

HOUSE No. 01186

The Commonwealth of Massachusetts

PRESENTED BY:

Jay Kaufman

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act relative to insurance rates..

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Jay Kaufman</i>	<i>15th Middlesex</i>
<i>Stephen L. DiNatale</i>	<i>3rd Worcester</i>
<i>William "Smitty" Pignatelli</i>	<i>4th Berkshire</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>
<i>Martin J. Walsh</i>	<i>13th Suffolk</i>
<i>Elizabeth A. Malia</i>	<i>11th Suffolk</i>
<i>David B. Sullivan</i>	<i>6th Bristol</i>
<i>Denise Andrews</i>	<i>2nd Franklin</i>
<i>Gale D. Candaras</i>	<i>First Hampden and Hampshire</i>

HOUSE No. 01186

By Mr. Jay Kaufman of Lexington, petition (accompanied by bill, House, No. 01186) of Gale Candaras and others relative to the use of credit information of applicants or insured persons in the establishment of insurance rates. Joint Committee on Financial Services.

The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

An Act relative to insurance rates..

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1.

2 Subsection (a) of section 5 of chapter 174A of the General Laws, as appearing in the 2008
3 Official Edition, is hereby amended by striking out subdivision 2. and inserting in place thereof
4 the following subdivision:-

5 2. Rates shall not be excessive, inadequate or unfairly discriminatory and shall not be
6 based in part or in whole on any credit information relating to an insured, including but not
7 limited to any numerical credit rating score or on any other credit rating of an insured.

8 SECTION 2. Chapter 175 of the General Laws is hereby amended by inserting after
9 section 4C, as so appearing, the following section:-

10 Section 4D. An insurer engaged in the writing of insurance in the commonwealth shall,
11 when deciding whether to offer, provide, renew or cancel insurance or when determining or
12 proposing the amounts of the rates or premiums to charge an applicant or insured, shall not rely
13 upon in any way or take into consideration in part or in whole credit information relating to the
14 applicant or insured, including but not limited to a numerical credit rating score or other credit
15 rating of the applicant or insured.

16 SECTION 3. Section 113B of said chapter 175, as so appearing, is hereby amended by
17 adding the following paragraph:-

18 The commissioner shall not fix or establish any rates, premium charges, premium
19 adjustments, or classifications of risks based in part or in whole on credit information relating to
20 an insured, including but not limited to a numerical credit rating score or other credit rating of an
21 insured.

22 SECTION 4. Subsection (a) of section 5 of chapter 175A of the General Laws, as so
23 appearing, is hereby amended by striking out subdivision 4. and inserting in place thereof the
24 following subdivision:-

25 4. Rates shall not be excessive, inadequate or unfairly discriminatory and shall not be
26 based in part or in whole on credit information relating to an insured, including but not limited to
27 a numerical credit rating score or other credit rating of an insured.

28 SECTION 5. The second paragraph of section 5 of chapter 175C of the General Laws, as
29 so appearing, is hereby amended by adding the following sentence:- Rates for the association
30 shall not be based in part or in whole on credit information relating to an insured, including but
31 not limited to a numerical credit rating score or other credit rating of an insured.

32 SECTION 6. Section 4 of chapter 175E of the General Laws, as so appearing, is hereby
33 amended by inserting after the word "discriminatory", in line 5, the following words:- and shall
34 not be based in part or in whole on any credit information relating to an insured, including but
35 not limited to, a numerical credit rating score or other credit rating of an insured.

36 SECTION 7. Section 3 of chapter 176D of the General Laws, as so appearing, is hereby
37 amended by inserting after the word "sections", in line 170, the following words:- "four D,".