

WAC 284-04-205 Annual privacy notice to customers required.

(1)(a) General rule. A licensee shall provide a clear and conspicuous notice to customers that accurately reflects its privacy policies and practices not less than annually during the continuation of the customer relationship. Annually means at least once in any period of twelve consecutive months during which that relationship exists. A licensee may define the twelve-consecutive-month period, but the licensee shall apply it to the customer on a consistent basis.

(b) Example. A licensee provides a notice annually if it defines the twelve-consecutive-month period as a calendar year and provides the annual notice to the customer once in each calendar year following the calendar year in which the licensee provided the initial notice. For example, if a customer opens an account on any day of year one, the licensee shall provide an annual notice to that customer by December 31 of year two.

(2) A licensee that provides nonpublic information to nonaffiliated third parties only in accordance with WAC 284-04-400, 284-04-405, or 284-04-410 and has not changed its policies and practices with regard to disclosing nonpublic information from the policies and practices that were disclosed in the most recent disclosure sent to consumers in accordance with this section or WAC 284-04-200 is not required to provide an annual disclosure under this section until the time the licensee fails to comply with any criteria described in this subsection.

(3)(a) Termination of customer relationship. A licensee is not required to provide an annual notice to a former customer. A former customer is an individual with whom a licensee no longer has a continuing relationship.

(b) Examples.

(i) A licensee no longer has a continuing relationship with an individual if the individual no longer is a current policyholder of an insurance product or obtains insurance services with or through the licensee.

(ii) A licensee no longer has a continuing relationship with an individual if the individual's policy is lapsed, expired, paid up or otherwise inactive or dormant under the licensee's business practices, and the licensee has not communicated with the customer about the relationship for a period of twelve consecutive months, other than to provide annual privacy notices, material required by law or regulation, or promotional materials.

(iii) For the purposes of this regulation, a licensee no longer has a continuing relationship with an individual if the individual's last known address according to the licensee's records is deemed invalid. An address of record is deemed invalid if mail sent to that address by the licensee has been returned by the postal authorities as undeliverable and if subsequent attempts by the licensee to obtain a current valid address for the individual have been unsuccessful.

(iv) A licensee no longer has a continuing relationship with a customer in the case of providing real estate settlement services, at the time the customer completes execution of all documents related to the real estate closing, payment for those services has been received, or the licensee has completed all of its responsibilities with respect to the settlement, including filing documents on the public record, whichever is later.

(4) Delivery. When a licensee is required by this section to deliver an annual privacy notice, the licensee shall deliver it according to WAC 284-04-225.

[Statutory Authority: RCW 48.02.060, 48.43.505, P.L. 102-106 [106-102], Section 501(b), Section 505 (b)(2), and P.L. 114-94, Section 75001. WSR 16-24-003 (Matter No. R 2016-20), § 284-04-205, filed 11/23/16, effective 12/24/16. Statutory Authority: RCW 48.43.505 and Gramm-Leach-Bliley Act, Public Law 102-106, sec. 501(b), sec. 505 (b)(2). WSR 01-03-034 (Matter No. R 2000-08), § 284-04-205, filed 1/9/01, effective 2/9/01.]