

House Bill 621

By: Representatives Wilson of the 80th, Evans of the 57th, Allen of the 40th, and Schofield of the 60th

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 33 of the Official Code of Georgia Annotated, relating to insurance, so as to
2 direct insurers to consider only specified information in determining motor vehicle liability
3 insurance rates; to provide for timely insurer responses to certain requests; to provide for
4 prohibition considering credit history regarding motor vehicle liability premium rates; to
5 provide for definitions; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by
9 adding a new Code section to read as follows:

10 "33-9-4-1.

11 (a) As used in this Code section, the term:

12 (1) 'Applicant' means an individual who applies for coverage under a motor vehicle
13 liability insurance policy.

14 (2) 'Motor vehicle liability insurance policy' means liability insurance issued or delivered
15 in this state to the owner of a vehicle or issued or delivered by an insurer licensed in this
16 state upon any such vehicle that is principally garaged or principally used in this state.

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17 (b) Notwithstanding any other provision of law to the contrary, an insurer may consider
18 the following information in determining rates for motor vehicle liability insurance
19 policies:

20 (1) An applicant's or insured's history of safe driving;

21 (2) The number of miles an applicant or the insured drives;

22 (3) An applicant's or insured's driving experience;

23 (4) Information that updates, supplements, or is otherwise directly related to the
24 information described in paragraphs (1), (2), and (3) of this subsection; and

25 (5) Any other information the Commissioner by rule permits the insurer to consider.

26 (c) An insurer may not consider any of the following information with regard to the
27 applicant or insured in determining eligibility, premiums, or rates for a motor vehicle
28 liability insurance policy:

29 (1) Credit history;

30 (2) Sex or gender;

31 (3) Marital status;

32 (4) Education;

33 (5) Occupation;

34 (6) Employment status;

35 (7) Residential status;

36 (8) Information about members of an applicant's or insured's household who are not
37 licensed to drive;

38 (9) Previous accidents in which the applicant or insured was not at fault;

39 (10) Previous claims for personal injury protection benefits, if the applicant or insured
40 was the claimant but did not operate the motor vehicle;

41 (11) An applicant's or insured's criminal history, unless the insurer requested the
42 information as part of the initial application for coverage;

43 (12) An applicant's suspension of driving privileges, if the suspension is based on a
44 nondriving offense; and

45 (13) Credit insurance, but only to the extent allowed in Code Section 33-24-91.

46 (d) Each insurer shall timely provide a letter documenting its records of an insured driver's
47 driving experience upon which any underwriting decision was based, in whole or in part,
48 in response to such insured's request."

49 **SECTION 2.**

50 Said title is further amended by revising Code Section 33-24-91, use of credit information
51 to underwrite or rate risks, as follows:

52 "33-24-91.

53 (a) An insurer authorized to do business in this state that uses credit information to
54 underwrite or rate risks, shall not:

55 (1) Use an insurance score that is calculated using income, gender, race, address, ZIP
56 Code, ethnic group, religion, marital status, or nationality of the consumer as a factor;

57 (2) Deny, cancel, or nonrenew a policy of personal insurance solely on the basis of credit
58 information, without consideration of any other applicable underwriting factor
59 independent of credit information and not expressly prohibited by paragraph (1) of this
60 Code section;

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

63 (4) Take an adverse action against a consumer solely because he or she does not have a
64 credit card account, without consideration of any other applicable factor independent of
65 credit information;

66 (5) Consider an absence of credit information or an inability to calculate an insurance
67 score in underwriting or rating personal insurance, unless the insurer does one of the
68 following:

69 (A) Treat the consumer as otherwise approved by the Commissioner of Insurance, if
70 the insurer presents information that such an absence or inability relates to the risk for
71 the insurer;

72 (B) Treat the consumer as if the applicant or insured had neutral credit information, as
73 defined by the insurer; or

74 (C) Exclude the use of credit information as a factor and use only other underwriting
75 criteria;

76 (6) Take an adverse action against a consumer based on credit information unless an
77 insurer obtains and uses a credit report issued or an insurance score calculated within 180
78 days from the date the policy is first written or renewal is issued;

79 (7) Use credit information unless not later than every 36 months following the last time
80 that the insurer obtained credit information for the insured, the insurer recalculates the
81 insurance score or obtains an updated credit report. Regardless of the requirements of
82 this paragraph:

83 (A) At annual renewal, upon the request of a consumer, the insurer shall reunderwrite
84 and rerate the policy based upon a credit report or insurance score. An insurer need not
85 recalculate the insurance score or obtain the updated credit report of a consumer more
86 frequently than once in a 12 month period. Prior to a consumer exercising his or her
87 option for the insurer to reunderwrite or rerate the policy, the insurer shall notify the
88 consumer orally or in writing that the reunderwriting or rerating of the policy may
89 result in a higher rate, a lower rate, or other possible consequences, including
90 nonrenewal or termination of the policy, or could produce no change for the consumer;

91 (B) The insurer shall have the discretion to obtain credit information upon any renewal
92 before the 36 months, if consistent with its underwriting guidelines; and

93 (C) No insurer need obtain credit information for an insured, despite the requirements
94 of subparagraph (A) of this paragraph, if one of the following applies:

95 (i) The insurer is treating the consumer as otherwise approved by the Commissioner;

- 96 (ii) The insured is in the most favorably priced tier of the insurer, within a group of
97 affiliated insurers; however, the insurer shall have the discretion to order such report,
98 if consistent with its underwriting guidelines;
- 99 (iii) Credit information was not used for underwriting or rating such insured when the
100 policy was initially written; however, the insurer shall have the discretion to use credit
101 for underwriting or rating such insured upon renewal, if consistent with its
102 underwriting guidelines; or
- 103 (iv) The insurer reevaluates the insured beginning no later than 36 months after
104 inception and thereafter based upon other underwriting or rating factors, excluding
105 credit information; or
- 106 (8) Use the following as a negative factor in any insurance scoring methodology or in
107 reviewing credit information for the purpose of underwriting or rating a policy of
108 personal insurance:
- 109 (A) Credit inquiries not initiated by the consumer or inquiries requested by the
110 consumer for his or her own credit information;
- 111 (B) Inquiries relating to insurance coverage, if so identified on a consumer's credit
112 report;
- 113 (C) Collection accounts with a medical industry code, if so identified on the consumer's
114 credit report;
- 115 (D) Multiple lender inquiries, if coded by the consumer reporting agency on the
116 consumer's credit report as being from the home mortgage industry and made within 30
117 days of one another, unless only one inquiry is considered; or
- 118 (E) Multiple lender inquiries, if coded by the consumer reporting agency on the
119 consumer's credit report as being from the automobile lending industry and made
120 within 30 days of one another, unless only one inquiry is considered.
- 121 (b) Notwithstanding subsection (a) of this Code section or any other provision of law to
122 the contrary, no insurer authorized to transact business in this state shall use credit

123 information, in whole or in part, to underwrite or rate risks associated with motor vehicle
124 liability insurance."

125 **SECTION 3.**

126 All laws and parts of laws in conflict with this Act are repealed.