

Amendments to Senate Bill No. 311
1st Reading Copy

Requested by Senator Vicki Cocchiarella

For the Senate Business, Labor, and Economic Affairs Committee

Prepared by Pat Murdo
February 17, 2005 (2:47pm)

1. Title, page 1, line 4.
Strike: "ADOPTING A MODEL ACT REGARDING"
Insert: "REGULATING"

2. Title, page 1, lines 5 through 6.
Strike: "THE" on line 5
Insert: "FOR"
Strike: "FOR" on line 5 through "ACT" on line 6

3. Page 1, lines 17 through 18.
Strike: section 1 in its entirety
Re-number: subsequent sections

4. Page 1, line 20.
Strike: "11"
Insert: "10"

5. Page 1, line 24.
Strike: "11"
Insert: "10"

6. Page 1, line 25.
Strike: "11"
Insert: "10"

7. Page 1, line 29.
Strike: "11"
Insert: "10"

8. Page 2, line 1.
Strike: "11"
Insert: "10"

9. Page 2, line 3.
Following: "denial"
Insert: ", nonrenewal,"

10. Page 2, line 6.
Strike: "a company"
Insert: "an insurer"
Following: "that"
Insert: "directly or indirectly through one or more intermediaries"

11. Page 2, line 7.
Strike: "company"
Insert: "insurer"

12. Page 2, line 28.
Following: "information."
Insert: "(1)"

13. Page 2, line 30.
Strike: "(1)"
Insert: "(a)"
Renumber: subsequent subsections

14. Page 3, line 4.
Strike: "(1)"
Insert: "(1)(a)"

15. Page 3.
Following: line 8
Insert: "(e) consider the consumer's total available line of credit or total debt, except that an insurer may consider the total amount of outstanding debt in relation to the total line of credit;"
Renumber: subsequent subsections

16. Page 3, line 11.
Strike: "(a)"
Insert: "(i)"
Renumber: subsequent subsections

17. Page 3.

Following: line 14

Insert: "(g) take an adverse action based on information that is the subject of a written dispute between the consumer and a consumer reporting agency, if the credit report is coded as disputed, until the dispute has reached a final determination in accordance with the Fair Credit Reporting Act, 15 U.S.C. 1681, et seq.;"

18. Page 3, line 20.

Strike: "(7)"

Insert: "(1)(i)"

19. Page 3, line 21.

Strike: "(a)"

Insert: "(i)"

Renumber: subsequent subsections

20. Page 3, line 26.

Strike: "(7)"

Insert: "(1)(i)"

21. Page 3, line 28.

Strike: "(7)"

Insert: "(1)(i)(i)"

22. Page 3, line 29.

Strike: "(i)"

Insert: "(A)"

Renumber: subsequent subsections

23. Page 4, line 9.

Strike: "(a)"

Insert: "(i)"

Renumber: subsequent subsections

24. Page 4.

Following: line 18

Insert: "(2) (a) An insurer shall, on written request from an

applicant or an insured, provide reasonable underwriting or rating exceptions for a consumer whose credit report has been directly affected by an extraordinary event.

(b) An insurer may require reasonable written and independently verifiable documentation of the event and the effect of the event on the consumer's credit before granting an exception. An insurer is not required to consider repeated extraordinary events or extraordinary events that the insurer reconsidered previously.

(c) An insurer may also consider granting an exception to the consumer for an extraordinary event not listed in this section.

(d) An insurer may not be considered to be out of compliance with its filed rules and rates as a result of granting an exception pursuant to this subsection (2).

(e) As used in this subsection (2), "extraordinary event" means:

- (i) expenses related to a catastrophic injury or illness;
- (ii) extended loss of employment;
- (iii) death of a supporting family member; or
- (iv) theft of identity pursuant to 45-6-332."

25. Page 5.

Following: line 9

Insert: "(3) If an insurer denies or refuses to renew a policy based in whole or in part on the use of a credit report or insurance score, the insurer shall retain records of the notice of denial or nonrenewal and the contents of the credit report or insurance score for at least 5 years."

26. Page 5, lines 25 through 26.

Strike: "A filing" on line 25 through "information." on line 26

27. Page 5.

Following: line 26

Insert: "(2) The filing must include:

- (a) information that supports the insurer's use of the insurance score as a rating or underwriting criterion;
- (b) the insurer's rates and rating plan; and
- (c) certification by an officer of the insurer that the model is in compliance with Title 33.

(3) A filing that includes insurance scoring may include loss experience justifying the use of credit information.

(4) The requirements of subsection (2) are subject to the applicable provisions of Title 33, chapter 16."

Renumber: subsequent subsection

28. Page 5.

Following: line 27

Insert: "(6) For the purposes of this section, insurance scoring models or methodologies include all attributes and factors used in the calculation of an insurance score."

29. Page 6.

Following: line 14

Insert: "(3) An insurer that uses an insurance score in the consideration of an application for personal insurance coverage shall maintain records of the use and insurance score in its regular business files for a period of at least 5 years."

ReNUMBER: subsequent subsection

30. Page 8, line 26.

Strike: "11"

Insert: "10"

31. Page 8, line 28.

Strike: "11"

Insert: "10"

- END -

