

SENATE BILL No. 1334

May 15, 2002, Introduced by Senators PETERS, BYRUM, DE BEAUSSAERT, YOUNG, KOIVISTO, MILLER and SMITH and referred to the Committee on Banking and Financial Institutions.

A bill to amend 1996 PA 354, entitled
"Savings bank act,"
(MCL 487.3101 to 487.3804) by adding sections 515, 516, and 517.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 515. (1) A SAVINGS BANK SHALL USE REASONABLE CARE TO
2 SECURE NONPUBLIC PERSONAL FINANCIAL INFORMATION FROM UNAUTHORIZED
3 ACCESS. EXCEPT AS IS NECESSARY OR WHEN REQUIRED BY LAW, A SAV-
4 INGS BANK SHALL NOT DISCLOSE NONPUBLIC PERSONAL FINANCIAL INFOR-
5 MATION TO A PERSON WITHOUT THE PRIOR AND SPECIFIC INFORMED CON-
6 SENT OF THE INDIVIDUAL TO WHOM THE NONPUBLIC PERSONAL FINANCIAL
7 INFORMATION PERTAINS. THE INDIVIDUAL'S CONSENT SHALL BE IN
8 WRITING. EXCEPT WHEN A DISCLOSURE IS MADE TO THE COMMISSIONER OR
9 ANOTHER GOVERNMENTAL AGENCY, A COURT, OR ANY OTHER GOVERNMENTAL
10 ENTITY, A SAVINGS BANK SHALL MAKE A DISCLOSURE FOR WHICH PRIOR
11 AND SPECIFIC INFORMED CONSENT IS NOT REQUIRED UPON THE CONDITION

1 THAT THE PERSON TO WHOM THE DISCLOSURE IS MADE PROTECT AND USE
2 THE DISCLOSED INFORMATION ONLY IN THE MANNER AUTHORIZED BY THE
3 SAVINGS BANK, UNDER SECTION 516. IF AN INDIVIDUAL HAS AUTHORIZED
4 THE RELEASE OF NONPUBLIC PERSONAL FINANCIAL INFORMATION TO A SPE-
5 CIFIC PERSON, A SAVINGS BANK SHALL MAKE A DISCLOSURE TO THAT
6 PERSON UPON THE CONDITION THAT THE PERSON SHALL NOT RELEASE THE
7 DATA TO A THIRD PERSON UNLESS THE INDIVIDUAL EXECUTES IN WRITING
8 ANOTHER PRIOR AND SPECIFIC INFORMED CONSENT AUTHORIZING THE ADDI-
9 TIONAL RELEASE.

10 (2) THIS SECTION DOES NOT PRECLUDE THE RELEASE OF INFORMA-
11 TION TO AN INDIVIDUAL, PERTAINING TO THAT INDIVIDUAL, BY TELE-
12 PHONE, IF THE IDENTITY OF THE INDIVIDUAL IS VERIFIED.

13 SEC. 516. THE SAVINGS BANK SHALL ESTABLISH AND MAKE PUBLIC
14 THE POLICY OF THE SAVINGS BANK REGARDING THE PROTECTION OF PRI-
15 VACY AND THE CONFIDENTIALITY OF NONPUBLIC PERSONAL FINANCIAL
16 INFORMATION. THE POLICY, AT A MINIMUM, SHALL DO ALL OF THE
17 FOLLOWING:

18 (A) PROVIDE FOR THE SAVINGS BANK'S IMPLEMENTATION OF PROVI-
19 SIONS IN THIS ACT AND OTHER APPLICABLE LAWS AND GUIDELINES
20 RESPECTING COLLECTION, SECURITY, USE, RELEASE OF, AND ACCESS TO
21 NONPUBLIC PERSONAL FINANCIAL INFORMATION.

22 (B) IDENTIFY THE ROUTINE USES OF NONPUBLIC PERSONAL FINAN-
23 CIAL INFORMATION BY THE SAVINGS BANK; PRESCRIBE THE MEANS BY
24 WHICH INDIVIDUALS WILL BE NOTIFIED REGARDING THOSE USES; AND PRO-
25 VIDE FOR NOTIFICATION REGARDING THE ACTUAL RELEASE OF NONPUBLIC
26 PERSONAL FINANCIAL INFORMATION THAT MAY BE IDENTIFIED WITH, OR
27 THAT MAY CONCERN, AN INDIVIDUAL, UPON SPECIFIC REQUEST BY THAT

1 INDIVIDUAL. AS USED IN THIS SUBDIVISION, "ROUTINE USE" MEANS THE
2 ORDINARY USE OR RELEASE OF NONPUBLIC PERSONAL FINANCIAL INFORMA-
3 TION COMPATIBLE WITH THE PURPOSE FOR WHICH THE INFORMATION WAS
4 COLLECTED.

5 (C) ASSURE THAT NO PERSON SHALL HAVE ACCESS TO NONPUBLIC
6 PERSONAL FINANCIAL INFORMATION EXCEPT ON THE BASIS OF A NEED TO
7 KNOW.

8 (D) ESTABLISH THE CONTRACTUAL OR OTHER CONDITIONS UNDER
9 WHICH NONPUBLIC PERSONAL FINANCIAL INFORMATION WILL BE RELEASED.

10 (E) PROVIDE THAT ENROLLMENT APPLICATIONS AND CLAIM FORMS
11 DEVELOPED BY THE SAVINGS BANK SHALL CONTAIN AN INDIVIDUAL'S CON-
12 SENT TO THE RELEASE OF DATA AND INFORMATION THAT IS LIMITED TO
13 THE DATA AND INFORMATION NECESSARY FOR THE PROPER REVIEW AND PAY-
14 MENT OF CLAIMS, AND SHALL REASONABLY NOTIFY INDIVIDUALS OF THEIR
15 RIGHTS UNDER THE SAVINGS BANK'S POLICY AND APPLICABLE LAW.

16 SEC. 517. SECTIONS 515 AND 516 DO NOT LIMIT ACCESS TO
17 RECORDS OR ENLARGE OR DIMINISH THE INVESTIGATIVE AND EXAMINATION
18 POWERS OF GOVERNMENTAL AGENCIES, AS PROVIDED FOR BY LAW.