

## 2023 BULLETIN

June 7, 2023

Copyright © 2023; IIABAZ All rights reserved. May not be reproduced without written permission.

TO: IIAB of Arizona Members & Associate Members

FROM: Terri S. Edwards, CIC, CISR—Executive Vice President

RE: Arizona Annual Privacy Notices Requirements for Insurance Agencies Updated in 2019

Are you aware that agencies are no longer required to send out annual privacy notices to policyholders if your practices and policies have not change? If not, here is a refresher of the announcements we sent out to our members in 2019.

State and Federal laws require that an agency provide their policyholders with a copy of the agency's Privacy Policy to policyholders where non-public personal information has been collected (personal lines and life/health). This must be done during the application process. Before the Fall of 2019, it was also required to be done annually for policy renewals, and when a policy is reinstated.

In 2019, Arizona Statutes were modified and insurance producers are no longer required to send out annual privacy notices to policyholders, unless your Agency's privacy practices or policies have changed. Please note, you must still provide the Agency's Privacy Policy during the application process to the applicant.

[ARS 20-2104](#) now states an insurance institution or insurance producer is not required to provide a notice of information practices (Privacy Policy) at policy renewals or policy reinstatements, provided that the insurance institution or insurance producer:

- Provides personal information in accordance with statutory requirements ([ARS 20-2113](#)); AND
- Has not changed the policies and practices related to disclosing personal information since the customer was last notified.

This change aligns Arizona's statutes with modifications previously done on the [Gramm-Leach-Bliley Act](#). ([Insurance Agency Guide to Gramm-Leach-Bliley Act](#))

### General information on Privacy Notices:

Privacy Notices may be sent out in electronic format if the applicant/policyholder agreed in advance. Otherwise it has to be in writing. Privacy Notice must contain:

- The type of personal information collected about the policyholder; where and how that information is obtained; along with the third parties the information may be disclosed and the circumstances it may be disclosed.
- The policyholder's right to obtain the personal information collected and correct it if necessary, should be included.
- An Opt-Out option is required in the notice for those who do not want their information disclosed to third parties.
- The agency's policies and practices on protecting the confidentiality, security, integrity, and quality of the non-public personal information must likewise be incorporated in the notification.

A [Sample Agency Privacy Policy Template](#) customizable for your agency's use and includes a Short Privacy Notice Statement that may be read over the phone to applicants providing personal information is free to all IIABAZ Members. A [Sample Website Privacy Statement](#) that may be adapted for agency use is also free. The Agency's Privacy Policy should be posted on the agency's website.

All agencies are required by law to have a written Cyber Security/Privacy Plan. A free customizable template of a [Cyber Security/Privacy Plan](#) is available on [www.independentagent.com/ACT](http://www.independentagent.com/ACT) along with additional resources for your agency.

Thank you for allowing YOUR Association to be of service.