

CHAPTER 146a. PRIVACY OF CONSUMER FINANCIAL INFORMATION

Subch.	Sec.
A. GENERAL PROVISIONS	146a.1
B. PRIVACY AND OPT OUT NOTICES FOR FINANCIAL INFORMATION	146a.11
C. LIMITS ON DISCLOSURES OF FINANCIAL INFORMATION	146a.21
D. EXCEPTIONS TO LIMITS ON DISCLOSURES OF NONPUBLIC PERSONAL FINANCIAL INFORMATION	146a.31
E. ADDITIONAL PROVISIONS	146a.41

Authority

The provisions of this Chapter 146a issued under sections 205, 506, 1501 and 1502 of The Administrative Code of 1929 (71 P. S. §§ 66, 186, 411 and 412); and the Unfair Insurance Practices Act (40 P. S. §§ 117.1—117.14), unless otherwise noted.

Source

The provisions of this Chapter 146a adopted August 10, 2001, effective July 1, 2001, 31 Pa.B. 4426, unless otherwise noted.

Cross References

This chapter cited in 25 Pa. Code § 401.45 (relating to confidentiality of insureds information); 31 Pa. Code § 146b.1 (relating to purpose); 31 Pa. Code § 146b.13 (relating to authorization request delivery); and 31 Pa. Code § 146c.10 (relating to determined violation).

Subchapter A. GENERAL PROVISIONS

- Sec. 146a.1. Purpose.
- 146a.2. Definitions.
- 146a.3. Examples and safe harbor.

§ 146a.1. Purpose.

(a) *Purpose.* This chapter governs the treatment of nonpublic personal financial information about individuals by various licensees of the Department. This chapter:

- (1) Requires a licensee to provide notice to individuals about its privacy policies and practices.
- (2) Describes the conditions under which a licensee may disclose nonpublic personal financial information about individuals to affiliates and nonaffiliated third parties.
- (3) Provides methods for individuals to prevent a licensee from disclosing that information.

(b) *Scope.* This chapter applies to nonpublic personal financial information about individuals who obtain or are claimants or beneficiaries of products or services primarily for personal, family or household purposes from licensees. Unless otherwise specified, this chapter generally does not apply to information about companies or about individuals who obtain products or services for business, commercial or agricultural purposes.

(c) *Compliance.* A licensee domiciled in this Commonwealth that is in compliance with this chapter in a state that has not enacted laws or regulations that meet the requirements of Title V of the act of November 12, 1999 (Pub.L. No. 106-102, 113 Stat. 1338) known as the Gramm-Leach-Bliley Act (Financial Services Modernization Act of 1999) (15 U.S.C.A. §§ 6801—6827) may nonetheless be deemed to be in compliance with Title V of the Gramm-Leach-Bliley Act in the other state.

Authority

The provisions of this § 146a.1 amended under sections 206, 506, 1501 and 1502 of The Administrative Code of 1929 (71 P.S. §§ 66, 186, 411 and 412); and the Unfair Insurance Practices Act (40 P.S. §§ 1171.1—1171.15).

Source

The provisions of this § 146a.1 amended August 9, 2019, effective August 10, 2019, 49 Pa.B. 4109. Immediately preceding text appears at serial pages (346499) to (346500).

§ 146a.2. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context requires otherwise:

Act—The Insurance Department Act of 1921 (40 P. S. §§ 1—321)

Affiliate—A company that controls, is controlled by or is under common control with another company.

Clear and conspicuous—That a notice is reasonably understandable and designed to call attention to the nature and significance of the information in the notice. Examples include:

(i) *Reasonably understandable.* A licensee makes its notice reasonably understandable if it does all of the following:

(A) Presents the information in the notice in clear, concise sentences, paragraphs and sections.

(B) Uses short explanatory sentences or bullet lists whenever possible.

(C) Uses definite, concrete, everyday words and active voice whenever possible.

(D) Avoids multiple negatives.

(E) Avoids legal and highly technical business terminology whenever possible.

(F) Avoids explanations that are imprecise and readily subject to different interpretations.

(ii) *Designed to call attention.* A licensee designs its notice to call attention to the nature and significance of the information in it if the licensee does all of the following:

(A) Uses a plain-language heading to call attention to the notice.

(B) Uses a typeface and type size that are easy to read.

(C) Provides wide margins and ample line spacing.

(D) Uses boldface or italics for key words.

(E) In a form that combines the licensee's notice with other information, uses distinctive type size, style and graphic devices, such as shading or sidebars.

(iii) *Notices on websites.* If a licensee provides a notice on a webpage, the licensee designs its notice to call attention to the nature and significance of the information in it if the licensee uses text or visual cues to encourage scrolling down the page if necessary to view the entire notice and ensure that other elements on the website (such as text, graphics, hyperlinks or sound) do not distract attention from the notice, and the licensee either:

(A) Places the notice on a screen that consumers frequently access, such as a page on which transactions are conducted.

(B) Places a link on a screen that consumers frequently access, such as a page on which transactions are conducted, that connects directly to the notice and is labeled appropriately to convey the importance, nature and relevance of the notice.

Collect—To obtain information that the licensee organizes or can retrieve by the name of an individual or by identifying number, symbol or other identifying particular assigned to the individual, irrespective of the source of the underlying information.

Commissioner—The Insurance Commissioner of the Commonwealth.

Company—A corporation, limited liability company, business trust, general or limited partnership, association, sole proprietorship or similar organization.

Consumer—An individual who seeks to obtain, obtains or has obtained an insurance product or service from a licensee that is to be used primarily for personal, family or household purposes, and about whom the licensee has non-public personal financial information, or that individual's legal representative. Examples include:

(i) An individual who provides nonpublic personal financial information to a licensee in connection with obtaining or seeking to obtain financial, investment or economic advisory services relating to an insurance product or service is a consumer regardless of whether the licensee establishes an ongoing advisory relationship.

(ii) An applicant for insurance prior to the inception of insurance coverage is a licensee's consumer.

(iii) An individual who is a consumer of another financial institution is not a licensee's consumer solely because the licensee is acting as agent for, or provides processing or other services to, that financial institution.

(iv) An individual about whom a licensee discloses nonpublic personal financial information to a nonaffiliated third party other than as permitted under Subchapter D (relating to exceptions to limits on disclosures of non-public personal financial information) and the individual is one of the following:

(A) A beneficiary of a life insurance policy underwritten by the licensee.

(B) A claimant under an insurance policy issued by the licensee.

(C) An insured or an annuitant under an insurance policy or an annuity, respectively, issued by the licensee.

(D) A mortgagor of a mortgage covered under a mortgage insurance policy.

(v) Provided that the licensee provides the initial, annual and revised notices under §§ 146a.11, 146a.12 and 146a.15 (relating to initial privacy notice to consumers required; annual privacy notice to customers required; and revised privacy notices) to the plan sponsor, group or blanket insurance policyholder, group annuity contractholder, or workers' compensation policyholder, and further provided that the licensee does not disclose to a nonaffiliated third party nonpublic personal financial information about such an individual other than as permitted under Subchapter D, an individual is not the consumer of the licensee solely because the individual is one of the following:

(A) A participant or a beneficiary of an employee benefit plan that the licensee administers or sponsors or for which the licensee acts as a trustee, insurer or fiduciary.

(B) Covered under a group or blanket insurance policy or group annuity contract issued by the licensee.

(C) A claimant in a workers' compensation plan.

(vi) The individuals described in subparagraph (v) are consumers of a licensee if the licensee does not meet all the conditions of subparagraph (v).

(vii) In no event shall the individuals, solely by virtue of the status described in subparagraph (v), be deemed to be customers for purposes of this chapter.

(viii) An individual is not a licensee's consumer solely because the individual is a beneficiary of a trust for which the licensee is a trustee.

(ix) An individual is not a licensee's consumer solely because the individual has designated the licensee as trustee for a trust.

Consumer reporting agency—The term has the same meaning as in section 603(f) of the Federal Fair Credit Reporting Act (15 U.S.C.A. § 1681a(f)).

Control—The term includes any of the following:

(i) Ownership, control or power to vote 25% or more of the outstanding shares of any class of voting security of the company, directly or indirectly, or acting through one or more other persons.

(ii) Control in any manner over the election of a majority of the directors, trustees or general partners (or individuals exercising similar functions) of the company.

(iii) The power to exercise, directly or indirectly, a controlling influence over the management or policies of the company, as determined by the Commissioner.

Customer—A consumer who has a customer relationship with a licensee.

Customer relationship—A continuing relationship between a consumer and a licensee under which the licensee provides one or more insurance products or services to the consumer that are to be used primarily for personal, family or household purposes. Examples are as follows:

- (i) A consumer has a continuing relationship with a licensee if either:
- (A) The consumer is a current policyholder of an insurance product issued by or through the licensee.
 - (B) The consumer obtains financial, investment or economic advisory services relating to an insurance product or service from the licensee for a fee.
- (ii) A consumer does not have a continuing relationship with a licensee if one of the following applies:
- (A) The consumer applies for insurance but does not purchase the insurance.
 - (B) The licensee sells the consumer airline travel insurance in an isolated transaction.
 - (C) The individual is no longer a current policyholder of an insurance product or no longer obtains insurance services with or through the licensee.
 - (D) The consumer is a beneficiary or claimant under a policy and has submitted a claim under a policy choosing a settlement option involving an ongoing relationship with the licensee.
 - (E) The consumer is a beneficiary or a claimant under a policy and has submitted a claim under that policy choosing a lump sum settlement option.
 - (F) The customer's policy is lapsed, expired or otherwise inactive or dormant under the licensee's business practices, and the licensee has not communicated with the customer about the relationship for a period of 12-consecutive months, other than annual privacy notices, material required by law or regulation, communication at the direction of a state or Federal authority, or promotional materials.
 - (G) The individual is an insured or an annuitant under an insurance policy or annuity, respectively, but is not the policyholder or owner of the insurance policy or annuity.
 - (H) The individual's last known address according to the licensee's records is deemed invalid. For the purposes of this section, an address of record is deemed invalid if mail sent to that address by the licensee has been returned by the postal authorities as undeliverable and if subsequent attempts by the licensee to obtain a current valid address for the individual have been unsuccessful.

