

FIRST REGULAR SESSION

SENATE BILL NO. 9

90TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR BANKS.

Pre-filed December 1, 1998, and 1,000 copies ordered printed.

S0200.011

TERRY L. SPIELER, Secretary.

AN ACT

To amend chapter 375, RSMo, by adding thereto one new section relating to the use of credit history for insurance purposes.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 375, RSMo, is amended by adding thereto one new section, to be known as section 375.997, to read as follows:

375.997. 1. As used in this section, the following terms shall mean:

(1) "Credit history", credit information contained in a "consumer report", as defined in the federal Fair Credit Reporting Act, 15 U.S.C. section 1681 et seq., bearing on a natural person's credit worthiness, credit standing or credit capacity but does not include public information including convictions, lawsuits, bankruptcies, or similar public information;

(2) "Insurer", an insurance company as defined in section 375.012;

(3) "Policy", any contract of insurance, plan or binder, including any rider or endorsement thereto, offered by an insurer.

2. No insurer shall cancel or refuse to write or refuse to renew or limit the amount of coverage on a policy of insurance solely upon an individual's credit history unless:

(1) The insurer possesses substantial documentation that credit history is significantly correlated with the types of risks insured or to be insured, or that the credit history of the insured or applicant substantially increases any hazard insured or to be insured at or after policy issuance or renewal pursuant to the insurer's underwriting guidelines;

(2) The insurer or its agent sends written communication to the insured or applicant disclosing that the insurance coverage was declined, not renewed, or limited

in scope in the amount of coverage or benefits because of credit information relating to the applicant or the insured; and

(3) Upon the subsequent request of the insured or applicant, mailed within ten days of receipt of the denial, nonrenewal, or limitation, the insurer provides the individual with a copy of the credit report at issue or the name and address of a third party from whom the individual may obtain a copy of the credit report, within ten days of receipt of the request.

3. The provisions of this section are not intended to conflict with any disclosure provisions of the federal Truth in Lending Act applicable to lending institutions, credit bureaus, or other credit service organizations that maintain or distribute credit histories on insurance applicants or policyholders.

4. The provisions of this section shall not apply to credit insurance policies as defined in chapter 385, RSMo.

5. A violation of this section shall be subject to the provisions of sections 375.930 to 375.948 relating to unfair trade practices.

6. The provisions of this section shall apply to insurance policies entered into on or after January 1, 2000.

Bill ✓

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