

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1045-01  
Bill No.: SB 306  
Subject: Insurance - General; Consumer Protection; Licenses - Professional; Insurance Department  
Type: Original  
Date: February 5, 2001

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 3 pages.

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## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Insurance (INS)** state this proposal would require the department to make changes in policy form reviews and examination practices. INS anticipates that current staff and appropriations would be sufficient to implement the provisions of this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2002	FY 2003 (6 Mo.)	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2002	FY 2003 (6 Mo.)	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

### FISCAL IMPACT - Small Business

Small businesses (insurance companies) would expect to be fiscally impacted to the extent that they may incur additional administrative costs as a result of the requirements of this proposal.

### DESCRIPTION

This proposal would require insurance licensees to provide notice to customers and consumers about their privacy policies with respect to how they handle financial and health information. This proposal describes the conditions under which a licensee may disclose nonpublic personal information about consumers and customers to nonaffiliated third parties. This proposal would provide a method for consumers and customers to prevent a licensee from disclosing their information unless the information qualifies as a routine business disclosure. This proposal is based upon the Financial Information Privacy Protection Model Act promulgated by the National Conference of Insurance Legislators (NCOIL).

The effective date of this proposal is January 1, 2003.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

### SOURCES OF INFORMATION

MW:LR:OD (12/00)

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Department of Insurance

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is written in a cursive style with a large initial "J".

Jeanne Jarrett, CPA  
Director

February 5, 2001