Department—The Insurance Department of the Commonwealth.

Federal model privacy form—The model form in 16 CFR Part 313, Appendix A (relating to model privacy form), or a successor provision, which is determined by Federal regulation to be compliant with the requirements of the Gramm-Leach-Bliley Act (15 U.S.C.A. §§ 6801—6827).

Financial institution—An institution the business of which is engaging in activities that are financial in nature or incidental to the financial activities as described in section 4(k) of the Bank Holding Company Act of 1956 (12 U.S.C.A. § 1843(k)). The term does not include the following:

(i) A person or entity with respect to any financial activity that is subject to the jurisdiction of the Commodity Futures Trading Commission under the Commodity Exchange Act (7 U.S.C.A. §§ 1—25).

(ii) The Federal Agricultural Mortgage Corporation or any entity charged and operating under the Farm Credit Act of 1971 (12 U.S.C.A. §§ 2001—2279cc).

(iii) Institutions chartered by Congress specifically to engage in securitizations, secondary market sales (including sales of servicing rights) or similar transactions related to a transaction of a consumer, as long as the institutions do not sell or transfer nonpublic personal financial information to a nonaffiliated third party.

Financial product or service—A product or service that a financial holding company could offer by engaging in an activity that is financial in nature or incidental to the financial activity under section 4(k) of the Bank Holding Company Act of 1956 (12 U.S.C.A. § 1843(k)). Financial service includes a financial institution's evaluation or brokerage of information that the financial institution collects in connection with a request or an application from a consumer for a financial product or service.

Health care—The term includes the following:

(i) Preventative, diagnostic, therapeutic, rehabilitative, maintenance or palliative care, services, procedures, tests or counseling that either:

(A) Relates to the physical, mental or behavioral condition of an individual.

(B) Affects the structure or function of the human body or any part of the human body, including the banking of blood, sperm, organs or any other tissue.

(ii) Prescribing, dispensing or furnishing to an individual drugs or biologicals, or medical devices or health care equipment and supplies.

Health care provider—A physician or other health care practitioner licensed, accredited or certified to perform specified health services consistent with State law, or a health care facility.

Health information—Any information or data except age or gender, whether oral or recorded in any form or medium, created by or derived from a health care provider or the consumer or customer that relates to one or more of the following:

(i) The past, present or future physical, mental or behavioral health or condition of an individual.

(ii) The provision of health care to an individual.

(iii) Payment for the provision of health care to an individual.

Insurance product or service—A product or service that is offered by a licensee under the insurance laws of the Commonwealth. Insurance service includes a licensee's evaluation, brokerage or distribution of information that

the licensee collects in connection with a request or an application from a consumer for an insurance product or service.

Licensee—

(i) A licensed insurer, as defined in section 201-A of the act (40 P. S. § 65.1-A), a producer and other persons or entities licensed or required to be licensed, or authorized or required to be authorized, or registered or required to be registered under the act or The Insurance Company Law of 1921 (40 P. S. §§ 341—999), including health maintenance organizations holding a certificate of authority under section 201 of the Health Care Facilities Act (35 P. S. § 448.201).

(ii) The term does not include:

(A) Bail bondsmen as defined in 42 Pa.C.S. § 5741 (relating to definitions).

(B) Motor vehicle physical damage appraisers as defined in section 2 of the Motor Vehicle Physical Damage Appraiser Act (63 P. S. § 852) and § 62.1 (relating to definitions).

(C) Public adjusters as defined in section 1 of the act of December 20, 1983 (P. L. 260, No. 72) (63 P. S. § 1601) and § 115.1 (relating to definitions).

(D) An entity providing continuing care as defined in section 3 and licensed under section 4 of the Continuing-Care Provider Registration and Disclosure Act (40 P. S. §§ 3203 and 3204).

(iii) Subject to subparagraph (iv), the term does not include governmental health insurance programs such as the following:

(A) The Children's Health Insurance Program as provided for in the Children's Health Care Act (40 P. S. §§ 991.2301—991.2361).

(B) The Medicaid Program as provided for in 62 P. S. §§ 441.1—449.

(C) The Medicare+Choice Program as provided for in the Balanced Budget Act of 1997, sections 1851—1859, Medicare Part C under Title XVIII of the Social Security Act.

(iv) The term includes a licensee that enrolls, insures or otherwise provides insurance related services to participants that procure health insurance through a governmental health insurance program exempted under subparagraph (iii).

(v) A licensee is not subject to the notice and opt out requirements for nonpublic personal financial information in this subchapter and Subchapters B—D if the licensee is an employee, agent or other representative of another licensee (“the principal”) and both of the following apply:

(A) The principal otherwise complies with, and provides the notices required by, this chapter.

(B) The licensee does not disclose nonpublic personal financial information to any person other than the principal or its affiliates in a manner permitted by this chapter.

(vi) Subject to subparagraph (vii), the term “licensee” shall also include a nonadmitted insurer that accepts business placed through a surplus lines licensee (as defined in 40 P. S. § 991.1602 (relating to definition of surplus lines licensee)) in this Commonwealth, but only in regard to the surplus lines placements placed under Article XVI of The Insurance Company Law (40 P. S. §§ 991.1601—991.1625).

(vii) A surplus lines licensee or surplus lines insurer shall be deemed to be in compliance with the notice and opt out requirements for nonpublic personal financial information in this subchapter and Subchapters B—D provided both of the following apply:

(A) The surplus lines licensee or insurer does not disclose nonpublic personal financial information of a consumer or a customer to nonaffiliated third parties for any purpose, including joint servicing or marketing under § 146a.31 (relating to exception to opt out requirements for disclosure of nonpublic personal financial information for service providers and joint marketing), except as permitted by § 146a.32 or § 146a.33 (relating to exceptions to notice and opt out requirements for disclosure of nonpublic personal financial information for processing and servicing transactions; and other exceptions to notice and opt out requirements for disclosure of nonpublic personal financial information).

(B) The broker or insurer delivers a notice to the consumer at the time a customer relationship is established on which the following is printed in 16-point type:

PRIVACY NOTICE

“NEITHER THE U. S. BROKERS THAT HAVE HANDLED THIS INSURANCE NOR THE INSURERS THAT HAVE UNDERWRITTEN THIS INSURANCE WILL DISCLOSE NONPUBLIC PERSONAL FINANCIAL INFORMATION CONCERNING THE BUYER TO NONAFFILIATED THIRD PARTIES EXCEPT AS PERMITTED BY LAW.”

Nonaffiliated third party—

- (i) Any person except either:
 - (A) A licensee’s affiliate.

(B) A person employed jointly by a licensee and any company that is not the licensee's affiliate (but nonaffiliated third party includes the other company that jointly employs the person).

(ii) Nonaffiliated third party includes any company that is an affiliate solely by virtue of the direct or indirect ownership or control of the company by the licensee or its affiliate in conducting merchant banking or investment banking activities of the type described in section 4(k)(4)(H) or insurance company investment activities of the type described in section 4(k)(4)(I) of the Federal Bank Holding Company Act (12 U.S.C.A. §§ 1843(k)(4)(H) and (I)).

Nonpublic personal financial information—

(i) The term means the following:

(A) Personally identifiable financial information.

(B) Any list, description or other grouping of consumers (and publicly available information pertaining to them) that is derived using any personally identifiable financial information that is not publicly available.

(ii) The term does not include any of the following:

(A) Publicly available information, except as included on a list described in subparagraph (i)(B).

(B) Any list, description or other grouping of consumers (and publicly available information pertaining to them) that is derived without using any personally identifiable financial information that is not publicly available.

(C) Health information.

(iii) Examples of lists are as follows:

(A) Nonpublic personal financial information includes any list of individuals' names and street addresses that is derived in whole or in part using personally identifiable financial information that is not publicly available, such as account numbers.

(B) Nonpublic personal financial information does not include any list of individuals' names and addresses that contains only publicly available information, is not derived in whole or in part using personally identifiable financial information that is not publicly available, and is not disclosed in a manner that indicates that any of the individuals on the list is a consumer of a financial institution.

Personally identifiable financial information—

(i) The term means any of the following:

(A) Information that a consumer provides to a licensee to obtain an insurance product or service from the licensee.

(B) Information about a consumer resulting from a transaction involving an insurance product or service between a licensee and a consumer.

(C) Information that the licensee otherwise obtains about a consumer in connection with providing an insurance product or service to that consumer.

(ii) Examples are as follows:

(A) *Information included.* Personally identifiable financial information includes:

(I) Information a consumer provides to a licensee on an application to obtain an insurance product or service.

(II) Account balance information and payment history.

(III) The fact that an individual is or has been one of the licensee's customers or has obtained an insurance product or service from the licensee.

(IV) Information about the licensee's consumer if it is disclosed in a manner that indicates that the individual is or has been the licensee's consumer.

(V) Information that a consumer provides to a licensee or that the licensee or its agent otherwise obtains in connection with collecting on a loan or servicing a loan.

(VI) Information the licensee collects through an Internet cookie (an information-collecting device from a web server).

(VII) Information from a consumer report.

(B) *Information not included.* Personally identifiable financial information does not include:

(I) A list of names and addresses of customers of an entity that is not a financial institution.

(II) Information that does not identify a consumer, such as aggregate information or blind data that does not contain personal identifiers such as account numbers, names or addresses.

(III) Health information.

Publicly available information—Information that a licensee has a reasonable basis to believe is lawfully made available to the public from one or more of the following:

(i) Federal, State or local government records.

(ii) Widely distributed media.

(iii) Disclosures to the public that are required to be made by Federal, State or local law.

