431:3A-401, 431:3A-402, or 431:3A-403; and

4 (2) Has not changed its policies and practices relating to
5 the disclosure of nonpublic personal financial
6 information from the most recent notice sent to
7 customers in accordance with this section or section
8 431:3A-201.

9 (b) For a customer relationship between a licensee and a
10 customer that lasts longer than a year and is renewed, a
11 licensee shall provide an additional clear and conspicuous
12 notice to the customer upon the renewal of the customer
13 relationship that accurately reflects the licensee's privacy
14 policies and practices.

15 (c) A licensee that changes its policies and practices
16 relating to the disclosure of nonpublic personal financial
17 information from the most recent notice sent to customers in
18 accordance with this section or section 431:3A-201 shall send an
19 additional clear and conspicuous notice to the customer after
20 the change to the policies and practices that accurately
21 reflects the licensee's updated privacy policies and practices.



1 ~~[(b)]~~ (d) A licensee shall not be required to provide an
2 ~~[annual]~~ additional notice under this section to a former
3 customer. A former customer is an individual with whom a
4 licensee no longer has a continuing relationship.

5 ~~[(e)]~~ (e) If a licensee is required under this section to
6 deliver an ~~[annual]~~ additional privacy notice, the licensee
7 shall deliver it according to section 431:3A-206."

8 SECTION 3. This Act does not affect rights and duties that
9 matured, penalties that were incurred, and proceedings that were
10 begun before its effective date.

11 SECTION 4. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 5. This Act shall take effect on July 1, 2050.



Report Title:

Insurance; Financial Information; Privacy Notice; Policies and Practices

Description:

Permits an insurer to send a privacy notice every five years, if the relationship between the insurer and a customer is renewed annually or less than annually and the insurer has not changed its policies and practices regarding disseminating customers' nonpublic personal financial information to nonaffiliated third parties. Requires an insurer to provide an additional privacy notice upon renewal of a relationship between an insurer and a customer that lasts longer than a year. Requires an insurer that changes its policies and practices to send an additional notice to customers after the change to the policies and practices. Effective 7/1/2050. (SD1)

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