



South Carolina Department of Insurance

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Director of Insurance

BULLETIN 2000-12

(Issued upon November 3, 2000)

TO: All Persons Authorized to Transact the Business of Insurance in South Carolina

FROM: Ernst N. Csiszar 

RE: Deadline for Complying with Article V of the Gramm-Leach-Bliley Act

DATE: November 3, 2000

Purpose

This Bulletin extends the date for persons licensed by the South Carolina Department of Insurance to comply with Title V of the Gramm-Leach-Bliley Act (GLBA), 15 U.S.C. 6801 *et seq.*, which governs the treatment of personal information about customers or consumers. Title V of the GLBA and the federal regulation which implements it provide a complex scheme for protecting personal financial information. The requirements insurers must comply with differ depending upon whether the individual or prospective applicant is a customer or consumer. This Bulletin only extends the date for complying with the requirements of Title V, for persons regulated by this Department, from November 13, 2000 to July 1, 2001.

The Department is drafting a privacy regulation which will include a detailed discussion of the requirements of GLBA and what is required for compliance. As you are aware, there are other federal regulations which could impact or preempt our draft regulation. We hope to complete the proposed regulation as soon as the final regulations pertaining to the electronic transfer of health information are released by the Health Care Financing Administration. Those final regulations are expected to be released sometime in November 2000.

Compliance Date Extended

This Bulletin establishes the date by which persons regulated by the South Carolina Department of Insurance must comply with the provisions of Title V of the GLBA. The GLBA, which becomes effective November 13, 2000, requires licensees: (1) to develop privacy policies, develop systems for implementing those policies and protecting personal information of consumers and customers, and (2) to provide appropriate disclosure notices to all customers prior to either the effective date or a later compliance date established by rule by the regulator. This Bulletin establishes an

extended compliance date of July 1, 2001, for persons regulated by this Department. 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.

Applicability

For purposes of this Bulletin, the terms "licensees" or "persons" include, but are not limited to, all insurers, producers, agents, third party administrators, and any other persons licensed or required to be licensed, or authorized or required to be authorized, approved, registered, or domiciled in accordance with Title 38 of the South Carolina Code. Simply, this Bulletin applies to all persons required to have a license to transact the business of insurance within this state by the South Carolina Code of Laws. This Bulletin also applies to unauthorized, but approved insurers who accept business placed through a licensed eligible surplus lines insurance broker in this state (i.e., surplus lines placements) in accordance with Chapter 45 of Title 38.

Effective Date

Effective immediately, the date for licensees of this Department to comply with the provisions of Title V of the GLBA is extended to July 1, 2001. This extension is granted in order to provide sufficient time for licensees to establish the necessary policies and systems to comply with the requirements of Title V of the GLBA.

Contact Information

Any questions concerning the subject of this Bulletin (i.e., the extension of the compliance date) should be addressed to the attention of Gwendolyn L. Fuller, Deputy Director and General Counsel at the South Carolina Department of Insurance: (803) 737-6200 or E-mail: gfuller@doi.state.sc.us.