

HB 1131 -- Insurance Credit Scoring

Sponsor: Haywood

This bill makes several changes to the laws regarding the use of credit information by insurance companies. The bill:

(1) Changes the definition of "adverse action" to have the same meaning as provided in federal law. Adverse action will include cancellation, denial, or non-renewal of personal insurance coverage or any unfavorable change in the terms of coverage, including charging a higher premium;

(2) Adds several specific types of insurance products to the definition of an insurance "contract";

(3) Repeals a provision that allows insurers to take adverse actions against persons based on an inability to compute their insurance credit scores;

(4) Prohibits an insurer from using loss information in calculating its insurance credit scores if it also uses loss information separately to calculate its rates;

(5) Requires insurers to use underwriting factors other than credit information to underwrite any policy that has been in force for more than 36 months;

(6) Allows any insured to request a current credit report and a re-rating of their policy at each annual renewal;

(7) Prohibits insurers and credit reporting agencies from using as a negative factor in underwriting any credit inquiries not initiated by the insured, collection accounts with a medical industry code, multiple credit inquiries within a 30-day period, the absence of credit history, the use of a particular type of credit or debit card, or a consumer's total available line of credit;

(8) Requires insurers to file their credit scoring models or processes with the department; and

(9) Makes any insurer's filing of a model or process related to credit information a trade secret and protected from public disclosure pursuant to Sections 417.450 - 417.467, RSMo.