Reasonable basis—

(i) A licensee has a reasonable basis to believe that information is lawfully made available to the public if the licensee has taken steps to determine the following:

(A) That the information is of the type that is available to the public.

(B) Whether an individual can direct that the information not be made available to the public and, if so, that the licensee's consumer has not done so.

(ii) The term includes the following conditions:

(A) A licensee has a reasonable basis to believe that mortgage information is lawfully made available to the public if the licensee has determined that the information is of the type included on the public record in the jurisdiction where the mortgage would be recorded.

(B) A licensee has a reasonable basis to believe that an individual's telephone number is lawfully made available to the public if the licensee has located the telephone number in the telephone book or the consumer has informed the licensee that the telephone number is not unlisted.

(iii) Examples are as follows:

(A) *Government records.* Publicly available information in government records includes information in government real estate records and security interest filings.

(B) *Widely distributed media.* Publicly available information from widely distributed media includes information from a telephone book, a television or radio program, a newspaper or a website that is available to the public on an unrestricted basis. A website is not restricted merely because an Internet service provider or a site operator requires a fee or a password, so long as access is available to the public.

Authority

The provisions of this § 146a.2 amended under sections 206, 506, 1501 and 1502 of The Administrative Code of 1929 (71 P.S. §§ 66, 186, 411 and 412); and the Unfair Insurance Practices Act (40 P.S. §§ 1171.1—1171.15).

Source

The provisions of this § 146a.2 amended August 9, 2019, effective August 10, 2019, 49 Pa.B. 4109. Immediately preceding text appears at serial pages (346500), (281737) to (281744) and (305063).

Cross References

This section cited in 31 Pa. Code § 146b.2 (relating to definitions); and 31 Pa. Code § 146c.2 (relating to definitions).

§ 146a.3. Examples and safe harbor.

(a) *Compliance.* If a licensee uses an example, sample clause or Federal model privacy form, the licensee shall be considered compliant with a corresponding requirement of this chapter to the extent applicable. Licensees may rely on the Federal model privacy form used in accordance with its attached instructions as a safe harbor for compliance with the requirements of this section related to privacy notice content.

(b) *Nonexclusive means of compliance.* The examples in this chapter, the sample clauses in Appendix A (relating to sample clauses) and the Federal model privacy form are not the exclusive means of compliance with the requirements of this chapter. Licensees may continue to use other types of privacy notices, including notices that contain examples or the sample clauses in Appendix A, or both, provided that the notices accurately describe the licensee's privacy practices and otherwise meet the privacy notice content requirements of this chapter.

(c) *Sunset of safe harbor for sample clauses in Appendix A.* While licensees may continue to use privacy notices that contain examples and the sample clauses in Appendix A, licensees may not rely on the use of privacy notices containing the sample clauses in Appendix A as a safe harbor for compliance with the privacy notice content requirements of this chapter after July 1, 2019.

Authority

The provisions of this § 146a.3 issued under sections 206, 506, 1501 and 1502 of The Administrative Code of 1929 (71 P.S. §§ 66, 186, 411 and 412); and the Unfair Insurance Practices Act (40 P.S. §§ 1171.1—1171.15).

Source

The provisions of this § 146a.3 adopted August 9, 2019, effective August 10, 2019, 49 Pa.B. 4109.

Subchapter B. PRIVACY AND OPT OUT NOTICES FOR FINANCIAL INFORMATION

Sec.

- 146a.11. Initial privacy notice to consumers required.
- 146a.12. Annual privacy notice to customers required.
- 146a.13. Information to be included in privacy notices.
- 146a.14. Form of opt out notice to consumers and opt out methods.
- 146a.15. Revised privacy notices.
- 146a.16. Delivery.

Cross References

This subchapter cited in 31 Pa. Code § 146a.2 (relating to definitions).

§ 146a.11. Initial privacy notice to consumers required.

(a) *Initial notice requirement.* A licensee shall provide a clear and conspicuous notice that accurately reflects its privacy policies and practices to:

(1) *Customer.* An individual who becomes the licensee's customer, not later than when the licensee establishes a customer relationship, except as provided in subsection (e).

(2) *Consumer.* A consumer, before the licensee discloses nonpublic personal financial information about the consumer to any nonaffiliated third party, if the licensee makes a disclosure other than as authorized by §§ 146a.32 and 146a.33 (relating to exceptions to notice and opt out requirements for disclosure of nonpublic personal financial information for processing and servicing transactions; and other exceptions to notice and opt out requirements for disclosure of nonpublic personal financial information).

(b) *When initial notice to a consumer is not required.* A licensee is not required to provide an initial notice to a consumer under subsection (a)(2) if either:

(1) The licensee does not disclose any nonpublic personal financial information about the consumer to any nonaffiliated third party, other than as authorized by §§ 146a.32 and 146a.33, and the licensee does not have a customer relationship with the consumer.

(2) A notice has been provided by an affiliated licensee, as long as the notice clearly identifies all licensees to whom the notice applies and is accurate with respect to the licensee and the other institutions.

(c) *When the licensee establishes a customer relationship.*

(1) *General rule.* A licensee establishes a customer relationship at the time the licensee and the consumer enter into a continuing relationship.

(2) *Examples of establishing customer relationship.* A licensee establishes a customer relationship when the consumer either:

(i) Becomes a policyholder of a licensee that is an insurer when the insurer delivers an insurance policy or contract to the consumer, or in the case of a licensee that is an insurance producer or insurance broker, obtains insurance through that licensee.

(ii) Agrees to obtain financial, economic or investment advisory services relating to insurance products or services for a fee from the licensee.

(d) *Existing customers.* When an existing customer obtains a new insurance product or service from a licensee that is to be used primarily for personal, family or household purposes, the licensee satisfies the initial notice requirements of subsection (a) in either of the following ways:

(1) The licensee may provide a revised policy notice, under § 146a.15 (relating to revised privacy notices), that covers the customer's new insurance product or service.

(2) If the initial, revised or annual notice that the licensee most recently provided to that customer was accurate with respect to the new insurance product or service, the licensee does not need to provide a new privacy notice under subsection (a).

(e) *Exceptions to allow subsequent delivery of notice.*

(1) A licensee may provide the initial notice required by subsection (a)(1) within a reasonable time after the licensee establishes a customer relationship if either of the following conditions is met:

(i) Establishing the customer relationship is not at the customer's election.

(ii) Providing notice not later than when the licensee establishes a customer relationship would substantially delay the customer's transaction and the customer agrees to receive the notice at a later time.

(2) Examples of exceptions are as follows:

(i) *Not at customer's election.* Establishing a customer relationship is not at the customer's election if a licensee acquires or is assigned a customer's policy from another financial institution or residual market mechanism and the customer does not have a choice about the licensee's acquisition or assignment.

(ii) *Substantial delay of customer's transaction.* Providing notice not later than when a licensee establishes a customer relationship would substantially delay the customer's transaction when the licensee and the individual

agree over the telephone to enter into a customer relationship involving prompt delivery of the insurance product or service.

(iii) *No substantial delay of customer's transaction.* Providing notice not later than when a licensee establishes a customer relationship would not substantially delay the customer's transaction when the relationship is initiated in person at the licensee's office or through other means by which the customer may view the notice, such as on a website.

(f) *Delivery.* When a licensee is required to deliver an initial privacy notice by this section, the licensee shall deliver it according to § 146a.16 (relating to delivery). If the licensee uses a short-form initial notice for noncustomers according to § 146a.13(d) (relating to information to be included in privacy notices), the licensee may deliver its privacy notice according to § 146a.13(d)(3).

Cross References

This section cited in 31 Pa. Code § 146a.2 (relating to definitions); 31 Pa. Code § 146a.13 (relating to information to be included in privacy notices); 31 Pa. Code § 146a.14 (relating to form of opt out notice to consumers and opt out methods); 31 Pa. Code § 146a.15 (relating to revised privacy notices); 31 Pa. Code § 146a.16 (relating to delivery); 31 Pa. Code § 146a.21 (relating to limits on disclosure of nonpublic personal financial information to nonaffiliated third parties); 31 Pa. Code § 146a.31 (relating to exception to opt out requirements for disclosure of nonpublic personal financial information for service providers and joint marketing); 31 Pa. Code § 146a.32 (relating to exceptions to notice and opt out requirements for disclosure of nonpublic personal financial information for processing and servicing transactions); 31 Pa. Code § 146a.33 (relating to other exceptions to notice and opt out requirements for disclosure of nonpublic personal financial information); and 31 Pa. Code § 146a.44 (relating to effective date).

§ 146a.12. Annual privacy notice to customers required.

(a) *Notice.*

(1) *General rule.* 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 12 consecutive months during which that relationship exists. A licensee may define the 12-consecutive-month period, but the licensee shall apply it to the customer on a consistent basis.

(2) *Example.* A licensee provides a notice annually if it defines the 12-consecutive-month period as a calendar year and provides the annual notice to the customer once in each calendar year following the calendar year in which the licensee provided the initial notice. For example, if a customer opens an account on any day of year 1, the licensee shall provide an annual notice to that customer by December 31 of year 2.

(b) *Exemption to general rule.*

(1) A licensee is not required to provide an annual privacy notice under this section if all of the following apply:

(i) The licensee has not changed its policies or practices regarding disclosure of nonpublic personal financial information from those in the most recent notice sent to consumers.

(ii) The disclosure of nonpublic personal financial information is made to only nonaffiliated third parties and meets any of the following requirements:

(A) Is made in accordance with § 146a.31 (relating to exception to opt out requirements for disclosure of nonpublic personal financial information for service providers and joint marketing).

(B) Falls within the exceptions in § 146a.32 (relating to exceptions to notice and opt out requirements for disclosure of nonpublic personal financial information for processing and servicing transactions).

(C) Falls within the exceptions in § 146a.33 (relating to other exceptions to notice and opt out requirements for disclosure of nonpublic personal financial information).

