



2010 Insurance Scoring Legislative/Regulatory Activity

STATE	BILL/REG #	DESCRIPTION	STATUS
Connecticut In session 2/3 – 5/5/10 No carryover	HB 5014	Codified existing guidelines governing use of credit information and includes NCOIL ELC language. Replaces “not entitled to a discount or lower rate” and “given a reduced discount” with “offering of a higher rate.” Effectively moves state from “best rate” to Safeco standard.	4/21/10 Passed Senate. To governor. 4/13/10 Passed House.
Iowa Adjourned 3/30	SF 2075	Amends state law to include NCOIL ELC exceptions.	3/19/10 Signed by Governor.
Kansas In session 1/11– 4/10/10 09-10 carryover	HB 2501	Amends Kansas Insurance Scoring Act to include NCOIL ELC language, removes “best rate” language for sending adverse action notices and removes mandatory 36 month rescore.	4/15/10 Signed by Governor.
Louisiana In session 3/29– 6/21/10 No carryover	H 512	Bans insurance scoring by redefining “insurance score” to mean only information related to payment history.	3/15/10 Prefiled.

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Maryland <i>Adjourned</i>		Commissioner Sammis announced intention to amend scoring regs to prohibit insurers from considering insured's payment history with company.	Draft regulations expected after adjournment.
Massachusetts In session 1/6/10 – ¼/11 09-10 carryover	HB 990 HB 1024/ SB 487	Rates shall be based just on driving record. Commissioner may approve use of additional factors as long as they are proven not to have a disparate impact based on race, income, ethnicity, age, sex, marital status, occupation, credit history, educational background or principal place of garaging of the vehicle. Bans use of insurance scoring and education and occupation in auto insurance. Agents bill.	2/25/10 In Joint Financial Services: set aside for study. 2/25/10 From Joint Financial Services: ought to pass.
Michigan In session 1/13 – 12/31/10 09-10 carryover	<i>Ins. Institute of Michigan et al. v. Office of Financial & Ins. Services, Case #262385</i> FAIR Ballot Initiative HB 5297	Lower court ruled in April 2005 in favor of IIM re: legality of OFIS' promulgated rules banning the use of credit history to provide insurance policy discounts. Michigan Court of Appeals reverses decision, ruling that OFIS has the authority to promulgate regulations banning insurance scoring. The end of insurance as we know it. NCOIL-ish legislation.	10/7/09 Oral argument held at Supreme Court. 304,000 valid signatures needed by May 26, 2010. 3/4/10 Hearing held. 9/2/09 Intro., to House Insurance.

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Michigan cont.	HB 5634	Bans insurance scoring. Also bans use of education/occupation.	12/16/09 Passed House. To Senate Econ. Development and Reg. Affairs.
	SB 1021	Senate version of HB 5634. Bans insurance scoring. Also bans use of education/occupation.	12/10/09 Intro., to Senate Econ. Development and Reg. Affairs.
Minnesota In session 2/4/ -5/17/11 09-10 carryover	HF 2625/ SF2768	Bans insurance scoring.	Dead
Missouri In session 1/6– 5/10/10 No carryover	H 1379	Expands definition of adverse action, then prohibits taking of such action. Would basically only allow use of credit to provide a discount.	1/6/10 Intro.
	H 1474	Prohibits use of credit after 36 months unless there is a substantial change in the risk of the applicant or insured based on other non-credit underwriting criteria. Includes expanded NCOIL list of prohibited credit characteristics such as consumer-initiated credit inquiries, etc.	1/6/10 Intro.

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New Hampshire In session 1/6– 6/30/10 09-10 carryover	NH Ins. Reg. 3300 <i>et seq.</i>	Allows consumers to request rescore if insured has “updated information.” Requires additional statistical support for insurance scoring. Adverse action notices would have to include, among additional information, price difference between best and quoted premium as well as what premium would have been if credit info had not been considered.	1/4/10 Adopted. Eff. July 1, 2010.
	HB 1236	Insurer shall not base underwriting of auto/HO policy solely on credit rating, credit history or score.	4/20/10 From Senate Commerce: ought to pass.
	HB 1268	Bans use of occupation.	2/17/10 Passed House. 2/4/10 Voted down 15-2 in Commerce.
	S 340	Bans insurance scoring.	3/24/10 Failed to pass Senate.
New Jersey In session 1/12 -1/10/11 10-11 carryover	S 176	Imposes moratorium on use of insurance scoring until June 30, 2010.	1/12/10 Intro., to Senate Commerce.

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New York In session 1/6 – 1/5/11 09-10 carryover	A1538	Bans insurance scoring.	1/7/09 To Insurance.
	SB 2573	Bans insurance scoring for auto.	1/6/10 To Insurance.
	SB 6631	Prohibits credit from being sole factor considered in underwriting.	1/21/10 To Consumer Protection.
	SB 6639	Bans insurance scoring for auto.	1/21/10 To Insurance.
	SB 7390	Bans insurance scoring for auto.	4/7/10 To Insurance.
Ohio In session 1/5 -12/31/10 09-10 carryover	SB 163	Bans insurance scoring.	9/1/09 Intro.
Pennsylvania In session 1/6 – 1/6/10 09-10 carryover	HB 377	Bans insurance scoring.	2/13/09 To Insurance.
	HB 397	Cannot cancel a policy based on credit 60 days after issuance; cannot nonrenew or charge more for at renewal. Prohibits adverse action based solely on no hit.	2/13/09 To Insurance.
	HB 527	Adds education to list of factors that cannot be considered in underwriting standards or eligibility requirements.	2/19/09 To Insurance.
	HB 1077	Bans use of insurance scoring for underwriting and for raising premium.	3/24/09 To Insurance.

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Pennsylvania cont.	SB 95	Bans insurance scoring for underwriting.	1/29/09 To Banking & Insurance.
Rhode Island In session 1/5 – 6/25/10 09-10 carryover	HB 7874 HB 7916	Repeals laws allowing use of insurance scoring for homeowners and auto insurance. Bans insurance scoring for auto.	3/30/10 Withdrawn by sponsor. 3/9/10 Intro. 4/14/10 Corporations recommends holding bill for further study.
South Carolina In session 1/12 – 6/3/10 09-10 carryover	SB 997	Bans insurance scoring.	1/12/10 Intro., to Banking & Ins.
Congress	HR 4538	Amends FCRA to require disclosure of any info related to credit score or any other risk score in a consumer's file at time consumer requests free FACTA credit report. Requires CRAs to maintain info related to credit scores or other risk scores for 1 year from date such info placed on file. Calls for study of bankruptcy risk scores.	1/27/10 Intro.

2010 Ban Bills Killed/Stalled Out: AZ (SB 1399); FL (SB 662); KS (HB 2059, SB 24, SB 206); MD (HB 708, SB 15); MS (SB 2547); NE (LB 959); NH (S 340); NM (SB 72); RI (HB 7874, HB 7916); TN (HB 2508/SB 2794); VA (HB 2513, SB 6252), WA (HB 2513, SB 6252); WV (H 2240, H 2282, H 2777); WI (AB 185).