

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 241

Introduced by Craighead, 6.

Read first time January 11, 2017

Committee: Banking, Commerce and Insurance

- 1 A BILL FOR AN ACT relating to the Privacy of Insurance Consumer
- 2 Information Act; to amend section 44-905, Reissue Revised Statutes
- 3 of Nebraska; to provide an exception to the requirement to send
- 4 annual privacy notices; and to repeal the original section.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 44-905, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 44-905 (1) A licensee shall provide a clear and conspicuous notice
4 to customers that accurately reflects its privacy policies and practices
5 not less than annually during the continuation of the customer
6 relationship. For purposes of this subsection, annually means at least
7 once in any period of twelve consecutive months during which that
8 relationship exists. A licensee may define the twelve-consecutive-month
9 period, but the licensee shall apply it to the customer on a consistent
10 basis.

11 (2) A licensee is not required to provide an annual notice under
12 subsection (1) of this section if the licensee:

13 (a) Provides nonpublic personal information to nonaffiliated third
14 parties only in accordance with sections 44-914, 44-915, and 44-916; and

15 (b) Has not changed its policies and practices with regard to
16 disclosing nonpublic personal information from the policies and practices
17 that were disclosed in the most recent disclosure sent to consumers in
18 accordance with section 44-904 or subsection (1) of this section.

19 (3)(a) ~~(2)(a)~~ A licensee is not required to provide an annual notice
20 to a former customer.

21 (b) For purposes of this subsection, a former customer is an
22 individual with whom a licensee no longer has a continuing relationship.
23 A former customer includes:

24 (i) An individual who is no longer a current policyholder of an
25 insurance product or no longer obtains insurance services with or through
26 the licensee;

27 (ii) An individual whose policy is lapsed, expired, or otherwise
28 inactive or dormant under the licensee's business practices, and the
29 licensee has not communicated with the customer about the relationship
30 for a period of twelve consecutive months, other than to provide annual
31 privacy notices, material required by law or regulation, or promotional

1 materials;

2 (iii) An individual whose last-known address according to the
3 licensee's records is deemed invalid. An address of record is deemed
4 invalid if mail sent to that address by the licensee has been returned by
5 the postal authorities as undeliverable and if subsequent attempts by the
6 licensee to obtain a current valid address for the individual have been
7 unsuccessful; and

8 (iv) In the case of providing real estate settlement services, the
9 customer has completed execution of all documents related to the real
10 estate closing, payment for those services has been received, or the
11 licensee has completed all of its responsibilities with respect to the
12 settlement, including filing documents on the public record, whichever is
13 later.

14 (4) ~~(3)~~ When a licensee is required by this section to deliver an
15 annual privacy notice, the licensee shall deliver it according to section
16 44-909.

17 Sec. 2. Original section 44-905, Reissue Revised Statutes of
18 Nebraska, is repealed.