(2) A licensee that no longer meets the criteria in paragraph (1) shall provide an annual privacy notice under this section.

(c) *Termination.*

(1) *Termination of customer relationship.* A licensee is not required to provide an annual notice to a former customer. A former customer is an individual with whom a licensee no longer has a continuing relationship.

(2) *Examples.*

(i) A licensee no longer has a continuing relationship with an individual if the individual no longer is a current policyholder of an insurance product or no longer obtains insurance services with or through the licensee.

(ii) A licensee no longer has a continuing relationship with an individual if the individual's policy is lapsed, expired or otherwise inactive or dormant under the licensee's business practices, and the licensee has not communicated with the customer about the relationship for a period of 12-consecutive months, other than to provide annual privacy notices, material required by law or regulation, or promotional materials.

(iii) For the purposes of this section, a licensee no longer has a continuing relationship with an individual if the individual's last known address according to the licensee's records is deemed invalid. An address of record is deemed invalid if mail sent to that address by the licensee has been returned by the postal authorities as undeliverable and if subsequent attempts by the licensee to obtain a current valid address for the individual have been unsuccessful.

(iv) A licensee no longer has a continuing relationship with a customer in the case of providing real estate settlement services, at the time the customer completes execution of all documents related to the real estate closing, payment for those services has been received, or the licensee has completed

all of its responsibilities with respect to the settlement, including filing documents on the public record, whichever is later.

(d) *Delivery*. When a licensee is required by this section to deliver an annual privacy notice, the licensee shall deliver it according to § 146a.16 (relating to delivery).

Authority

The provisions of this § 146a.12 amended under sections 206, 506, 1501 and 1502 of The Administrative Code of 1929 (71 P.S. §§ 66, 186, 411 and 412); and the Unfair Insurance Practices Act (40 P.S. §§ 1171.1—1171.15).

Source

The provisions of this § 146a.12 amended August 9, 2019, effective August 10, 2019, 49 Pa.B. 4109. Immediately preceding text appears at serial pages (281747) to (281748).

Cross References

This section cited in 31 Pa. Code § 146a.2 (relating to definitions); 31 Pa. Code § 146a.13 (relating to information to be included in privacy notices); and 31 Pa. Code § 146a.16 (relating to delivery).

§ 146a.13. Information to be included in privacy notices.

(a) *General rule*. The initial, annual and revised privacy notices that a licensee provides under §§ 146a.11, 146a.12 and 146a.15 (relating to initial privacy notice to consumers required; annual privacy notice to customers required; and revised privacy notices) shall include all of the following items of information, in addition to other information the licensee wishes to provide, that applies to the licensee and to the consumers to whom the licensee sends its privacy notice:

- (1) The categories of nonpublic personal financial information that the licensee collects.
- (2) The categories of nonpublic personal financial information that the licensee discloses.
- (3) The categories of affiliates and nonaffiliated third parties to whom the licensee discloses nonpublic personal financial information, other than those parties to whom the licensee discloses information under §§ 146a.32 and 146a.33 (relating to exceptions to notice and opt out requirements for disclosure of nonpublic personal financial information for processing and servicing transactions; and other exceptions to notice and opt out requirements for disclosure of nonpublic personal financial information).
- (4) The categories of nonpublic personal financial information about the licensee's former customers that the licensee discloses and the categories of affiliates and nonaffiliated third parties to whom the licensee discloses nonpub-

lic personal financial information about the licensee's former customers, other than those parties to whom the licensee discloses information under §§ 146a.32 and 146a.33.

(5) If a licensee discloses nonpublic personal financial information to a nonaffiliated third party under § 146a.31 (relating to exception to opt out requirements for disclosure of nonpublic personal financial information for service providers and joint marketing) (and no other exception in §§ 146a.32 and 146a.33 applies to that disclosure), a separate description of the categories of information the licensee discloses and the categories of nonaffiliated third parties with whom the licensee has contracted.

(6) An explanation of the consumer's right under § 146a.21(a) (relating to limitation on disclosure of nonpublic personal financial information to nonaffiliated third parties) to opt out of the disclosure of nonpublic personal financial information to any nonaffiliated third parties, including the methods by which the consumer may exercise that right at that time.

(7) Any disclosures that the licensee makes under section 603(d)(2)(A)(iii) of the Federal Fair Credit Reporting Act (15 U.S.C.A. § 1681a(d)(2)(A)(iii)).

(8) The licensee's policies and practices with respect to protecting the confidentiality and security of nonpublic personal financial information.

(9) Any disclosure that the licensee makes under subsection (b).

(b) *Description of parties subject to exceptions.* If a licensee discloses nonpublic personal financial information as authorized under §§ 146a.32 and 146a.33, the licensee is not required to list those exceptions in the initial or annual privacy notices required by §§ 146a.11 and 146a.12. When describing the categories of parties to whom disclosure is made, the licensee is required to state only that it makes disclosures to other affiliated or nonaffiliated third parties, as applicable, as permitted by law.

(c) *Examples.*

(1) *Categories of nonpublic personal financial information that the licensee collects.* A licensee satisfies the requirement to categorize the nonpublic personal financial information it collects if the licensee categorizes it according to the source of the information, as applicable:

(i) Information from the consumer.

(ii) Information about the consumer's transactions with the licensee or its affiliates.

(iii) Information about the consumer's transactions with nonaffiliated third parties.

(iv) Information from a consumer reporting agency.

(2) *Categories of nonpublic personal financial information a licensee discloses.*

(i) A licensee satisfies the requirement to categorize nonpublic personal financial information it discloses if the licensee categorizes the information

according to source, as described in subsection (c)(1), as applicable, and provides examples to illustrate the types of information in each category. These examples include:

(A) Information from the consumer, including application information, such as assets and income and identifying information, such as name, address and Social Security number.

(B) Transaction information, such as information about balances, payment history and parties to the transaction.

(C) Information from consumer reports, such as a consumer's creditworthiness and credit history.

(ii) A licensee does not adequately categorize the information that it discloses if the licensee uses only general terms, such as transaction information about the consumer.

(iii) If a licensee reserves the right to disclose all of the nonpublic personal financial information about consumers that it collects, the licensee may simply state that fact without describing the categories or examples of nonpublic personal financial information that the licensee discloses.

(3) *Categories of affiliates and nonaffiliated third parties to whom the licensee discloses.*

(i) A licensee satisfies the requirement to categorize the affiliates and nonaffiliated third parties to which the licensee discloses nonpublic personal financial information about consumers if the licensee identifies the types of businesses in which they engage.

(ii) Types of businesses may be described by general terms only if the licensee uses illustrative examples of significant lines of business. For example, a licensee may use the term financial products or services if it includes appropriate examples of significant lines of businesses, such as life insurer, automobile insurer, consumer banking or securities brokerage.

(iii) A licensee also may categorize the affiliates and nonaffiliated third parties to which it discloses nonpublic personal financial information about consumers using more detailed categories.

(4) *Disclosures under exception for service providers and joint marketers.*

If a licensee discloses nonpublic personal financial information under the exception in § 146a.31 to a nonaffiliated third party to market products or services that it offers alone or jointly with another financial institution, the licensee satisfies the disclosure requirement of subsection (a)(5) if it does all of the following:

(i) Lists the categories of nonpublic personal financial information it discloses, using the same categories and examples the licensee used to meet the requirements of subsection (a)(2), as applicable.

(ii) States whether the nonaffiliated third party is either:

(A) A service provider that performs marketing services on the licensee's behalf or on behalf of the licensee and another financial institution.

(B) A financial institution with whom the licensee has a joint marketing agreement.

(5) *Simplified notices.* If a licensee does not disclose, and does not wish to reserve the right to disclose, nonpublic personal financial information about customers or former customers to affiliates or nonaffiliated third parties except as authorized under §§ 146a.32 and 146a.33, the licensee may simply state that fact, in addition to the information it shall provide under subsection (a)(1), (8) and (9), and subsection (b).

(6) *Confidentiality and security.* A licensee describes its policies and practices with respect to protecting the confidentiality and security of nonpublic personal financial information if it does both of the following:

(i) Describes in general terms who is authorized to have access to the information.

(ii) States whether the licensee has security practices and procedures in place to ensure the confidentiality of the information in accordance with the licensee's policy. The licensee is not required to describe technical information about the safeguards it uses.

(d) *Short-form initial notice with opt out notice for noncustomers.*

(1) A licensee may satisfy the initial notice requirements in § 146a.11(a)(2) and § 146a.14(c) (relating to form of opt out notice to consumers and opt out methods) for a consumer who is not a customer by providing a short-form initial notice at the same time as the licensee delivers an opt out notice as required in § 146a.14.

(2) A short-form initial notice shall do all of the following:

(i) Be clear and conspicuous.

(ii) State that the licensee's privacy notice is available upon request.

(iii) Explain a reasonable means by which the consumer may obtain that notice.

(3) The licensee shall deliver its short-form initial notice according to § 146a.16 (relating to delivery). The licensee is not required to deliver its privacy notice with its short-form initial notice. The licensee instead may simply provide the consumer a reasonable means to obtain its privacy notice. If a consumer who receives the licensee's short-form notice requests the licensee's privacy notice, the licensee shall deliver its privacy notice according to § 146a.16.

(4) Examples of obtaining privacy notice are included in this paragraph. The licensee provides a reasonable means by which a consumer may obtain a copy of its privacy notice if the licensee does either of the following:

(i) Provides a toll-free telephone number that the consumer may call to request the notice.

(ii) For a consumer who conducts business in person at the licensee's office, maintains copies of the notice on hand that the licensee provides to the consumer immediately upon request.

- (e) *Future disclosures.* The licensee's notice may include categories of:
- (1) Nonpublic personal financial information that the licensee reserves the right to disclose in the future, but does not currently disclose.
 - (2) Affiliates or nonaffiliated third parties to whom the licensee reserves the right in the future to disclose, but to whom the licensee does not currently disclose, nonpublic personal financial information.
- (f) *Sample clauses and Federal model privacy form.* Sample clauses illustrating some of the notice content required by this section are included in Appendix A (relating to sample clauses) and may be found in the Federal model privacy form in 16 CFR Part 313, Appendix A (relating to model privacy form) or National Association of Insurance Commissioners Regulation # 672, Appendix B.

