Senate

General Assembly

File No. 36

February Session, 2002

Substitute Senate Bill No. 352

Senate, March 15, 2002

The Committee on Insurance and Real Estate reported through SEN. BOZEK of the 6th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE REQUIREMENTS OF THE FEDERAL GRAMM-LEACH-BLILEY ACT.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (NEW) (*Effective from passage*) The Insurance Commissioner may adopt regulations, in accordance with chapter 54 of the general statutes, to establish security and privacy standards consistent with Title V of the Gramm-Leach-Bliley Financial Modernization Act of 1999, Public Law 106-102 (15 USC 6801, et seq.). Such regulations may be made applicable to any person regulated under title 38a of the general statutes.

This act shall take effect as follows:	
Section 1	*from passage*

INS *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact: None

OLR Bill Analysis
sSB 352

AN ACT CONCERNING THE REQUIREMENTS OF THE FEDERAL GRAMM-LEACH-BLILEY ACT

SUMMARY:
This bill authorizes the insurance commissioner to adopt regulations establishing security and privacy standards for consumer information that are consistent with the federal Gramm-Leach-Bliley Financial Modernization Act of 1999 and applicable to people and other financial institutions regulated under Connecticut's insurance laws.

EFFECTIVE DATE: Upon passage

BACKGROUND

Gramm-Leach-Bliley Financial Modernization Act of 1999

The act requires all financial institutions, including insurance companies, to disclose to customers their policies and practices for protecting the privacy of nonpublic personal information. Customers must receive the disclosure when they purchase the insurance and at least annually thereafter. The policies must also allow customers to "opt-out" of information-sharing arrangements with unaffiliated third parties. The act permits financial institutions to share personal customer information with affiliates. It imposes criminal sanctions on any person (including firm employees) who obtain or attempt to obtain customer information relating to another person from any financial institution by making false or fraudulent statements to an employee of that financial institution.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute
Yea 17 Nay 0