



DOUGLAS A. DUCEY
GOVERNOR

STATE OF ARIZONA
OFFICE OF THE GOVERNOR

EXECUTIVE OFFICE

March 22, 2019

The Honorable Katie Hobbs
Secretary of State
1700 W. Washington, 7th Floor
Phoenix, AZ 85007

Dear Secretary Hobbs:

I am transmitting to you the following bills from the Fifty-fourth Legislature, 1st Regular Session, which I signed on March 22nd, 2019:

SB 1004 insurance; surplus lines; reports; payments (Livingston)
SB 1006 internationally active insurance groups; supervision (Livingston)
SB 1008 insurance; prohibited inducements; exceptions (Livingston)
SB 1021 commission for postsecondary education; continuation (S. Allen)
SB 1052 certificates of title; applications (Livingston)
SB 1072 early voting centers; identification required (Ugenti-Rita)
SB 1093 prisoner accounts; use; ADOT credentialing. (Livingston)
SB 1113 insurance; information practices (Livingston)
SB 1212 prepaid legal insurance contracts; definition (Livingston)
SB 1218 beneficiary deeds; separate property; nonlapse (Leach)
SB 1309 renewal of judgments; applicability (E. Farnsworth)
SB 1317 bodily fluids exposure; testing (Boyer)
SB 1333 real estate appraisal (Mesnard)
SB 1474 POW/MIA flag; display (Contreras)
HB 2004 nuclear management fund; appropriation; assessment (Kavanagh)
HB 2007 ASRS; political subdivision plans; adjustments (Kavanagh)
HB 2009 navigable stream adjudication commission; extension (Griffin)
HB 2023 political signs; ballot measures; tampering (Kavanagh)
HB 2112 community property award; convicted spouse (Griffin)
HB 2230 writ of garnishment; certified mail (J. Allen)
HB 2284 credit unions; declaration of purpose (Weninger)
HB 2363 tax lien sales; procedures (Toma)
HB 2421 animal cruelty; working animal; harassment (Blackman)
HB 2463 occupational regulations; licenses; communications; notice (Petersen)

HB2464 water infrastructure finance; municipal approval (Shope)

Sincerely,

A handwritten signature in black ink, reading "Douglas A. Ducey". The signature is written in a cursive, flowing style with a large initial 'D'.

Douglas A. Ducey
Governor
State of Arizona

cc: Senate Secretary
Chief Clerk of the House of Representatives
Arizona News Service

Senate Engrossed
FILED
KATIE HOBBS
SECRETARY OF STATE

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.

Passed the House March 14, 2019,

by the following vote: 59 Ayes,

0 Nays, 1 Not Voting

[Signature]
Speaker of the House

[Signature]
Chief Clerk of the House

Passed the Senate February 7, 2019,

by the following vote: 30 Ayes,

0 Nays, 0 Not Voting

[Signature]
President of the Senate

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

18th day of March, 2019,

at 1:50 o'clock P M.

[Signature]
Secretary to the Governor

Approved this 22nd day of

March, 2019,

at 2:43 o'clock P M.

[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 22 day of March, 2019,

at 4:01 o'clock P. M.

[Signature]
Secretary of State

S.B. 1113