

1 (3) "Insurance" includes all products defined or regulated as insurance by the department
2 of business regulation except those products offered as follows:

3 (i) Portable electronics insurance as defined in § 27-2.7-1;

4 (ii) Credit life, credit accident and health, credit involuntary unemployment insurance;
5 group credit insurance, forced placed or voluntary credit personal property insurance; group
6 mortgage cancellation life insurance, or group mortgage accident and health insurance and
7 annuities;

8 (iii) Insurance placed by a financial institution in connection with collateral pledged as
9 security for a loan when the debtor breaches the contractual obligation to provide that insurance;

10 and

11 (iv) Private mortgage insurance.

12 **27-82-4. Authorization for implementing regulations.**

13 The commissioner may promulgate administrative regulations to effectuate the purposes
14 of this chapter.

15 **27-82-5. Anti-tying provisions.**

16 (a) No person or business entity may offer any tangible personal property for sale or
17 lease, or fix or vary the conditions of an offer, on a condition or requirement that the customer
18 obtains insurance from the business entity, or any particular insurance producer or insurer.

19 (b) No business entity shall require or imply that the purchase of an insurance product
20 from a business entity or any particular insurance producer or insurer, by a customer or
21 prospective customer is required as a condition of, or is in any way related to the purchase or
22 lease of any tangible personal property, the lending of money or extension of credit or the
23 provision of services related to any of these activities.

24 (c) No business entity shall impose any requirement on any insurance producer or insurer
25 who is not associated with the business entity that is not imposed on any insurance producer or
26 insurer who is associated with that business entity.

27 **27-82-6. Sales force.**

28 Solicitation for the purchase or sale of insurance by a business entity shall be conducted
29 only by persons licensed in accordance with chapter 2.4 of title 27 whose responsibilities do not
30 include the sale of a noninsurance related tangible personal property, including, but not limited to,
31 salespersons, persons whose responsibilities include a determination of credit qualification,
32 financing, or persons assisting those individuals in the sale or lease of any tangible personal
33 property.

34 **27-82-7. Confidential customer information.**

1 (a) As used in this section, unless the context requires otherwise:

2 (1) "Customer" means a person seeking to purchase or lease tangible personal property.

3 (2) "Nonpublic customer information" means personally identifiable financial
4 information regarding a person that has been derived from the sale or lease of tangible personal
5 property by a business entity, including, information on the product to be purchased or leased,
6 information concerning the terms and conditions of insurance coverage, insurance expirations,
7 insurance claims, or insurance history of an individual. Nonpublic customer information does not
8 include customer names, addresses or telephone numbers.

9 (b) No business entity shall use any nonpublic customer information derived from the
10 sale or lease of tangible personal property for the purpose of selling or soliciting the purchase of
11 insurance or provide the nonpublic customer information to a third party for the purpose of
12 another's sale or solicitation of the purchase of insurance.

13 **27-82-8. Insurance in connection with the sale or lease of a tangible personal**
14 **property.**

15 The transaction of a sale or lease of any tangible personal property and insurance
16 transactions shall be completed independently and through separate documents.

17 **27-82-9. Physical location of insurance activities.**

18 The place of solicitation or sale of insurance by any insurance company or any insurance
19 producer affiliated with a business entity shall be from an office physically separated from the
20 activities associated with the sale or lease of any tangible personal property. Physical separation
21 shall not be defined as a separate building. The commissioner shall have the authority to
22 promulgate rules and regulations to implement this section pursuant to § 27-82-4.

23 **27-82-10. Penalties.**

24 Any business entity or person who violates the provisions of this chapter, who fails to
25 perform any duties imposed by this chapter, or who violates any administrative regulation
26 promulgated pursuant to this chapter shall be liable for a civil penalty not to exceed the sum of
27 one hundred dollars (\$100) for each day which the violation continues, and may be concurrently
28 enjoined from any further violations by the superior court upon petition of the insurance
29 commissioner.

30 SECTION 2. This act shall take effect January 1, 2019.

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LC004562/SUB A
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO INSURANCE -- INSURANCE CONSUMER PROTECTION SALES ACT

1 This act would create a system of consumer protection for regulation by DBR of
2 noninsurance business entities using or disclosing personal identifiable financial information for
3 insurance sales.

4 This act would take effect on January 1, 2019.

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LC004562/SUB A
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