

## **Bulletin 2001-1**

TO: All Insurance Companies and Agents

FROM: Darla L. Lyon, Director, S.D. Division of Insurance

DATE: June 27, 2001

RE: Financial Privacy Rules (ARSD 20:06:45)

The effective date of the financial privacy rules is July 1, 2001. Questions relative to notices have been received from licensees. There are basically two situations where notices are required. One is the initial notice given to customers when they first become a customer. All new customers must be provided initial privacy notices upon becoming a customer. The other is the annual notice given to all existing customers. The Division is not requiring that these annual notices be sent out to all existing customers on July 1, 2001. Rather annual notices to customers will need to be done at least once in every 12 consecutive months from July 1, 2001 and thereafter. One way in which licensees could comply is to issue notices upon renewal of policies.

Licensees are encouraged to use the sample clauses contained in the privacy rules. Some may wish to use alternative language or include additional information. However, the content of the notices must be sufficiently clear for customers to understand the notices. Terms should be explained in a manner understandable to customers.