HOUSE BILL NO. 1211

AN ACT TO RESTRICT THE USE OF CREDIT SCORES BY INSURERS TO UNDERWRITE OR RATE RISKS FOR PERSONAL INSURANCE; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. An insurer authorized to do business in this state that uses credit information to underwrite or rate risks for personal insurance shall not:

(a) Take an adverse action against a consumer based on credit information, unless an insurer obtains and uses a credit report issued or an insurance score calculated within ninety (90) days from the date the personal insurance policy is first written or renewal is issued;

(b) (i) Use credit information unless, no later than thirty-six (36) months following the last time that the insurer obtained current credit information for the insured, the insurer recalculates the insurance score or obtains an updated credit report. The insurer is not required to comply with this paragraph (b) if:
1. The insured is in the most favorably-priced tier of the insurer or within a group of affiliated insurers, for the type of policy covering the insured;

2. If the insurer has determined not to use credit information in its re-evaluation of the insured upon renewal; or

3. If the insurer provides a notice to the insured on an annual basis of the insured's right to voluntarily request that their insurance credit score be rerun and reevaluated based on the current information available for the next effective renewal date of the insured's policy. A notice provided under this section shall be in writing in clear and concise language and shall not contain any information other than what is necessary to notify the insured of this right. An insurer need not recalculate the insurance score or obtain the updated credit report of a consumer more frequently than once every twelve (12) months;

   (i) Nothing in paragraph (b)(i) shall be deemed to require any insurer to use credit information in rating or underwriting. The commissioner may promulgate rules to effectuate this section;

   (c) Use the following as a negative factor in any insurance scoring methodology or in reviewing credit information for the purpose of underwriting or rating a policy of personal insurance:
(i) Credit inquiries not initiated by the consumer or inquiries requested by the consumer for each person's own credit information;

(ii) Inquiries relating to insurance coverage, if so identified on a consumer's credit report;

(iii) Multiple lender inquiries, if coded by the consumer reporting agency on the consumer's credit report as being from the home mortgage industry and made within thirty (30) days of one another, unless only one (1) inquiry is considered;

(iv) Multiple lender inquiries, if coded by the consumer reporting agency on the consumer's credit report as being from the automobile lending industry and made within thirty (30) days from one another, unless only one (1) inquiry is considered; or

(v) Collection accounts with a medical industry code, if so identified on the consumer's credit report;

(d) Deny, cancel or nonrenew a policy of personal insurance solely on the basis of credit information, without consideration of any other applicable underwriting factor independent of credit information;

(e) Base an insured's renewal rates for personal insurance solely upon credit information, without consideration of any other applicable factor independent of credit information;

(f) Take an adverse action against a consumer solely because the consumer does not have a credit account, without
consideration of any other applicable factor independent of credit
information;

(g) Consider an absence of credit information or an
inability to calculate an insurance score in underwriting or
rating personal insurance, unless the insurer either treats the
consumer as if the consumer had neutral credit information as
defined by the insurer or unless the insurer treats the consumer
in a manner otherwise approved by the commissioner of commerce and
insurance; and

(h) Use an insurance score that is calculated using
income, gender, address, ethnic group, religion, marital status,
nationality, education, or occupation of the consumer as a factor.
Nothing in this paragraph (h) shall preclude an insurer from
underwriting personal insurance on the basis of information in the
insurance application that is not credit information.

SECTION 2. This act shall take effect and be in force from
and after July 1, 2016.