

Final Proposed Filing - Coversheet

Instructions:

In accordance with Title 3 Chapter 25 of the Vermont Statutes Annotated and the “Rule on Rulemaking” adopted by the Office of the Secretary of State, this filing will be considered complete upon filing and acceptance of these forms with the Office of the Secretary of State, and the Legislative Committee on Administrative Rules.

All forms shall be submitted at the Office of the Secretary of State, no later than 3:30 pm on the last scheduled day of the work week.

The data provided in text areas of these forms will be used to generate a notice of rulemaking in the portal of “Proposed Rule Postings” online, and the newspapers of record if the rule is marked for publication. Publication of notices will be charged back to the promulgating agency.

PLEASE REMOVE ANY COVERSHEET OR FORM NOT REQUIRED WITH THE CURRENT FILING BEFORE DELIVERY!

Certification Statement: As the adopting Authority of this rule (see 3 V.S.A. § 801 (b) (11) for a definition), I approve the contents of this filing entitled:

Privacy of Consumer Financial and Health Information

_____/s/ Kevin Gaffney_____, on 4/17/23
(signature) (date)

Printed Name and Title:

Kevin J. Gaffney

Commissioner of Financial Regulation

RECEIVED BY: _____

- Coversheet
- Adopting Page
- Economic Impact Analysis
- Environmental Impact Analysis
- Strategy for Maximizing Public Input
- Scientific Information Statement (if applicable)
- Incorporated by Reference Statement (if applicable)
- Clean text of the rule (Amended text without annotation)
- Annotated text (Clearly marking changes from previous rule)
- ICAR Minutes
- Copy of Comments
- Responsiveness Summary

1. TITLE OF RULE FILING:

Privacy of Consumer Financial and Health Information

2. PROPOSED NUMBER ASSIGNED BY THE SECRETARY OF STATE

23P 001

3. ADOPTING AGENCY:

Department of Financial Regulation

4. PRIMARY CONTACT PERSON:

(A PERSON WHO IS ABLE TO ANSWER QUESTIONS ABOUT THE CONTENT OF THE RULE).

Name: Karla Nuissl

Agency: Department of Financial Regulation

Mailing Address: 89 Main Street, Montpelier, VT 05620

Telephone: (802) 828-2910 Fax:

E-Mail: Karla.Nuissl@vermont.gov

Web URL *(WHERE THE RULE WILL BE POSTED)*:

<https://dfr.vermont.gov/about-us/legal-general-counsel/proposed-rules-and-public-comment>

5. SECONDARY CONTACT PERSON:

(A SPECIFIC PERSON FROM WHOM COPIES OF FILINGS MAY BE REQUESTED OR WHO MAY ANSWER QUESTIONS ABOUT FORMS SUBMITTED FOR FILING IF DIFFERENT FROM THE PRIMARY CONTACT PERSON).

Name: Diane Sherman

Agency: Department of Financial Regulation

Mailing Address: 89 Main Street, Montpelier, VT 05620

Telephone: (802) 622-4358 Fax:

E-Mail: diane.sherman@vermont.gov

6. RECORDS EXEMPTION INCLUDED WITHIN RULE:

(DOES THE RULE CONTAIN ANY PROVISION DESIGNATING INFORMATION AS CONFIDENTIAL; LIMITING ITS PUBLIC RELEASE; OR OTHERWISE, EXEMPTING IT FROM INSPECTION AND COPYING?) No

IF YES, CITE THE STATUTORY AUTHORITY FOR THE EXEMPTION:

PLEASE SUMMARIZE THE REASON FOR THE EXEMPTION:

7. LEGAL AUTHORITY / ENABLING LEGISLATION:

(THE SPECIFIC STATUTORY OR LEGAL CITATION FROM SESSION LAW INDICATING WHO THE ADOPTING ENTITY IS AND THUS WHO THE SIGNATORY SHOULD BE. THIS SHOULD BE A SPECIFIC CITATION NOT A CHAPTER CITATION).

8 V.S.A. § 15

8. EXPLANATION OF HOW THE RULE IS WITHIN THE AUTHORITY OF THE AGENCY:

Section 15 of Title 8 of the Vermont Statutes Annotated provides the Commissioner of Financial Regulation with authority to adopt rules necessary for the administration of Title 8, including the regulation of insurance companies, other entities offering insurance within Vermont, and insurance agents (which are termed "producers" in Vermont). This rule falls within the scope of this authority as it pertains to the regulation of the provision of insurance in Vermont.