Authority

The provisions of this § 146a.13 amended under sections 206, 506, 1501 and 1502 of The Administrative Code of 1929 (71 P.S. §§ 66, 186, 411 and 412) and the Unfair Insurance Practices Act (40 P.S. §§ 1171.1—1171.15).

Source

The provisions of this § 146a.13 amended August 9, 2019, effective August 10, 2019, 49 Pa.B. 4109. Immediately preceding text appears at serial pages (281749) to (281752).

Cross References

This section cited in 31 Pa. Code § 146a.11 (relating to initial privacy notice to consumers required); and 31 Pa. Code § 146a.14 (relating to form of opt out notice to consumers and opt out methods).

§ 146a.14. Form of opt out notice to consumers and opt out methods.

- (a) *Opt out notice.*
- (1) *Form of opt out notice.* If a licensee is required to provide an opt out notice under § 146a.21(a) (relating to limitation on disclosure of nonpublic personal financial information to nonaffiliated third parties), it shall provide a clear and conspicuous notice to each of its consumers that accurately explains the right to opt out under that section. The notice shall state all of the following:
 - (i) That the licensee discloses or reserves the right to disclose nonpublic personal financial information about its consumer to a nonaffiliated third party.
 - (ii) That the consumer has the right to opt out of that disclosure.
 - (iii) A reasonable means by which the consumer may exercise the opt out right.
 - (2) *Examples.*
 - (i) *Adequate opt out notice.* A licensee provides adequate notice that the consumer can opt out of the disclosure of nonpublic personal financial information to a nonaffiliated third party if the licensee does both of the following:
 - (A) Identifies all of the categories of nonpublic personal financial information that it discloses or reserves the right to disclose, and all of the

categories of nonaffiliated third parties to which the licensee discloses the information, as described in § 146a.13(a)(2) and (3) (relating to information to be included in privacy notices), and states that the consumer can opt out of the disclosure of that information.

(B) Identifies the insurance products or services that the consumer obtains from the licensee, either singly or jointly, to which the opt out direction would apply.

(ii) *Reasonable opt out means.* A licensee provides a reasonable means to exercise an opt out right if it does any of the following:

(A) Designates check-off boxes in a prominent position on the relevant forms with the opt out notice.

(B) Includes a reply form together with the opt out notice.

(C) Provides an electronic means to opt out, such as a form that can be sent by means of electronic mail or a process at the licensee's website, if the consumer agrees to the electronic delivery of information.

(D) Provides a toll-free telephone number that consumers may call to opt out.

(iii) *Unreasonable opt out means.* A licensee does not provide a reasonable means of opting out if the only means of opting out is either of the following:

(A) For the consumer to write a letter to exercise that opt out right.

(B) As described in any notice subsequent to the initial notice is to use a check-off box that the licensee provided with the initial notice but did not include with the subsequent notice.

(3) *Specific opt out means.* A licensee may require each consumer to opt out through a specific means, as long as that means is reasonable for that consumer.

(b) *Same form as initial notice permitted.* A licensee may provide the opt out notice together with or on the same written or electronic form as the initial notice the licensee provides in accordance with § 146a.11 (relating to initial privacy notice to consumers required).

(c) *Initial notice required when opt out notice delivered subsequent to initial notice.* If a licensee provides the opt out notice later than required for the initial notice in accordance with § 146a.11, the licensee shall also include a copy of the initial notice with the opt out notice in writing or, if the consumer agrees, electronically.

(d) *Joint relationships.*

(1) If two or more consumers jointly obtain an insurance product or service from a licensee, the licensee may provide a single opt out notice. The licensee's opt out notice shall explain how the licensee will treat an opt out direction by a joint consumer (as explained in paragraph (5)).

(2) Any of the joint consumers may exercise the right to opt out. The licensee may either:

- (i) Treat an opt out direction by a joint consumer as applying to all of the associated joint consumers.
 - (ii) Permit each joint consumer to opt out separately.
- (3) If a licensee permits each joint consumer to opt out separately, the licensee shall permit one of the joint consumers to opt out on behalf of all of the joint consumers.
- (4) A licensee may not require all joint consumers to opt out before it implements any opt out direction.
- (5) An example is as follows: If John and Mary are both named policyholders on a homeowner's insurance policy issued by a licensee and the licensee sends policy statements to John's address, the licensee may do any of the following, but it shall explain in its opt out notice which opt out policy the licensee will follow:
- (i) Send a single opt out notice to John's address, but the licensee shall accept an opt out direction from either John or Mary.
 - (ii) Treat an opt out direction by either John or Mary as applying to the entire policy. If the licensee does so and John opts out, the licensee may not require Mary to opt out as well before implementing John's opt out direction.
 - (iii) Permit John and Mary to make different opt out directions. If the licensee does so all of the following apply:
 - (A) The licensee shall permit John and Mary to opt out for each other.
 - (B) If both opt out, the licensee shall permit both of them to notify it in a single response (such as on a form or through a telephone call).
 - (C) If John opts out and Mary does not, the licensee may only disclose nonpublic personal financial information about Mary, but not about John and not about John and Mary jointly.
- (e) *Time to comply with opt out.* A licensee shall comply with a consumer's opt out direction as soon as reasonably practicable after the licensee receives it.
- (f) *Continuing right to opt out.* A consumer may exercise the right to opt out at any time.
- (g) *Duration of consumer's opt out direction.*
- (1) A consumer's direction to opt out under this section is effective until the consumer revokes it in writing or, if the consumer agrees, electronically.
 - (2) When a customer relationship terminates, the customer's opt out direction continues to apply to the nonpublic personal financial information that the licensee collected during or related to that relationship. If the individual subsequently establishes a new customer relationship with the licensee, the opt out direction that applied to the former relationship does not apply to the new relationship.
- (h) *Delivery.* When a licensee is required to deliver an opt out notice by this section, the licensee shall deliver it according to § 146a.16 (relating to delivery).

Cross References

This section cited in 31 Pa. Code § 146a.13 (relating to information to be included in privacy notices); 31 Pa. Code § 146a.21 (relating to limits on disclosure of nonpublic personal financial information to nonaffiliated third parties); 31 Pa. Code § 146a.31 (relating to exception to opt out requirements for disclosure of nonpublic personal financial information for service providers and joint marketing); 31 Pa. Code § 146a.32 (relating to exceptions to notice and opt out requirements for disclosure of nonpublic personal financial information for processing and servicing transactions); and 31 Pa. Code § 146a.33 (relating to other exceptions to notice and opt out requirements for disclosure of nonpublic personal financial information).

§ 146a.15. Revised privacy notices.

(a) *General rule.* Except as otherwise authorized in this chapter, a licensee may not, directly or through an affiliate, disclose any nonpublic personal financial information about a consumer to a nonaffiliated third party other than as described in the initial notice that the licensee provided to that consumer under § 146a.11 (relating to initial privacy notice to consumers required), unless all of the following conditions are met:

- (1) The licensee has provided to the consumer a clear and conspicuous revised notice that accurately describes its policies and practices.
- (2) The licensee has provided to the consumer a new opt out notice.
- (3) The licensee has given the consumer a reasonable opportunity, before the licensee discloses the information to the nonaffiliated third party, to opt out of the disclosure.
- (4) The consumer does not opt out.

(b) *Examples.*

(1) Except as otherwise permitted by Subchapter D (relating to exceptions to limits on disclosure of nonpublic personal financial information), a licensee shall provide a revised notice before it discloses one or more of the following:

- (i) A new category of nonpublic personal financial information to any nonaffiliated third party.
- (ii) Nonpublic personal financial information to a new category of nonaffiliated third party.
- (iii) Nonpublic personal financial information about a former customer to a nonaffiliated third party, if that former customer has not had the opportunity to exercise an opt outright regarding that disclosure.

(2) A revised notice is not required if the licensee discloses nonpublic personal financial information to a new nonaffiliated third party that the licensee adequately described in its prior notice.

(c) *Delivery.* When a licensee is required to deliver a revised privacy notice by this section, the licensee shall deliver it according to § 146a.16 (relating to delivery).

Cross References

This section cited in 31 Pa. Code § 146a.2 (relating to definitions); 31 Pa. Code § 146a.11 (relating to initial privacy notice to consumers required); 31 Pa. Code § 146a.13 (relating to information to be included in privacy notice); and 31 Pa. Code § 146a.16 (relating to delivery).

§ 146a.16. Delivery.

(a) *How to provide notices.* A licensee shall provide any notices that this chapter requires so that each consumer can reasonably be expected to receive actual notice in writing or, if the consumer agrees, electronically.

(b) *Actual notice.*

(1) *Examples of reasonable expectation of actual notice.* A licensee may reasonably expect that a consumer will receive actual notice if the licensee meets one of the following conditions:

(i) Hand-delivers a printed copy of the notice to the consumer.

(ii) Mails a printed copy of the notice to the last known address of the consumer separately, or in a policy, billing or other written communication.

(iii) For a consumer who conducts transactions electronically, posts the notice on the electronic site and requires the consumer to acknowledge receipt of the notice as a necessary step to obtaining a particular insurance product or service.

(iv) For an isolated transaction with a consumer, such as the licensee providing an insurance quote or selling the consumer travel insurance, posts the notice and requires the consumer to acknowledge receipt of the notice as a necessary step to obtaining the particular insurance product or service.

(2) *Examples of unreasonable expectation of actual notice.* A licensee may not, however, reasonably expect that a consumer will receive actual notice of its privacy policies and practices if it either:

(i) Only posts a sign in its office or generally publishes advertisements of its privacy policies and practices.

