

April 3, 2003

S 771. CREDIT SCORING LIMITATION. *TO LIMIT THE USE OF A PERSON'S CREDIT HISTORY FOR DISCOUNTING RATES ON AUTOMOBILE AND HOMEOWNERS' INSURANCE AND TO PROHIBIT THE USE OF A PERSON'S CREDIT HISTORY AS A SOLE BASIS FOR TERMINATING INSURANCE COVERAGE, CEDING AN AUTOMOBILE INSURANCE POLICY TO THE REINSURANCE FACILITY, OR SUBJECTING A POLICY TO CONSENT TO RATE.* Enacts new GS 58-36-90 as title indicates. Further provides that if credit report is used in conjunction with other criteria to take an adverse action, the insurer must provide the applicant or policyholder with notice of the action taken, including description of factors that were the primary influence on the score and other specified information. Includes provisions allowing applicant or policyholder to dispute credit report information if insurer takes adverse action based on credit history. Requires insurers that use insurance scores to underwrite and rate risks to file scoring models or processes with Dep't of Insurance. Effective Jan. 1, 2004; applies to policies issued or renewed and to applications for coverage made on or after effective date.

Intro. by Thomas.

Ref. to	GS 58
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April 23, 2003

S 771. CREDIT SCORING LIMITATION. Intro. 4/3/03. Senate committee substitute makes the following changes to 1st edition. Deletes applicability of bill's provisions ceding motor vehicle liability coverage to NC Motor Vehicle Reinsurance Facility.

May 28, 2003

S 771. CREDIT SCORING LIMITATION. Intro. 4/3/03. House committee substitute makes the following changes to 2nd edition. Provides insurers may use credit scoring as the sole basis for discounting rates. Adds new GS 58-36-90(d) requiring that an insured who disputes credit information must use the dispute resolution process set forth in the federal Fair Credit Reporting Act, and if the insurer receives notice that the insured's contentions were correct insurer must re-underwrite or re-rate the consumer within 30 days of receiving the notice. Adds new GS 58-36-90(e) requiring an insurer to indemnify and hold harmless an agent who uses or obtains credit information or insurance scores provided the agent follows the insurer's procedures and instructions and complies with applicable law.

June 24, 2003

SL 2003-216 (S 771). CREDIT SCORING LIMITATION. *AN ACT TO PROHIBIT THE USE OF A PERSON'S CREDIT HISTORY AS A SOLE BASIS FOR TERMINATING INSURANCE COVERAGE OR SUBJECTING A POLICY TO CONSENT TO RATE.* Summarized in *Daily Bulletin* 4/3/03, 4/23/03, and 5/28/03. Enacted June 19, 2003. Effective January 1, 2004.