

Amendments to Senate Bill No. 311
1st Reading Copy

Requested by Senator Frank Smith

For the Senate Business, Labor, and Economic Affairs Committee

Prepared by Pat Murdo
February 18, 2005 (6:57am)

1. Title, page 1, line 7.

Following: "UNDERWRITING;"

Insert: "LISTING CONDITIONS FOR UNDERWRITING OR RATING
EXCEPTIONS;"

2. Page 1, line 17.

Strike: "11"

Insert: "12"

3. Page 1, line 20.

Strike: "11"

Insert: "12"

4. Page 1, line 24.

Strike: "11"

Insert: "12"

5. Page 1, line 25.

Strike: "11"

Insert: "12"

6. Page 1, line 29.

Strike: "11"

Insert: "12"

7. Page 2, line 1.

Strike: "11"

Insert: "12"

8. Page 2, lines 3 through 4.

Following: "means"

Strike: "a denial" on line 3 through "change in" on line 4

Insert: ", in regard to"

9. Page 2, line 5.

Following: "insurance"

Insert: ", any of the following:

- (a) denial, nonrenewal, or cancellation of coverage;
- (b) an increase in any charge for coverage;
- (c) failure to give an otherwise available discount;
- (d) placement with an affiliate insurer that does not offer the lowest rates available within the affiliated group of insurance companies;
- (e) a reduction or any other adverse or unfavorable change in the terms of coverage or the amount of coverage"

10. Page 3, line 2.

Following: "insurance"

Strike: "solely"

11. Page 3, line 5.

Following: "insurance"

Strike: "solely"

12. Page 3, line 7.

Following: "consumer"

Strike: "solely"

13. Page 3, lines 9 through 14.

Strike: subsection (5) in its entirety

Insert: "(5) take an adverse action against a consumer based on:

- (a) the absence of a credit history or the inability to determine the consumer's credit history;
- (b) the number of credit inquiries;
- (c) a credit history or credit score based on collection accounts identified with a medical industry code;
- (d) the purchase of a vehicle or a house if information from the consumer report or credit history makes it evident that the loan is for the purchase of a vehicle or a house. However, an insurer may consider the bill payment history of any loan, the total number of loans, or both.
- (e) the consumer's use of a particular type of credit card, charge card, or debit card or the number of credit cards obtained by a consumer;
- (f) the consumer's total available line of credit or total debt. However, an insurer may consider the total amount of outstanding debt if the outstanding debt exceeds the total line of credit.

(g) the use of a credit history or credit score of any person other than the named policyholder or person who has an insurable interest to be covered under the policy."

14. Page 3, line 29.

Strike: subsection (i) in its entirety

Re-number: subsequent subsections

15. Page 3, line 30.

Strike: "."

Insert: "; or"

16. Page 4, line 1.

Strike: "However" through "guidelines."

17. Page 4, lines 2 through 6.

Following: "written" on line 2

Strike: "." on line 2 through "information" on line 6

18. Page 4, lines 7 through 8.

Following: "use" on line 7

Insert: "a credit score that treats any of"

Strike: "in any" on line 7 through "insurance" on line 8

19. Page 4.

Following: line 18

Insert: "NEW SECTION. Section 6. Underwriting or rating exceptions. An insurer shall develop reasonable underwriting or rating exceptions concerning the use of a consumer's credit history or credit score. These exceptions must be triggered when a consumer informs the insurer that the consumer's credit history or credit score is substantially influenced by:

(1) expenses related to a catastrophic injury or illness;

(2) temporary loss of employment;

(3) death of an immediate family member; or

(4) theft of identity pursuant to 45-6-332."

Re-number: subsequent sections

20. Page 5, line 25.

Following: "scoring"

Strike: "may"

Insert: "must"

21. Page 5, line 26.

Following: "information"

Insert: "at the commissioner's request"

22. Page 8, line 26.

Strike: "11"

Insert: "12"

23. Page 8, line 28.

Strike: "11"

Insert: "12"

- END -