

EMERGENCY RULE AND REGULATION NO. 73
COMPLIANCE DATE FOR PRIVACY PROVISIONS
UNDER GRAMM-LEACH-BLILEY ACT

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SECTION 1. PURPOSE

The purpose of this Emergency Rule is to establish the date by which licensees regulated by the Arkansas Insurance Department ("AID") must comply with the provisions of Title V of the Gramm-Leach-Bliley Act ("GLB Act"), codified at 15 U.S.C. 6801 through 6827. This Act, which becomes effective November 13, 2000, requires licensees to develop privacy policies, develop systems for implementing those policies and protecting personal information of consumers and customers, and provide notices to all necessary customers prior to either the effective date or a later compliance date established by rule by the regulator. This Emergency Rule will establish a compliance date of July 1, 2001, for entities regulated by AID. This date is consistent with the compliance date established by federal regulators responsible for enforcing this Act as it applies to federally regulated financial institutions.

SECTION 2. AUTHORITY

This Emergency Rule is issued pursuant to the authority vested in the Commissioner under Arkansas Code Annotated §23-61-108, §§23-61-303, et seq., §23-66-608, and §§25-15-203–204, and other applicable laws or rules.

SECTION 3. DEFINITIONS

- a. "Arkansas Insurance Code" means the laws contained in Title 23, Chapters 60-109, of the Arkansas Code of 1987 Annotated, as amended;
- b. "Commissioner" means the Commissioner of the Arkansas Insurance Department;
- c. "Licensee" means all insurers, producers, and other persons licensed or required to be licensed, or authorized or required to be authorized, or registered or required to be registered, or domiciled pursuant to the Arkansas Insurance Code. "Licensee" shall include unauthorized but approved insurers, foreign or alien, who accept Arkansas business through a licensed surplus lines broker.

SECTION 4. EFFECTIVE DATE

This Emergency Rule shall become effective immediately upon filing. It shall expire within 120 days, by operation of law, or upon the effective date of the Proposed Rule, "PRIVACY OF CONSUMER FINANCIAL AND HEALTH INFORMATION REGULATION."

SECTION 5. COMPLIANCE DATE FOR GRAMM-LEACH-BLILEY ACT PRIVACY PROVISIONS

In order to provide sufficient time for licensees to establish policies and systems and record-keeping procedures to comply with the requirements of Title V of the Gramm-Leach-Bliley Act, which become effective November 13, 2000, the Commissioner hereby extends the time for compliance with Title V of the Gramm-Leach-Bliley Act (15 U.S.C. 6801 through 6827) until July 1, 2001.

SECTION 6. NOTICE REQUIREMENT

All insurers, HMOs, trade associations, and limited licensees are directed by the Commissioner to inform their adjusters, appointed agents, and members of this compliance date. These entities are also directed to provide copies of the attached Proposed Rule "PRIVACY OF CONSUMER FINANCIAL AND HEALTH INFORMATION REGULATION" to their adjusters, appointed agents, and members.

SECTION 7. SEVERABILITY

If any provision of this Regulation or the application thereof to any person or circumstance is for any reason held to be invalid, the remainder of the Regulation and the application of the provision to other persons or circumstances shall not be affected thereby.

Mike Pickens
Insurance Commissioner

Date