

§9905. Scope and Applicability

A.1.-B.***

§9907. Rule of Construction

A. ***

§9909. Definitions

A. ***

Subchapter B. Privacy and Opt Out Notices for Financial Information

§9911. Initial Privacy Notice to Consumers Required

§9913. Annual Privacy Notice to Customers Required

A.-C. ***

D. Exemption from Annual Privacy Notice

A licensee that

1. provides nonpublic personal information to nonaffiliated third parties only in accordance with this regulation and La.R.S.22:1591 – La.R.S.22:1605; and

2. has not changed is policies and practices with regard to disclosing nonpublic personal information from the policies and practices that were disclosed in the most recent disclosure sent to consumers in accordance with this section, shall not be required to provide an annual disclosure under this section until such time as the licensee fails to comply with any criteria described in paragraph (1) and (2) of this subsection.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2, 22:3, 22:3052, 22:3054, Gramm-Leach-Bliley Act, Public Law 106-102–Nov. 12, 1999, and Fixing America’s Surface Transportation Act, Public Law 114-94-Dec. 4, 2015).

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner; LR 27:552 (April 2001) ; LR _;_____ (_____2016).

§9915. Information to be Included in Privacy Notices

A.-F. ***

§9917. Form of Opt Out Notice to Consumers and Opt Out Methods

A.-H. ***

§9919. Revised Privacy Notices

A.-C. ***

§9921. Delivery

A.-G. ***

Subchapter C. Limits on Disclosures of Financial Information

§9923. Limits on Disclosure of Nonpublic Personal Financial Information to Nonaffiliated Third Parties

A.C. ***

§9925. Limits on Re-Disclosure and Reuse of Nonpublic Personal Financial Information

A.-D. ***

§9927. Limits on Sharing Account Number Information for Marketing Purposes

A.C. ***

Subchapter D. Exceptions to Limits on Disclosures of Financial Information

§9929. Exception to Opt Out Requirements for Disclosure of Nonpublic Personal Financial Information for Service Providers and Joint Marketing

A.-C. ***

§9931. Exceptions to Notice and Opt Out Requirements for Disclosure of Nonpublic Personal Financial Information for Processing and Servicing Transactions

A.-B. ***

§9933. Other Exceptions to Notice and Opt Out Requirements for Disclosure of Nonpublic Personal Financial Information

A.-B. ***

Subchapter E. Additional Provisions

§9945. Protection of Existing Requirements

A. ***

§9947. Nondiscrimination

A. ***

§9949. Violations and Penalties

A.-B. ***

§9951. Severability

A. ***

§9953. Effective Date

A.-C. ***

§9955. Appendix A—Sample Clauses

A-A1-A.7 ***.

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES**

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Department: Louisiana Department of
Insurance
Office: Management & Finance
Rule Title: Privacy of Consumer
Effective Date: Upon Publication

**SUMMARY
(Use Complete Sentences)**

In accordance with Section 953 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. THE FOLLOWING STATEMENTS SUMMARIZE ATTACHED WORKSHEETS, I THROUGH IV AND WILL BE PUBLISHED IN THE LOUISIANA REGISTER WITH THE PROPOSED AGENCY RULE.

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL 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 NON-GOVERNMENTAL 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.

Denise Brignac, Deputy Commissioner
La. Department of Insurance

Legislative Fiscal Officer or Designee

Date of Signature

Date of Signature

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES**

The following information is required in order to assist the Legislative Fiscal Office in its review of the fiscal and economic impact statement and to assist the appropriated legislative oversight subcommittee in its deliberations on the proposed rule.

- A. Provide a brief summary of the content of the rule (if proposed for adoption or repeal) or a brief summary of the change in the rule (if proposed for amendment). Attach a copy of the Notice of Intent and a copy of the rule proposed for initial adoption or repeal (or, in the case of a rule change, copies of the current and proposed rules with amended portions indicated).**

The proposed regulation will not result in costs or savings to the state or local governmental units. The purpose to amend Regulation 76 is 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. The FAST Act amended the Gramm-Leach-Bliley Act to provide an exemption from the annual privacy notice requirements required under Gramm-Leach-Bliley. The FAST Act amendment serves the purpose, in both federal law and the proposed Regulation 76 amendment, 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. Regulation 76 amended to continue to preserve the privacy rights of insurance consumers.

- B. Summarize the circumstances which require this action. If the action is required by federal regulation, attach a copy of the applicable regulation.**

The Department of Insurance is tasked with administering the Insurance Code, which regulates the business of insurance in all of its phases. The proposed regulation is being amended to comply with passage of the FAST Act passed by the U.S. Congress to amend the Gramm-Leach-Bliley Act which provides an exemption from the annual privacy notice requirements.

- C. Compliance with Act 11 of the 1986 First Extraordinary Session:**

- 1.) Will the proposed rule change result in any increase in expenditure of funds? If so, specify the amount and the source.**

No increase in expenditure of funds is anticipated as a result of the proposed regulation.

- 2.) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase?**

- (a) _____ Yes. If yes, provide documentation.
(b) _____ No. If no, provide justification as to why this rule change should be published at this time.

**FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET**

I. A. COSTS OR SAVINGS TO STATE AGENCIES RESULTING FROM ACTION PROPOSED.

1. What is the anticipated increase (decrease) in costs to implement the proposed action?

LDI does not anticipate any implementation costs (savings) as a result of the proposed regulation.

| COSTS | FY 16-17 | FY 17-18 | FY 18-19 |
|------------------------------|-----------------|-----------------|-----------------|
| OPERATING EXPENSES | 0 | 0 | 0 |
| PROFESSIONAL SERVICES | 0 | 0 | 0 |
| OTHER CHARGES | 0 | 0 | 0 |
| EQUIPMENT | 0 | 0 | 0 |
| TOTAL | 0 | 0 | 0 |
| MAJOR REPAIR/CONSTR | 0 | 0 | 0 |
| POSITIONS (Number) | 0 | 0 | 0 |
| | | | |

2. Provide a narrative explanation of the costs or savings shown in “A.1” above, including the increase or reduction in workload or additional paperwork (number of new forms, additional documentation, etc.) anticipated as a result of the implementation of the proposed action. Describe all data, assumptions, and methods used in calculating these costs.

LDI does not anticipate any implementation costs (savings) as a result of the proposed regulation.

3. Sources of funding for implementing the proposed rule or rule change.

| SOURCE | FY 16-17 | FY 17-18 | FY 18-19 |
|------------------------------|-----------------|-----------------|-----------------|
| STATE GENERAL FUND | 0 | 0 | 0 |
| AGENCY SELF-GENERATED | 0 | 0 | 0 |
| DEDICATED | 0 | 0 | 0 |
| FEDERAL FUNDS | 0 | 0 | 0 |
| OTHER (SPECIFY) | 0 | 0 | 0 |
| TOTAL | 0 | 0 | 0 |

4. Does your agency currently have sufficient funds to implement the proposed action? If not, how and when do you anticipate obtaining such funds?

No additional funding is necessary to implement the proposed regulation.

B. COSTS OR SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THE ACTION PROPOSED.

1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustments in workload and paperwork requirements. Describe all data, assumptions and methods used in calculating this impact.

The proposed regulation will have no impact on local governmental revenues.

2. Indicate the sources of funding of local governmental unit(s) which will be affected by these cost or savings.

No source of funding is necessary; there is no impact on local governmental units as a result of the proposed regulation.

**FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET
(Continued)**

II. A. What increase (decrease) in revenues can be anticipated from the proposed action?

The proposed regulation 76 will have no impact on state or local governmental revenues.

| SOURCE | FY 16-17 | FY 17-18 | FY 18-19 |
|------------------------------|-----------------|-----------------|-----------------|
| STATE GENERAL FUND | 0 | 0 | 0 |
| AGENCY SELF-GENERATED | 0 | 0 | 0 |
| DEDICATED | 0 | 0 | 0 |
| FEDERAL FUNDS | 0 | 0 | 0 |
| OTHER (SPECIFY) | 0 | 0 | 0 |
| TOTAL | 0 | 0 | 0 |
| | | | |
| | | | |

B. Provide a narrative explanation of each increase or decrease in revenues shown in "A". Describe all data, assumptions and other methods used in calculating these increases or decreases.

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

III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON-GOVERNMENTAL GROUPS.

A. What persons or non-governmental groups would be directly affected by the proposed action? For each, provide an estimate and a narrative description of any effect on costs, including workload adjustments and additional paperwork (number of new forms, additional documentation, etc.) they may have to incur as a result of the proposed action.

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.

B. Also provide an estimate and a narrative description of any impact on receipts and/or income resulting from this rule or rule change to these groups.

IV. EFFECTS ON COMPETITION AND EMPLOYMENT.

Identify and provide estimates of the impact of the proposed action on competition and employment in the public and private sectors. Include a summary of any data, assumptions and methods used in making these estimates.

The proposed Regulation 76 will have no impact upon competition and employment in the state.

POVERTY IMPACT STATEMENT

Attachment to Regulation 76

PRIVACY OF CONSUMER

I. 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.

II. 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.

III. Describe the effect on employment and workforce development.

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

IV. Describe the effect on taxes and tax credits.

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

V. 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.

PROVIDER IMPACT STATEMENT

Attachment to Regulation 76

PRIVACY OF CONSUMER

I. 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.

II. 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.

III. The overall effect on the ability of the provider to provide the same level of service.

The proposed amended regulation will have no effect.

FAMILY IMPACT STATEMENT

Attachment to Regulation 76

PRIVACY OF CONSUMER

I. 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.

II. 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.

III. 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.

IV. 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.

V. 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.

VI. 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.

SMALL BUSINESS STATEMENT

Attachment to Regulation 76

PRIVACY OF CONSUMER

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.

I. 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.

II. 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.

III. A statement of the probable effect on impacted small businesses.

The proposed amended regulation should have no measurable impact upon small businesses.

IV. 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.

Public Comments

Interested persons may submit written comments on the proposed Regulation 76 until 5:00 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 of Insurance