

State of Arizona  
Senate  
Fifty-fourth Legislature  
First Regular Session  
2019

**CHAPTER 17**  
**SENATE BILL 1113**

AN ACT

AMENDING SECTION 20-2104, ARIZONA REVISED STATUTES; RELATING TO INSURANCE  
INFORMATION AND PRIVACY PROTECTION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 20-2104, Arizona Revised Statutes, is amended to  
3 read:

4 20-2104. Notice of insurance information practices

5 A. An insurance institution or insurance producer shall provide a  
6 notice of information practices to applicants and policyholders in  
7 connection with insurance transactions as prescribed in this section.

8 B. The insurance institution or insurance producer shall provide  
9 the notice at the following times:

10 1. In the case of an application for insurance, not later than when  
11 the insurance institution or insurance producer either:

12 (a) Delivers the insurance policy or certificate, if personal  
13 information is collected only from the applicant or from public records.

14 (b) First collects personal information from a source other than  
15 the applicant or public records.

16 2. In the case of a policy renewal, at least annually during the  
17 continuation of the relationship with the policyholder, **EXCEPT THAT AN  
18 INSURANCE INSTITUTION OR INSURANCE PRODUCER IS NOT REQUIRED TO PROVIDE THE  
19 NOTICE DESCRIBED IN SUBSECTION C OF THIS SECTION ANNUALLY IF THE INSURANCE  
20 INSTITUTION OR INSURANCE PRODUCER MEETS BOTH OF THE FOLLOWING  
21 REQUIREMENTS:**

22 (a) **PROVIDES PERSONAL INFORMATION IN ACCORDANCE WITH SECTION  
23 20-2113.**

24 (b) **HAS NOT CHANGED THE POLICIES AND PRACTICES RELATED TO  
25 DISCLOSING PERSONAL INFORMATION SINCE THE CUSTOMER WAS LAST NOTIFIED  
26 PURSUANT TO THIS SECTION.**

27 3. In the case of a policy reinstatement or change in insurance  
28 benefits, not later than the time when the insurance institution receives  
29 a request for a policy reinstatement or change in insurance benefits  
30 except that a notice is not required if a notice was already given within  
31 the immediately preceding twelve months **OR THE INSURANCE INSTITUTION OR  
32 INSURANCE PRODUCER MEETS BOTH OF THE FOLLOWING REQUIREMENTS:**

33 (a) **PROVIDES PERSONAL INFORMATION IN ACCORDANCE WITH SECTION  
34 20-2113.**

35 (b) **HAS NOT CHANGED THE POLICIES AND PRACTICES RELATED TO  
36 DISCLOSING PERSONAL INFORMATION SINCE THE CUSTOMER WAS LAST NOTIFIED  
37 PURSUANT TO THIS SECTION.**

38 C. The notice shall be in writing or, if the applicant or  
39 policyholder agrees, in an electronic form and shall either contain the  
40 information required for compliance with the notice requirements  
41 established under section 503 of the Gramm-Leach-Bliley act (15 United  
42 States Code section 6803) or shall state:

43 1. Whether personal information may be collected from persons other  
44 than the individual or individuals proposed for coverage.

1           2. The types of personal information that may be collected and the  
2 types of sources and investigative techniques that may be used to collect  
3 the information.

4           3. The types of disclosures identified in section 20-2113,  
5 paragraphs 2 through 6, 9, 11, 12 and 14 and the circumstances under which  
6 the disclosures may be made without prior authorization, except only those  
7 circumstances need be described ~~which~~ THAT occur with such a frequency as  
8 to indicate a general business practice.

9           4. A description of the rights established under sections 20-2108  
10 and 20-2109 and the manner in which those rights may be exercised.

11           5. That information obtained from a report prepared by an insurance  
12 support organization may be retained by the insurance support organization  
13 and disclosed to other persons.

14           D. Instead of the notice prescribed in subsection C of this  
15 section, the insurance institution or insurance producer may provide an  
16 abbreviated notice informing the applicant that:

17           1. Personal information may be collected from persons other than  
18 the individual or individuals proposed for coverage.

19           2. The information as well as other personal or privileged  
20 information subsequently collected by the insurance institution or  
21 insurance producer may in certain circumstances be disclosed to third  
22 parties without authorization.

23           3. A right of access and correction exists with respect to all  
24 personal information collected.

25           4. The notice prescribed in subsection C of this section will be  
26 provided to the applicant on request.

27           E. The obligations imposed by this section on an insurance  
28 institution or insurance producer may be satisfied by another insurance  
29 institution or insurance producer authorized to act on its behalf.

30           F. If an insurance institution, insurance producer or insurance  
31 support organization that is required to give notice under this section  
32 gives the notice to the sponsor of an employee benefit plan, a group or  
33 blanket insurance policyholder or group annuity contract holder or a  
34 workers' compensation plan participant and does not disclose personal  
35 information about any of the individuals described in paragraph 1, 2 or 3  
36 of this subsection except as otherwise allowed under section 20-2113, the  
37 insurer, producer or insurance support organization is not required to  
38 provide the notice to:

39           1. A participant or a beneficiary of an employee benefit plan that  
40 the insurer administers or sponsors or for which the insurer acts as  
41 trustee, insurer or fiduciary.

42           2. An individual who is covered under a group or blanket insurance  
43 policy or group annuity contract issued by the insurer.

44           3. A beneficiary in a workers' compensation plan.

1           G. An insurance institution or insurance producer is not required  
2 to give notice under this section to a policyholder whose policy is  
3 lapsed, expired or otherwise inactive if the insurance institution or  
4 insurance producer has not communicated with the policyholder for at least  
5 twelve consecutive months, other than to provide annual privacy notices,  
6 material required by law or order of a state or federal regulatory  
7 authority or promotional materials.

8           H. An insurance institution or insurance producer is not required  
9 to give notice under this section to a policyholder whose last known  
10 address of record is invalid. An address is deemed invalid under this  
11 subsection if mail sent to that address by the insurance institution or  
12 insurance producer has been returned by the postal authorities as  
13 undeliverable and if subsequent attempts by the insurance institution or  
14 insurance producer to obtain a valid address for the individual have been  
15 unsuccessful.

APPROVED BY THE GOVERNOR MARCH 22, 2019.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 22, 2019.