

**FIRST ENGROSSMENT
with Senate Amendments**Fifty-eighth
Legislative Assembly
of North Dakota**ENGROSSED HOUSE BILL NO. 1179**

Introduced by

Industry, Business and Labor Committee

(At the request of the Insurance Commissioner)

1 A BILL for an Act to amend and reenact section 26.1-02-27 of the North Dakota Century Code,
2 relating to disclosing nonpublic personal information.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 26.1-02-27 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **26.1-02-27. Disclosing nonpublic personal information.**

- 7 1. An insurance company, nonprofit health service corporation, or health
8 maintenance organization that is physically located in the state may not disclose to
9 a nonaffiliated third party a customer's nonpublic personal information contrary to
10 the provisions of title V of the Gramm-Leach-Bliley Act [Pub. L. 106-102; 113 Stat.
11 1436] or contrary to the rules adopted by the commissioner under this section. As
12 used in this section, "customer" means any person that is a resident of or is
13 domiciled in this state and that has or is transacting business with or has used or is
14 using the services of an insurance company, nonprofit health service corporation,
15 or health maintenance organization.
- 16 2. a. The commissioner ~~may~~ shall adopt rules ~~as may be~~ necessary to carry out
17 this section.
- 18 b. The rules must be consistent with and not more restrictive than the model
19 regulation adopted by the national association of insurance commissioners
20 entitled "Privacy of Consumer Financial and Health Information Regulation".
- 21 c. Notwithstanding subdivision b and subject to the exceptions, including the
22 affiliate sharing exception provided for in the national association of insurance
23 commissioner's model regulation, the rules must prohibit the disclosure of
24 nonpublic personal health and financial information concerning an individual

- 1 unless an authorization is obtained from the individual whose nonpublic
2 personal health and financial information is sought to be disclosed. As used
3 in this section, "affiliate" includes those companies that are related to one
4 another through a management contract in which one company controls the
5 operations of another.
- 6 3. This section does not create a private right of action.