

State of Idaho

DEPARTMENT OF INSURANCE

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MARY L. HARTUNG
Director

BULLETIN NO. 00-7

DATE: **October 18, 2000**

TO: **All Insurers**

FROM: **Mary L. Hartung, Director**

SUBJECT: **Gramm-Leach-Bliley Act - Privacy Standards**

Title V of the federal Gramm-Leach-Bliley Act of 1999 (“GLBA”), also referred to as the “Financial Services Modernization Act,” requires federal and state regulators, including state insurance regulators, to establish appropriate standards for financial institutions subject to their jurisdiction relating to administrative, technical, and physical safeguards to: (1) insure the security and confidentiality of customer records and information; (2) protect against any anticipated threats or hazards to the security or integrity of such records; and (3) protect against unauthorized access to or use of such records or information which could result in substantial harm or inconvenience to any customer.

Under the GLBA, rules implementing these privacy standards were to become effective by November 12, 2000. On May 10, 2000, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision announced the issuance of final regulations implementing the provisions of the GLBA concerning protection of customer records and nonpublic information. However, the time for compliance with these regulations was extended until July 1, 2001 to provide sufficient time for financial institutions to institute policies and procedures implementing the new standards.

The purpose of this bulletin is to advise insurers regulated by the Idaho Department of Insurance that the Department will consider it to be an unfair trade practice under Chapter 13, Title 41, Idaho Code, for insurers to handle customer information in a manner inconsistent with the federal regulations issued pursuant to Title V of the GLBA. However, to maintain consistency with the federal standards applicable to other types of financial institutions, the Department will not seek to enforce compliance with the GLBA privacy standards until July 1, 2001.