

NOTICE OF INTENT

Department of Insurance Office of the Commissioner

Regulation 76—Privacy of Consumer
(LAC 37:XIII.9901 and 9913)

The Department of Insurance, pursuant to the authority of the Louisiana Insurance Code, R.S.22:1 et seq. and in accordance with the Administrative Procedure Act, R.S.49:950 et seq., hereby gives notice of its intent to amend Regulation 76 – Privacy of Consumer.

The purpose of amending Regulation 76 is to comply with the passage of the Fixing America’s Surface Transportation (“FAST”) Act, which was passed by the United States Congress and signed into law (Public Law 114-94; December 4, 2015). The FAST Act amended the Gramm-Leach-Bliley Act to provide an exemption from the annual privacy notice requirements required under Gramm-Leach-Bliley. As Regulation 76 mirrors the duties and responsibilities of those in the business of insurance with regards to the privacy of insurance consumer’s information, any amendments to Gramm-Leach-Bliley that were passed into law should likewise be incorporated as an amendment to Regulation 76. The FAST Act amendment serves the purpose, in both federal law and the proposed Regulation 76 amendment here, to relieve those in the business of insurance to whom it applies from duplicative privacy notice requirements, while at the same time continuing to preserve the privacy rights of insurance consumers.

The full text of this Notice of Intent can be found in the Emergency Rule section of this *Louisiana Register*.

Family Impact Statement

1. Describe the effect of the proposed regulation on the stability of the family. The proposed amended regulation should have no measurable impact upon the stability of the family.

2. Describe the effect of the proposed regulation on the authority and rights of parents regarding the education and supervision of their children. The proposed amended regulation should have no impact upon the rights and authority of children regarding the education and supervision of their children.

3. Describe the effect of the proposed regulation on the functioning of the family. The proposed amended regulation should have no direct impact upon the functioning of the family.

4. Describe the effect of the proposed regulation on family earnings and budget. The proposed amended regulation should have no direct impact upon family earnings and budget.

5. Describe the effect of the proposed regulation on the behavior and personal responsibility of children. The proposed amended regulation should have no impact upon the behavior and personal responsibility of children.

6. Describe the effect of the proposed regulation on the ability of the family or a local government to perform the function as contained in the rule. The proposed amended regulation should have no impact upon the ability of the family or a local governmental unit to perform the function as contained in the rule.

Poverty Impact Statement

1. Describe the effect on household income, assets, and financial security. The proposed amended regulation should have no effect on household income assets and financial security.

2. Describe the effect on early childhood development and preschool through postsecondary education development. The proposed amended regulation should have no effect on early childhood development and preschool through postsecondary education development.

3. Describe the effect on employment and workforce development. The proposed amended regulation should have no effect on employment and workforce development.

4. Describe the effect on taxes and tax credits. The proposed amended regulation should have no effect on taxes and tax credits.

5. Describe the effect on child and dependent care, housing, health care, nutrition, transportation and utilities assistance. The proposed amended regulation should have no effect on child and dependent care, housing, health care, nutrition, transportation and utilities assistance.

Small Business Analysis

The impact of the proposed regulation on small businesses as defined in the Regulatory Flexibility Act has been considered. It is estimated that the proposed action is not expected to have a significant adverse impact on small businesses. The agency, consistent with health, safety, environmental and economic welfare factors has considered and, where possible, utilized regulatory methods in the drafting of the proposed regulation that will accomplish the objectives of applicable statutes while minimizing the adverse impact of the proposed regulation on small businesses.

1. Identification and estimate of the number of the small businesses subject to the proposed rule. The proposed amended regulation should have no measurable impact upon small businesses.

2. The projected reporting, record keeping, and other administrative costs required for compliance with the proposed rule, including the type of professional skills necessary for preparation of the report or record. The proposed amended regulation should have no measurable impact upon small businesses.

3. A statement of the probable effect on impacted small businesses. The proposed amended regulation should have no measurable impact upon small businesses.

4. Describe any less intrusive or less costly alternative methods of achieving the purpose of the proposed rule. The proposed amended regulation should have no measurable impact on small businesses; therefore, will have no less intrusive or less cost alternative methods.

Provider Impact Statement

1. Describe the effect on the staffing level requirements or qualifications required to provide the same level of service. The proposed amended regulation will have no effect.

2. The total direct and indirect effect on the cost to the provider to provide the same level of service. The proposed amended regulation will have no effect.

3. The overall effect on the ability of the provider to provide the same level of service. The proposed amended regulation will have no effect.

Public Comments

Interested persons may submit written comments on the proposed Regulation 76 until 5 p.m., December 20, 2016, to Barry Ingram, Division of Legal Services, Department of Insurance, P.O. Box 94214, Baton Rouge, LA 70804.

James J. Donelon
Commissioner

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Regulation 76—Privacy of Consumer

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

The proposed rule change will not result in costs or savings to the Department of Insurance or any other state or local governmental units. The proposed rule change amends Regulation 76 in order to comply with the Fixing America's Surface Transportation (FAST) Act, which was passed by the United States Congress and signed into law December 4, 2015. Under current state rules, licensees (licensed insurers or producers) are required to provide notice to individuals about its privacy policies and to disclose the conditions where a licensee may disclose nonpublic personal financial information about individuals to affiliates and nonaffiliated third parties.

The proposed rule change will continue to preserve the privacy rights of insurance consumers while complying with the FAST Act amendment by relieving insurance licensees from annual privacy notice requirements when the licensee has not changed its policies and practices that were disclosed in their most recent disclosure to consumers.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

The proposed rule change will have no impact on state or local governmental revenues.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

The proposed rule change is not anticipated to have any costs to consumers. The proposed rule change continues to preserve the privacy rights of insurance consumers.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule change will have no impact upon competition and employment in the state.

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