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**SENATE BILL 5589**

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**State of Washington**

**69th Legislature**

**2025 Regular Session**

**By** Senator Hasegawa; by request of Insurance Commissioner

1 AN ACT Relating to conducting a study of credit history, credit-  
2 based insurance scores, and other rate factors that may disparately  
3 impact Washington residents, in making rates for personal insurance;  
4 creating a new section; and providing an expiration date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that insurers'  
7 use of credit history, credit-based insurance scoring models, and  
8 other rate factors that may disparately impact Washington residents,  
9 to make personal insurance rates, may be impacting Washington  
10 residents in unintended or unacceptable ways. The legislature further  
11 finds that establishing public policy for ensuring personal insurance  
12 availability and pricing that is consistent with legislative  
13 expectations requires actuarial evaluation of insurers' current use  
14 of credit history, credit-based insurance scores, other rate factors  
15 that may have disparate impacts on Washington residents, and  
16 alternatives to their use, for purposes of rates, premiums, or  
17 eligibility for coverage.

18 (2) The office of the insurance commissioner shall conduct a  
19 study of insurers' use of credit history, credit-based insurance  
20 scores, other rate factors that may have disparate impacts on  
21 Washington residents, and alternatives to their use, in determining

1 personal insurance premiums, rates, or eligibility for coverage, and  
2 the associated impacts to consumer costs and the availability of  
3 insurance.

4 (3) In conducting the study, the insurance commissioner shall:

5 (a) Collect information from entities transacting personal  
6 insurance as defined in RCW 48.19.035. The identified authorized  
7 insurers are required to provide the requested information to the  
8 insurance commissioner;

9 (b) Investigate and obtain any other relevant information that  
10 may assist the insurance commissioner with analyzing insurers' use of  
11 credit history, credit-based insurance scoring models, other rate  
12 factors that may disparately impact Washington residents, and  
13 alternatives to their use, in determining personal insurance  
14 premiums, rates, eligibility for coverage, and evaluating the  
15 associated impacts to consumer costs and the availability of  
16 insurance; and

17 (c) Contract with actuaries and other consultants, as needed, to:

18 (i) Analyze insurers' use of credit history, credit-based  
19 insurance scoring models, or other rate factors that may disparately  
20 impact Washington residents, in determining premiums, rates, and  
21 eligibility for coverage for people of various races, ethnicities,  
22 sexes, socioeconomic status, and national origins;

23 (ii) Identify and analyze alternative rate factors that could be  
24 used to determine premiums, rates, and eligibility for coverage that  
25 neither rely on credit history or credit-based insurance scoring  
26 models, nor disparately impact Washington residents of various races,  
27 ethnicities, sexes, socioeconomic status, or national origins;

28 (iii) Analyze the likely impact of insurers' uses under (c)(i) of  
29 this subsection, and alternative rate factors identified under  
30 (c)(ii) of this subsection, on consumer costs, rates, premiums  
31 eligibility for coverage, and availability of insurance for people of  
32 various races, ethnicities, sexes, socioeconomic status, and national  
33 origins; and

34 (iv) Develop for legislative consideration, policy options and  
35 their likely impacts on consumer costs, premiums, rates, eligibility  
36 for coverage, and the availability of personal insurance, of use of  
37 rate plans that include and exclude credit history, credit-based  
38 insurance scoring models, or other rate factors that may have a  
39 disparate impact on Washington residents.

1           (4) Consistent with RCW 43.01.036, the insurance commissioner  
2 shall submit a preliminary report to the relevant policy committees  
3 of the legislature by December 31, 2025, and a final report by  
4 September 15, 2026, with review findings, policy options, and  
5 recommendations regarding allowance, prohibition, or contingent use,  
6 of credit history, credit-based insurance scoring models, other  
7 disparately impactful rating factors, and alternatives to their use,  
8 for personal insurance, and the associated impacts on consumer costs,  
9 premiums, rates, eligibility for coverage, and availability of  
10 insurance for people of various races, ethnicities, sexes,  
11 socioeconomic status, and national origins.

12           (5) Data requested by, or provided to, the insurance commissioner  
13 and the insurance commissioner's contracted consultants for the  
14 purpose of complying with the study and reporting requirements in  
15 this section is confidential by law and privileged, and is not  
16 subject to public disclosure under chapter 42.56 RCW. Nothing in this  
17 section prohibits the insurance commissioner from preparing and  
18 publishing reports, analyses, or other documents using the data  
19 received under this section so long as the data is in aggregate form  
20 and does not permit the identification of information related to  
21 individual companies. Data in the aggregate form is deemed open  
22 records available for public inspection. Nothing in this section  
23 affects, limits, or amends the insurance commissioner's authority  
24 under chapter 48.37 RCW.

25           (6) This section expires December 31, 2033.

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