

# Technical Advisory



TA 316

January 12, 2015

## **Subject:** Updated GLBA Model Privacy Form

**Background:** The Gramm-Leach-Bliley Act (GLBA) was signed into law in 1999. Aptly titled the Financial Services Modernization Act, it made sweeping reforms to the financial services industry. Among other things, it provided for consolidation of previously separate financial operations into larger, multi-functional organizations. This raised concerns from many quarters about the privacy of customers' financial information. As a result, the GLBA includes provisions in Title V which address protections for "non-public personal financial information." Strict guidelines are included in GLBA, which all financial institutions (including the insurance industry), must follow.

One concern among the financial services industry has always been how to fully comply with the various privacy protections of customer's personal financial information, including the required annual notice to consumers. Since 1999, there have been various guidelines put forth by federal and state regulators to address procedures for compliance. Recently, eight federal agencies developed a final model privacy notice form which can be used by the financial services industry to notify consumers of their information-sharing practices. While use of the model form is voluntary, it does provide the financial services industry members who use the model form with a "safe haven" regarding required compliance with the GLBA privacy notification procedures.

**Main Points:** In December 2014, the IIABA's Office of General Counsel released the following notice to all IIABA members, announcing updates to their explanatory document on the Gramm-Leach-Bliley Act, regarding the final model privacy notice form.

*The Big "I" Office of General Counsel has updated its legal advocacy memo titled "The Privacy Provisions of the Gramm-Leach-Bliley Act and Their Impact on Insurance Agents & Brokers."*

*Although the previous model privacy form complies with the Gramm-Leach-Biley Act (GLBA), proper use of the new form provides agencies with a safe harbor from Federal Trade Commission enforcement actions regarding an agency's privacy notice. The updated memo includes a new model privacy form and a link to fillable PDFs agencies can use to create a privacy form tailored to their privacy policy—resources developed in a collaborative effort by several federal agencies that*

*oversee business compliance with the GLBA. As always, agents and brokers should ensure their privacy notices are consistent with their current business practices and privacy policies.*

*The Big "I" is pleased to make this and other legal advocacy memos available as a free benefit to all Big "I" members. To access the updated memo, log in to the BigI website, select Legal Advocacy under the Resources drop-down menu and navigate to "Gramm-Leach-Bliley Act" under the Memoranda & FAQ tab.*

The revised IIABA document on the GLBA is worthy of a review, so agencies can be sure they are in compliance with the privacy provisions of the Act. The IIABA document is a compact 18 page, and includes a sample of the 2-page model privacy notice to consumers. This notice will look familiar to everyone who currently receives such notices from their bank, credit card company, etc.

Here is a link to the IIABA document on the GLBA: [click](#)

In addition, here are links to two IIABL Technical Advisories on GLBA, which give some background to the passage of the original Act:

[TA 184 - Gramm-Leach-Bliley - Part 1](#)

[TA 204 - Privacy Notices and Gramm-Leach-Bliley - One Year Later](#)

**Necessary Action:** Distribute this Technical Advisory to all appropriate agency staff.

**Please note that this Technical Advisory is intended to be educational and is not legal advice upon which you should rely. Please seek any legal opinion you may need from a qualified attorney.**