9. THE FILING HAS CHANGED SINCE THE FILING OF THE PROPOSED RULE.

10. THE AGENCY HAS INCLUDED WITH THIS FILING A LETTER EXPLAINING IN DETAIL WHAT CHANGES WERE MADE, CITING CHAPTER AND SECTION WHERE APPLICABLE.

11. SUBSTANTIAL ARGUMENTS AND CONSIDERATIONS WERE NOT RAISED FOR OR AGAINST THE ORIGINAL PROPOSAL.

12. THE AGENCY HAS INCLUDED COPIES OF ALL WRITTEN SUBMISSIONS AND SYNOPSES OF ORAL COMMENTS RECEIVED.

13. THE AGENCY HAS INCLUDED A LETTER EXPLAINING IN DETAIL THE REASONS FOR THE AGENCY'S DECISION TO REJECT OR ADOPT THEM.

14. CONCISE SUMMARY (150 WORDS OR LESS):

The Department of Financial Regulation's rule on "Privacy of Consumer Financial and Health Information" establishes limitations on how insurance companies, other entities that offer insurance to Vermont consumers, and insurance agents share consumers' financial and health information. The rule is being amended to modernize and streamline how annual notices identifying these privacy practices are provided to consumers. Instead of delivering an annual privacy notice to consumers individually, entities and agents who meet specific criteria will have the option to provide the notice on their website. This rule amendment will make the requirements for the provision of annual privacy notices consistent with federal law and with similar requirements, established in other

rules, for entities regulated by the Banking Division. This rule amendment also makes technical corrections and clarifies what to include in the federal model privacy form should an entity elect to use that form as its privacy notice.

15. EXPLANATION OF WHY THE RULE IS NECESSARY:

This rule amendment is consistent with previously adopted changes to the federal requirements for providing annual privacy notices and serves to modernize and streamline the manner in which annual privacy notices are provided to consumers by insurance entities and agents operating in Vermont. The Department of Financial Regulation ("DFR") previously amended the annual privacy notice requirement for entities regulated by the Banking Division and the changes contained herein will make these same changes for entities regulated by the Insurance Division. This change will also better meet the expectations of today's consumers and reduce the mail burden for companies and consumers.

16. EXPLANATION OF HOW THE RULE IS NOT ARBITRARY:

Annual privacy notice requirements for entities operating in Vermont are based on the minimum, nationwide requirements established in the Gramm-Leach-Bliley Act, a federal law. The proposed rule amendment is consistent with amendments previously made to the federal Act which exempt entities meeting specific requirements from having to mail or otherwise individually deliver annual privacy notices. DFR adopted changes to its rules pertaining to entities regulated by the Banking Division to incorporate the change in federal law over four years ago and is proposing similar changes to the rules pertaining to entities regulated by the Insurance Division with this rule amendment. The final language in this rule amendment was also arrived at following input from insurance industry representatives.

17. LIST OF PEOPLE, ENTERPRISES AND GOVERNMENT ENTITIES AFFECTED BY THIS RULE:

Insurance companies operating in Vermont, other entities that offer insurance to Vermont consumers and

who are licensed by the Insurance Division, insurance agents, and consumers of insurance products

18. BRIEF SUMMARY OF ECONOMIC IMPACT (150 WORDS OR LESS):

This rule amendment is predicted to have a small positive economic impact for insurance companies, other entities offering insurance within Vermont, and insurance agents as it is anticipated to reduce their costs for providing annual privacy notices by modernizing the manner in which such notices can be provided. To the extent these entities and individuals experience cost savings, consumers may also benefit from reduced costs for coverage. No consumer harm or negative economic impact is anticipated.

19. A HEARING WAS HELD.

20. HEARING INFORMATION

(THE FIRST HEARING SHALL BE NO SOONER THAN 30 DAYS FOLLOWING THE POSTING OF NOTICES ONLINE).

IF THIS FORM IS INSUFFICIENT TO LIST THE INFORMATION FOR EACH HEARING, PLEASE ATTACH A SEPARATE SHEET TO COMPLETE THE HEARING INFORMATION.

