

HB 2248 -- Use of Credit Scores by Insurance Companies

Sponsor: Deeken

This bill changes the laws regarding the use of credit information when underwriting insurance contracts. In its main provisions, the bill:

(1) Revises the definition of "adverse action" to have the same meaning as in the federal Fair Credit Reporting Act including cancellation, denial, and nonrenewal of personal insurance coverage and creating any reduction, adverse, or unfavorable change in the terms of coverage, including charging higher premiums due to a person's credit history or insurance credit score;

(2) Revises the definition of "contract" as it relates to automobile insurance, professional liability, and malpractice liability policies; and

(3) Prohibits insurers from taking an adverse action against an applicant or insured based on the absence of credit information or an inability to calculate an insurance score in underwriting or rating personal insurance.

The provisions of the bill apply to contracts entered into or renewed after July 1, 2009.