(ii) Sends the notice via electronic mail to a consumer who does not obtain an insurance product or service from the licensee electronically.

(c) *Annual notices only.* A licensee may reasonably expect that a customer will receive actual notice of the licensee's annual privacy notice if either:

(1) The customer uses the licensee's website to access insurance products and services electronically and agrees to receive notices at the website and the licensee posts its current privacy notice continuously in a clear and conspicuous manner on the website.

(2) The customer has requested that the licensee refrain from sending any information regarding the customer relationship, and the licensee's current privacy notice remains available to the customer upon request.

(d) *Oral description of notice insufficient.* A licensee may not provide any notice required by this regulation solely by orally explaining the notice, either in person or over the telephone.

(e) *Retention or accessibility of notices for customers.*

(1) *Notices for customers.* For customers only, a licensee shall provide the initial notice required by § 146a.11(a)(1) (relating to initial privacy notice to consumers required), the annual notice required by § 146a.12(a) (relating to annual privacy notice to customers required), and the revised notice required by

§ 146a.15 (relating to revised privacy notices) so that the customer can retain them or obtain them later in writing or, if the customer agrees, electronically.

(2) *Examples of retention or accessibility.* A licensee provides a privacy notice to the customer so that the customer can retain it or obtain it later if the licensee meets one or more of the following conditions:

- (i) Hand-delivers a printed copy of the notice to the customer.
- (ii) Mails a printed copy of the notice to the last known address of the customer.
- (iii) Makes its current privacy notice available on a website (or a link to another website) for the customer who obtains an insurance product or service electronically and agrees to receive the notice at the website.

(f) *Joint notice with other financial institutions.* A licensee may provide a joint notice from the licensee and one or more of its affiliates or other financial institutions, as identified in the notice, as long as the notice is accurate with respect to the licensee and the other institutions. A licensee also may provide a notice on behalf of another financial institution.

(g) *Joint relationships.* If two or more consumers jointly obtain an insurance product or service from a licensee, the licensee may satisfy the initial, annual and revised notice requirements of §§ 146a.11(a), 146a.12(a) and 146a.15(a), respectively, by providing one notice to those consumers jointly.

Cross References

This section cited in 31 Pa. Code § 146a.11 (relating to initial privacy notice to consumers required); 31 Pa. Code § 146a.12 (relating to annual privacy notice to consumers required); 31 Pa. Code § 146a.13 (relating to information to be included in privacy notices); 31 Pa. Code § 146a.14 (relating to form of opt out notice to consumers and opt out methods); and 31 Pa. Code § 146a.15 (relating to revised privacy notices).

Subchapter C. LIMITS ON DISCLOSURES OF FINANCIAL INFORMATION

Sec.

- 146a.21. Limitation on disclosure of nonpublic personal financial information to nonaffiliated third parties.
- 146a.22. Limits on redisclosure and reuse of nonpublic personal financial information.
- 146a.23. Limits on sharing account number information for marketing purposes.

Cross References

This subchapter cited in 31 Pa. Code § 146a.2 (relating to definitions).

§ 146a.21. Limits on disclosure of nonpublic personal financial information to nonaffiliated third parties.

(a) *Conditions for disclosure.* Except as otherwise authorized in this chapter, a licensee may not, directly or through an affiliate, disclose nonpublic personal financial information about a consumer to a nonaffiliated third party unless all of the following conditions are met:

- (1) The licensee has provided to the consumer an initial notice as required under § 146a.11 (relating to initial privacy notice to consumers required).
 - (2) The licensee has provided to the consumer an opt out notice as required in § 146a.14 (relating to form of opt out notice to consumers and opt out methods).
 - (3) The licensee has given the consumer a reasonable opportunity, before it discloses the information to the nonaffiliated third party, to opt out of the disclosure.
 - (4) The consumer does not opt out.
- (b) *Opt out definition.* Opt out means a direction by the consumer that the licensee not disclose nonpublic personal financial information about that consumer to a nonaffiliated third party, other than as permitted by Subchapter D (relating to exceptions to limits on disclosure of nonpublic personal financial information).
- (c) *Examples of reasonable opportunity to opt out.* A licensee provides a consumer with a reasonable opportunity to opt out if:
- (1) *By mail.* The licensee mails the notices required in subsection (a) to the consumer and allows the consumer to opt out by mailing a form, calling a toll-free telephone number or any other reasonable means within 30 days from the date the licensee mailed the notices.
 - (2) *By electronic means.* A customer opens an online account with a licensee and agrees to receive the notices required in subsection (a) electronically, and the licensee allows the customer to opt out by any reasonable means within 30 days after the date that the customer acknowledges receipt of the notices in conjunction with opening the account.
 - (3) *Isolated transaction with consumer.* For an isolated transaction such as providing the consumer with an insurance quote, a licensee provides the consumer with a reasonable opportunity to opt out if the licensee provides the notices required in subsection (a) at the time of the transaction and requests that the consumer decide, as a necessary part of the transaction, whether to opt out before completing the transaction.
- (d) *Application of opt out to all consumers and all nonpublic personal financial information.*
- (1) A licensee shall comply with this section, regardless of whether the licensee and the consumer have established a customer relationship.
 - (2) Unless a licensee complies with this section, the licensee may not, directly or through an affiliate, disclose nonpublic personal financial information about a consumer that the licensee has collected, regardless of whether the licensee collected it before or after receiving the direction to opt out from the consumer.
- (e) *Partial opt out.* A licensee may allow a consumer to select certain nonpublic personal financial information or certain nonaffiliated third parties with respect to which the consumer wishes to opt out.

Cross References

This section cited in 31 Pa. Code § 146a.13 (relating to information to be included in privacy notices); 31 Pa. Code § 146a.14 (relating to form of opt out notice to consumers and opt out methods); 31 Pa. Code § 146a.31 (relating to exception to opt out requirements for disclosure of nonpublic personal financial information for service providers and joint marketing); 31 Pa. Code § 146a.32 (relating to exceptions to notice and opt out requirements for disclosure of nonpublic personal financial information for processing and servicing); and 31 Pa. Code § 146a.33 (relating to other exceptions to notice and opt out requirements for disclosure of nonpublic personal financial information).

§ 146a.22. Limits on redisclosure and reuse of nonpublic personal financial information.**(a) Information the licensee receives under an exception.**

(1) If a licensee receives nonpublic personal financial information from a nonaffiliated financial institution under an exception in § 146a.32 or § 146a.33 (relating to exceptions to notice and opt out requirements for disclosure of nonpublic personal financial information for processing and servicing transactions; and other exceptions to notice and opt out requirements for disclosure of nonpublic personal financial information), the licensee's disclosure and use of that information is limited as follows:

(i) The licensee may disclose the information to the affiliates of the financial institution from which the licensee received the information.

(ii) The licensee may disclose the information to its affiliates, but the licensee's affiliates may, in turn, disclose and use the information only to the extent that the licensee may disclose and use the information.

(iii) The licensee may disclose and use the information under an exception in § 146a.32 or § 146a.33, in the ordinary course of business to carry out the activity covered by the exception under which the licensee received the information.

(2) *Example.* If a licensee receives information from a nonaffiliated financial institution for claims settlement purposes, the licensee may disclose the information for fraud prevention, or in response to a properly authorized subpoena. The licensee may not disclose that information to a nonaffiliated third party for marketing purposes or use that information for its own marketing purposes.

(b) Information a licensee receives outside of an exception.

(1) If a licensee receives nonpublic personal financial information from a nonaffiliated financial institution other than under an exception in § 146a.32 or § 146a.33, the licensee may disclose the information only:

(i) To the affiliates of the financial institution from which the licensee received the information.

(ii) To its affiliates, but its affiliates may, in turn, disclose the information only to the extent that the licensee may disclose the information.

(iii) To any other person, if the disclosure would be lawful if made directly to that person by the financial institution from which the licensee received the information.

(2) *Example.* If a licensee obtains a customer list from a nonaffiliated financial institution outside of the exceptions in § 146a.32 or § 146a.33 the licensee may do the following:

(i) Use that list for its own purposes.

(ii) Disclose that list to another nonaffiliated third party only if the financial institution from which the licensee purchased the list could have lawfully disclosed the list to that nonaffiliated third party. That is, the licensee may disclose the list in accordance with the privacy policy of the financial institution from which the licensee received the list, as limited by the opt out direction of each consumer whose nonpublic personal financial information the licensee intends to disclose, and the licensee may disclose the list in accordance with an exception in § 146a.32 or § 146a.33, such as to the licensee's attorneys or accountants.

(c) *Information a licensee discloses under an exception.* If a licensee discloses nonpublic personal financial information to a nonaffiliated third party under an exception in § 146a.32 or § 146a.33, the nonaffiliated third party may disclose and use that information only as follows:

(1) The nonaffiliated third party may disclose the information to the licensee's affiliates.

(2) The nonaffiliated third party may disclose the information to its affiliates, but its affiliates may, in turn, disclose and use the information only to the extent that the nonaffiliated third party may disclose and use the information.

(3) The nonaffiliated third party may disclose and use the information under an exception in § 146a.32 or § 146a.33, in the ordinary course of business to carry out the activity covered by the exception under which the licensee received the information.

(d) *Information a licensee discloses outside of an exception.* If a licensee discloses nonpublic personal financial information to a nonaffiliated third party other than under an exception in § 146a.32 or § 146a.33, the nonaffiliated third party may disclose the information only:

(1) To the licensee's affiliates.

(2) To the nonaffiliated third party's affiliates, but the nonaffiliated third party's affiliates, in turn, may disclose the information only to the extent the nonaffiliated third party can disclose the information.

(3) To any other person, if the disclosure would be lawful if the licensee made it directly to that person.

§ 146a.23. Limits on sharing account number information for marketing purposes.

(a) *General prohibition on disclosure of account numbers.* A licensee may not, directly or through an affiliate, disclose, other than to a consumer reporting agency, a policy number or similar form of access number or access code for a consumer's policy or transaction account to any nonaffiliated third party for use in telemarketing, direct mail marketing or other marketing through electronic mail to the consumer.

