

Senate Bill 507

By: Senators Parkes of the 7th, Orrock of the 36th, Jones II of the 22nd, Mangham of the 55th, Anderson of the 43rd and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 4 of Chapter 24 of Title 33 of the Official Code of Georgia Annotated,
2 relating to underwriting and rate risking, so as to prohibit the use of credit information and
3 credit scores in underwriting, rating risks, adverse actions, or certain other actions by
4 insurance companies; to prohibit adverse actions against consumers in certain circumstances;
5 to provide for related matters; to provide for an effective date and applicability; to repeal
6 conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Article 4 of Chapter 24 of Title 33 of the Official Code of Georgia Annotated, relating to
10 underwriting and rate risking, is amended by revising Code Section 33-24-90, relating to
11 definitions, as follows:

12 "33-24-90.

13 As used in this article, the term:

14 (1) 'Adverse action' shall mean a denial or cancellation of, an increase in any charge for,
15 or a reduction or other adverse or unfavorable change in the terms of coverage or amount

16 of any insurance, existing or applied for, in connection with the underwriting of personal
17 insurance.

18 ~~(2) 'Affiliate' shall mean any company that controls, is controlled by, or is under common~~
19 ~~control with another company.~~

20 ~~(3)~~(2) 'Applicant' shall mean an individual who has applied to be covered by a personal
21 insurance policy with an insurer.

22 ~~(4)~~(3) 'Consumer' shall mean an insured ~~whose credit information is used or whose~~
23 ~~insurance score is calculated in the underwriting or rating of a personal insurance policy~~
24 or an applicant for such a policy.

25 ~~(5)~~(4) 'Consumer reporting agency' shall mean any person that, for monetary fees, dues,
26 or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice
27 of assembling or evaluating consumer credit information or other information on
28 consumers for the purpose of furnishing consumer reports to third parties.

29 ~~(6)~~(5) 'Credit information' shall mean any credit related information derived from a credit
30 report or found on a credit report utilized by an insurer or used by an insurer to calculate
31 an insurance score for personal insurance. Information that is not credit related shall not
32 be considered credit information, regardless of whether it is contained in a credit report
33 or in an application, or is used to calculate an insurance score.

34 ~~(7)~~(6) 'Credit report' shall mean any written, oral, or other communication of information
35 by a consumer reporting agency bearing on a consumer's credit worthiness, credit
36 standing, or credit capacity which is used or expected to be used or collected in whole or
37 in part for the purpose of serving as a factor to determine personal insurance premiums,
38 eligibility for coverage, or tier placement.

39 ~~(8)~~(7) 'Insurance score' shall mean a number or rating that is derived from an algorithm,
40 computer application, model, or other process that is based in whole or in part on credit
41 information for the purposes of predicting the future insurance loss exposure of an
42 individual applicant or insured.

43 ~~(9)~~(8) 'Personal insurance' shall mean private passenger automobile, homeowners,
 44 motorcycle, mobile homeowners, and noncommercial dwelling fire insurance policies
 45 and boat, personal watercraft, snowmobile, and recreational vehicle policies. Such
 46 policies must be individually underwritten for personal, family, or household use. No
 47 other type of insurance shall be included as personal insurance for the purpose of this
 48 article."

49 **SECTION 2.**

50 Said article is further revised by repealing Code Section 33-24-91, relating to use of credit
 51 information to underwrite or rate risks, in its entirety and enacting a new Code
 52 Section 33-24-91 to read as follows:

53 "33-24-91.

54 (a) No insurer, agent, rating organization, or other entity in the insurance industry shall use
 55 a credit report, insurance score, or other credit information from a consumer reporting
 56 agency or other entity for any purpose related to:

57 (1) Underwriting;

58 (2) Eligibility for coverage;

59 (3) The categorization of an insured;

60 (4) Risk rating;

61 (5) Pricing;

62 (6) The application of surcharges or discounts;

63 (7) Policy cancellations or nonrenewals; or

64 (8) Any other practice that affects the premium or availability of personal insurance.

65 (b) No insurer shall take any adverse action against a consumer based in whole or in part
 66 on:

67 (1) Credit information;

68 (2) Insurance score; or