Date: 2/21/2023

Time: 01:00 PM

Street Address: Virtual hearing via Microsoft Teams -
https://teams.microsoft.com/l/meetup-join/19%3ameeting_MzVmNGM1M2UtZjM0NC00YTZlLTkzYWUtYzcxMmNlNWQyOWNk%40thread.v2/0?context=%7b%22Tid%22%3a%220b4933b-baad-433c-9c02-70edcc7559c6%22%2c%22Oid%22%3a%22ca9b4c7f-c9fb-4d61-bf76-e22594ce4b2d%22%7d

Zip Code: Call in number: +1 802-828-7667

Conference ID: 385 934 269#

Date:

Time: AM

Street Address:

Zip Code:

Date:

Time: AM

Street Address:

Zip Code:

Date:

Time: AM

Street Address:

Zip Code:

21. DEADLINE FOR COMMENT (NO EARLIER THAN 7 DAYS FOLLOWING LAST HEARING):

2/28/2023

KEYWORDS (PLEASE PROVIDE AT LEAST 3 KEYWORDS OR PHRASES TO AID IN THE SEARCHABILITY OF THE RULE NOTICE ONLINE).

privacy

notice

annual privacy notice

insurance

financial information

health information

Adopting Page

Instructions:

This form must accompany each filing made during the rulemaking process:

Note: To satisfy the requirement for an annotated text, an agency must submit the entire rule in annotated form with proposed and final proposed filings. Filing an annotated paragraph or page of a larger rule is not sufficient. Annotation must clearly show the changes to the rule.

When possible, the agency shall file the annotated text, using the appropriate page or pages from the Code of Vermont Rules as a basis for the annotated version. New rules need not be accompanied by an annotated text.

1. TITLE OF RULE FILING:

Privacy of Consumer Financial and Health Information

2. ADOPTING AGENCY:

Department of Financial Regulation

3. TYPE OF FILING (*PLEASE CHOOSE THE TYPE OF FILING FROM THE DROPDOWN MENU BASED ON THE DEFINITIONS PROVIDED BELOW*):

- **AMENDMENT** - Any change to an already existing rule, even if it is a complete rewrite of the rule, it is considered an amendment if the rule is replaced with other text.
- **NEW RULE** - A rule that did not previously exist even under a different name.
- **REPEAL** - The removal of a rule in its entirety, without replacing it with other text.

This filing is **AN AMENDMENT OF AN EXISTING RULE** .

4. LAST ADOPTED (*PLEASE PROVIDE THE SOS LOG#, TITLE AND EFFECTIVE DATE OF THE LAST ADOPTION FOR THE EXISTING RULE*):

SOS Log # 01-061, Privacy of Consumer Financial and Health Information (IH-2001-01), effective 11/17/2001



INTERAGENCY COMMITTEE ON ADMINISTRATIVE RULES (ICAR) MINUTES

Meeting Date/Location: January 9, 2023, virtually via Microsoft Teams

Members Present: Chair Sean Brown, Brendan Atwood, Diane Bothfeld, Jennifer Mojo, John Kessler, Diane Sherman, Mike Obuchowski and Donna Russo-Savage

Members Absent: Jared Adler

Minutes By: Melissa Mazza-Paquette

- 2:01 PM meeting called to order, welcome and introductions.
- Review and approval of minutes from the [December 12, 2022](#) meeting.
- Original agenda approved as drafted with the following change:
 - The next scheduled meeting was moved from Monday, February 13, 2023 to Wednesday, February 22, 2023, 2:00 PM.
- No public comments made.
- Presentation of Proposed Rules on pages 2-8 to follow.
 1. HazMat Transportation & Motor Carrier Safety Standards, Agency of Transportation, Department of Motor Vehicles, page 2
 2. Rule 1: Licensing of Cannabis Establishments, Cannabis Control Board, page 3
 3. Rule 2: Regulation of Cannabis Establishments, Cannabis Control Board, page 4
 4. Rule 4: Compliance and Enforcement, Cannabis Control Board, page 5
 5. Home Visiting Rule, Vermont Department of Health, page 6
 6. STep Ahead Recognition System (STARS) Rules, Department for Children and Families, page 7
 7. Privacy of Consumer Financial and Health Information, Department of Financial Regulation, page 8
- Other business: Diane Bothfeld noted her upcoming retirement from the State of Vermont this month and therefore this was her last ICAR meeting.
- 3:32 PM meeting adjourned.