(b) *Exceptions.* Subsection (a) does not apply if a licensee discloses a policy number or similar form of access number or access code to any of the following:

(1) The licensee's service provider solely in order to perform marketing for the licensee's own products or services, as long as the service provider is not authorized to directly initiate charges to the account.

(2) A licensee who is a producer solely in order to perform marketing for the licensee's own products or services.

(3) A participant in an affinity or similar program where the participants in the program are identified to the customer when the customer enters into the program.

(c) *Examples.*

(1) *Policy number.* A policy number, or similar form of access number or access code, does not include a number or code in an encrypted form, as long as the licensee does not provide the recipient with a means to decode the number or code.

(2) *Policy or transaction account.* For the purposes of this section, a policy or transaction account is an account other than a deposit account or a credit card account. A policy or transaction account does not include an account to which third parties cannot initiate charges.

Subchapter D. EXCEPTIONS TO LIMITS ON DISCLOSURES OF NONPUBLIC PERSONAL FINANCIAL INFORMATION

Sec.

- 146a.31. Exception to opt out requirements for disclosure of nonpublic personal financial information for service providers and joint marketing.
- 146a.32. Exceptions to notice and opt out requirements for disclosure of nonpublic personal financial information for processing and servicing transactions.
- 146a.33. Other exceptions to notice and opt out requirements for disclosure of nonpublic personal financial information.

Cross References

This subchapter cited in 31 Pa. Code § 146a.2 (relating to definitions); 31 Pa. Code § 146a.15 (relating to revised privacy notices); and 31 Pa. Code § 146a.21 (relating to limits on disclosure of nonpublic personal financial information of nonaffiliated third parties).

§ 146a.31. Exception to opt out requirements for disclosure of nonpublic personal financial information for service providers and joint marketing.

(a) *General rule.*

(1) *Opt out requirements.* The opt out requirements in §§ 146a.14 and 146a.21 (relating to form of opt out notice to consumers and opt out methods; and limitation on disclosure of nonpublic personal financial information to nonaffiliated third parties) do not apply when a licensee provides nonpublic personal financial information to a nonaffiliated third party to perform services for the licensee or functions on the licensee's behalf, if the licensee meets both of the following conditions:

(i) Provides the initial notice in accordance with § 146a.11 (relating to initial privacy notice to consumers required).

(ii) Enters into a contractual agreement with the nonaffiliated third party that prohibits the nonaffiliated third party from disclosing or using the information other than to carry out the purposes for which the licensee disclosed the information, including use under an exception in § 146a.32 or § 146a.33 (relating to exceptions to notice and opt out requirements for disclosure of nonpublic personal financial information for processing and servicing transactions; and other exceptions to notice and opt out requirements for disclosure of nonpublic personal financial information) in the ordinary course of business to carry out those purposes.

(2) *Example.* If a licensee discloses nonpublic personal financial information under this section to a financial institution with which the licensee performs joint marketing, the licensee's contractual agreement with that institution meets the requirements of paragraph (1) if it prohibits the institution from disclosing or using the nonpublic personal financial information except as necessary to carry out the joint marketing or under an exception in § 146a.32 or § 146a.33 in the ordinary course of business to carry out that joint marketing.

(b) *Service may include joint marketing.* The services a nonaffiliated third party performs for a licensee under subsection (a) may include marketing of the licensee's own products or services or marketing of financial products or services offered under joint agreements between the licensee and one or more financial institutions.

(c) *Definition of "joint agreement."* For purposes of this section, "joint agreement" means a written contract under which a licensee and one or more financial institutions jointly offer, endorse or sponsor a financial product or service.

Cross References

This section cited in 31 Pa. Code § 146a.2 (relating to definitions); 31 Pa. Code § 146a.12 (relating to annual privacy notice to customers required); 31 Pa. Code § 146a.13 (relating to information to be included in privacy notices); 31 Pa. Code § 146a.32 (relating to exceptions to notice and opt out requirements for disclosure of nonpublic personal financial information for processing and servicing transactions); 31 Pa. Code § 146a.33 (relating to other exceptions to notice and opt out requirements for disclosure of nonpublic personal financial information); and 31 Pa. Code § 146a.44 (relating to effective date).

§ 146a.32. Exceptions to notice and opt out requirements for disclosure of nonpublic personal financial information for processing and servicing transactions.

(a) *Exceptions for processing transactions at consumer's request.* The requirements for initial notice in § 146a.11(a)(2) (relating to initial privacy notice to consumers required), the opt out in §§ 146a.14 and 146a.21 (relating to form of opt out notice to consumers and opt out methods; and limitation on disclosure of nonpublic personal financial information to nonaffiliated third parties), and service providers and joint marketing in § 146a.31 (relating to exception to opt out requirements for disclosure of nonpublic personal financial information for service providers and joint marketing) do not apply if the licensee discloses non-

public personal financial information as necessary to effect, administer or enforce a transaction that a consumer requests or authorizes, or in connection with any of the following:

- (1) Servicing or processing an insurance product or service that a consumer requests or authorizes.
- (2) Maintaining or servicing the consumer's account with a licensee, or with another entity as part of a private label credit card program or other extension of credit on behalf of that entity.
- (3) A proposed or actual securitization, secondary market sale (including sales of servicing rights) or similar transaction related to a transaction of the consumer.
- (4) Reinsurance or stop loss or excess loss insurance.

(b) *Necessary to effect, administer or enforce a transaction.* When used in this section, "necessary to effect, administer or enforce a transaction" means that the disclosure is required or is either of the following:

- (1) One of the lawful or appropriate methods, to enforce the licensee's rights or the rights of other persons engaged in carrying out the financial transaction or providing the product or service.
- (2) A usual, appropriate or acceptable method to do one or more of the following:
 - (i) Carry out the transaction or the product or service business of which the transaction is a part, and record, service or maintain the consumer's account in the ordinary course of providing the insurance product or service.
 - (ii) Administer or service benefits or claims relating to the transaction or the product or service business of which it is a part.
 - (iii) Provide a confirmation, explanation, statement or other record of the transaction, or information on the status or value of the insurance product or service to the consumer, the consumer's producer, or a policyholder or the policyholder's agent, producer, or broker with respect to a claim asserted by, or paid to, a consumer under a policy.
 - (iv) Accrue or recognize incentives or bonuses associated with the transaction that are provided by a licensee or any other party.
 - (v) Underwrite insurance at the consumer's request or for any of the following purposes as they relate to a consumer's insurance, or, when the consumer is a workers' compensation claimant or third party claimant, to the policyholder's insurance: account administration, reporting, investigating or preventing fraud or material misrepresentation, processing premium payments, processing, adjusting, paying, and settling insurance claims, administering insurance benefits (including utilization review activities), participating in research projects or as otherwise required or specifically permitted by Federal or State law.
 - (vi) Use in connection with any of the following:

- (A) The authorization, settlement, billing, processing, clearing, transferring, reconciling or collection of amounts charged, debited or otherwise paid using a debit, credit or other payment card, check or account number, or by other payment means.
- (B) The transfer of receivables, accounts or interests therein.
- (C) The audit of debit, credit or other payment information.

Cross References

This section cited in 31 Pa. Code § 146a.2 (relating to definitions); 31 Pa. Code § 146a.11 (relating to initial privacy notice to consumers required); 31 Pa. Code § 146a.12 (relating to annual privacy notice to customers required); 31 Pa. Code § 146a.13 (relating to information to be included in privacy notices); and 31 Pa. Code § 146a.22 (relating to limits on redisclosure and reuse of nonpublic personal financial information).

§ 146a.33. Other exceptions to notice and opt out requirements for disclosure of nonpublic personal financial information.

(a) *Exceptions to opt out requirements.* The requirements for initial notice to consumers in § 146a.11(a)(2) (relating to initial privacy notice to consumers required) the opt out in §§ 146a.14 and 146a.21 (relating to form of opt out notice to consumers and opt out methods; and limitation on disclosure of nonpublic personal financial information to nonaffiliated third parties), and service providers and joint marketing in § 146a.31 (relating to exception to opt out requirements for disclosure of nonpublic personal financial information for service providers and joint marketing) do not apply when a licensee discloses nonpublic personal financial information:

- (1) With the consent or at the direction of the consumer, provided that the consumer has not revoked the consent or direction.
- (2) To protect the confidentiality or security of a licensee's records pertaining to the consumer, service, product or transaction.
- (3) To protect against or prevent actual or potential fraud or unauthorized transactions.
- (4) For required institutional risk control or for resolving consumer disputes or inquiries.
- (5) To persons holding a legal or beneficial interest relating to the consumer.
- (6) To persons acting in a fiduciary or representative capacity on behalf of the consumer.
- (7) To provide information to insurance rate advisory organizations, guaranty funds or agencies, agencies that are rating a licensee, persons that are assessing the licensee's compliance with industry standards, and the licensee's attorneys, accountants and auditors.
- (8) To the extent specifically permitted or required under other provisions of law and in accordance with the Federal Right to Financial Privacy Act of 1978 (12 U.S.C.A. §§ 3401—3422), to law enforcement agencies (including

the Federal Reserve Board, Office of the Comptroller of the Currency, Federal Deposit Insurance Corporation, Office of Thrift Supervision, National Credit Union Administration, the Securities and Exchange Commission, the Secretary of the Treasury, with respect to 31 U.S.C.A. Chapter 53, Subchapter II (Records and Reports on Monetary Instruments and Transactions) and 12 U.S.C.A. Chapter 21 (Financial Recordkeeping), a state insurance authority, and the Federal Trade Commission), self-regulatory organizations or for an investigation on a matter related to public safety.

(9) To a consumer reporting agency in accordance with the Federal Fair Credit Reporting Act (15 U.S.C.A. §§ 1681—1681u), or from a consumer report reported by a consumer reporting agency.

(10) In connection with a proposed or actual sale, merger, transfer or exchange of all or a portion of a business or operating unit if the disclosure of nonpublic personal financial information concerns solely consumers of the business or unit.

(11) To comply with Federal, state or local laws, rules and other applicable legal requirements.

(12) To comply with a properly authorized civil, criminal or regulatory investigation, or subpoena or summons by Federal, state or local authorities.

(13) To respond to judicial process or government regulatory authorities having jurisdiction over a licensee for examination, compliance or other purposes as authorized by law.

(14) For purposes related to the replacement of a group benefit plan, a group health plan, a group welfare plan or a workers' compensation plan.

(b) *Example of revocation of consent.* A consumer may revoke consent by subsequently exercising the right to opt out of future disclosures of nonpublic personal financial information as permitted under § 146a.14(f) (relating to form of opt out notice to consumers and opt out methods).

Cross References

This section cited in 31 Pa. Code § 146a.2 (relating to definitions); 31 Pa. Code § 146a.11 (relating to initial privacy notice to consumers required); 31 Pa. Code § 146a.12 (relating to annual privacy notice to customers required); 31 Pa. Code § 146a.13 (relating to information to be included in privacy notices); and 31 Pa. Code § 146a.22 (relating to limits on redisclosure and reuse of nonpublic personal financial information).

Subchapter E. ADDITIONAL PROVISIONS

- Sec.
146a.41. Effect on other laws.
146a.42. Nondiscrimination.
146a.43. Violation.
146a.44. Effective date.

§ 146a.41. Effect on other laws.

(a) *Protection of Fair Credit Reporting Act.* This chapter will not be construed to modify, limit or supersede the operation of the Federal Fair Credit Reporting Act (15 U.S.C.A. §§ 1681—1681u), and no inference may be drawn on the basis of the provisions of this chapter regarding whether information is transaction or experience information under section 603 of that act (15 U.S.C.A. § 1681a).

(b) *Protection of section 648 of the act (40 P. S. § 288) (relating to customer privacy).* This chapter does not modify, limit or supercede the operation of section 648 of the act.

§ 146a.42. Nondiscrimination.

A licensee may not unfairly discriminate against any consumer or customer because that consumer or customer has opted out from the disclosure of nonpublic personal financial information under this chapter.

§ 146a.43. Violation.

Violations of this chapter are deemed and defined by the Commissioner to be an unfair method of competition and an unfair or deceptive act or practice and shall be subject to any applicable penalties or remedies contained in the Unfair Insurance Practices Act (40 P. S. §§ 1171.1—1171.15).

§ 146a.44. Effective date.

(a) *Effective date.* This chapter is effective July 1, 2001.

(b) *Notice requirements.*

(1) *Consumers who are the licensee's customers on the effective date.* By July 1, 2001, a licensee shall provide an initial notice, as required by § 146a.11 (relating to initial privacy notice to consumers required), to consumers who are the licensee's customers on July 1, 2001.

(2) *Example.* A licensee provides an initial notice to consumers who are its customers on July 1, 2001, if, by that date, the licensee has established a system for providing an initial notice to all new customers and has mailed the initial notice to all the licensee's existing customers.

(c) *Two-year grandfathering of service agreements.* Until July 1, 2002, a contract that a licensee has entered into with a nonaffiliated third party to perform services for the licensee or functions on the licensee's behalf satisfies the provisions of § 146a.31(a)(1)(ii) (relating to exception to opt out requirements for disclosure of nonpublic personal financial information for service providers and joint marketing), even if the contract does not include a requirement that the nonaffiliated third party maintain the confidentiality of nonpublic personal financial information, as long as the licensee entered into the agreement on or before July 1, 2000.

APPENDIX A**SAMPLE CLAUSES**

Licenseses, including a group of financial holding company affiliates that use a common privacy notice, may use the following sample clauses, if the clause is accurate for each institution that uses the notice. (Note that disclosure of certain information, such as assets, income and information from a consumer reporting agency, may give rise to obligations under the Federal Fair Credit Reporting Act, such as a requirement to permit a consumer to opt out of disclosures to affiliates or designation as a consumer reporting agency if disclosures are made to nonaffiliated third parties.)

A-1—Categories of information a licensee collects (all institutions)

A licensee may use this clause, as applicable, to meet the requirement of § 146a.13(a)(1) to describe the categories of nonpublic personal financial information the licensee collects.

Sample Clause A-1:

We collect nonpublic personal financial information about you from the following sources:

- Information we receive from you on applications or other forms.
- Information about your transactions with us, our affiliates or others.
- Information we receive from a consumer reporting agency.

A-2—Categories of information a licensee discloses (institutions that disclose outside of the exceptions)

A licensee may use one of these clauses, as applicable, to meet the requirement of § 146a.13(a)(2) to describe the categories of nonpublic personal financial information the licensee discloses. The licensee may use these clauses if it discloses nonpublic personal financial information other than as permitted by the exceptions in §§ 146a.31, 146a.32 and 146a.33.

Sample Clause A-2, Alternative 1:

We may disclose the following kinds of nonpublic personal financial information about you:

- Information we receive from you on applications or other forms, such as [provide illustrative examples, such as "your name, address, social security number, assets, income, and beneficiaries"].
- Information about your transactions with us, our affiliates or others, such as [provide illustrative examples, such as "your policy coverage, premiums, and payment history"].
- Information we receive from a consumer reporting agency, such as [provide illustrative examples, such as "your creditworthiness and credit history"].

Sample Clause A-2, Alternative 2:

We may disclose all of the information that we collect, as described [describe location in the notice, such as "above" or "below"].

A-3-Categories of information a licensee discloses and parties to whom the licensee discloses (institutions that do not disclose outside of the exceptions)

A licensee may use this clause, as applicable, to meet the requirements of § 146a.13(a)(2), (3) and (4) to describe the categories of nonpublic personal financial information about customers and former customers that the licensee discloses and the categories of affiliates and nonaffiliated third parties to whom the licensee discloses. A licensee may use this clause if the licensee does not disclose nonpublic personal financial information to any party, other than as permitted by the exceptions in §§ 146a.32 and 146a.33.

Sample Clause A-3:

We do not disclose any nonpublic personal financial information about our customers or former customers to anyone, except as permitted by law.

A-4-Categories of parties to whom a licensee discloses (institutions that disclose outside of the exceptions)

A licensee may use this clause, as applicable, to meet the requirement of § 146a.13(a)(3) to describe the categories of affiliates and nonaffiliated third parties to whom the licensee discloses nonpublic personal financial information. This clause may be used if the licensee discloses nonpublic personal financial information other than as permitted by the exceptions in §§ 146a.31, 146a.32 and 146a.33, as well as when permitted by the exceptions in §§ 146a.32 and 146a.33.

Sample Clause A-4:

We may disclose nonpublic personal financial information about you to the following types of third parties:

- Financial service providers, such as [provide illustrative examples, such as “life insurers, automobile insurers, mortgage bankers, securities broker-dealers, and insurance agents”].
- Non-financial companies, such as [provide illustrative examples, such as “retailers, direct marketers, airlines, and publishers”].
- Others, such as [provide illustrative examples, such as “non-profit organizations”].

We may also disclose nonpublic personal financial information about you to nonaffiliated third parties as permitted by law.

A-5-Service provider/joint marketing exception

A licensee may use one of these clauses, as applicable, to meet the requirements of § 146a.13(a)(5) related to the exception for service providers and joint marketers in § 146a.31. If a licensee discloses nonpublic personal financial information under this exception, the licensee shall describe the categories of nonpublic personal financial information the licensee discloses and the categories of third parties with which the licensee has contracted.

Sample Clause A-5, Alternative 1:

We may disclose the following information to companies that perform marketing services on our behalf or to other financial institutions with which we have joint marketing agreements:

- Information we receive from you on applications or other forms, such as [provide illustrative examples, such as “your name, address, social security number, assets, income, and beneficiaries”].
- Information about your transactions with us, our affiliates or others, such as [provide illustrative examples, such as “your policy coverage, premium, and payment history”].
- Information we receive from a consumer reporting agency, such as [provide illustrative examples, such as “your creditworthiness and credit history”].

Sample Clause A-5, Alternative 2:

We may disclose all of the information we collect, as described [describe location in the notice, such as “above” or “below”] to companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements. *IA-6-Explanation of opt out right (institutions that disclose outside of the exceptions)*

A licensee may use this clause, as applicable, to meet the requirement of § 146a.13(a)(6) to provide an explanation of the consumer’s right to opt out of the disclosure of nonpublic personal financial information to nonaffiliated third parties, including the method(s) by which the consumer may exercise that right. The licensee may use this clause if the licensee discloses nonpublic personal financial information other than as permitted by the exceptions in §§ 146a.31, 146a.32 and 146a.33.

Sample Clause A-6:

If you prefer that we not disclose nonpublic personal financial information about you to nonaffiliated third parties, you may opt out of those disclosures, that is, you may direct us not to make those disclosures (other than disclosures permitted by law). If you wish to opt out of disclosures to nonaffiliated third parties, you may [describe a reasonable means of opting out, such as “call the following toll-free number: (insert number)”].

A-7-Confidentiality and security (all institutions)

A licensee may use this clause, as applicable, to meet the requirement of § 146a.13(a)(8) to describe its policies and practices with respect to protecting the confidentiality and security of nonpublic personal financial information.

Sample Clause A-7:

We restrict access to nonpublic personal financial information about you to [provide an appropriate description, such as “those employees who need to know that information to provide products or services to you”]. We maintain physical, electronic, and procedural safeguards that comply with Federal regulations to guard your nonpublic personal financial information.

Cross References

This appendix cited in 31 Pa. Code § 146a.3 (relating to examples and safe harbor); and 31 Pa. Code § 146a.13 (relating to information to be included in privacy notices).

[Next page is 146b-1.]

146a-38

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