

HB0436/583827/1

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL 436  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “prohibiting” in line 3 down through “requirements;” in line 8 and substitute “requiring, with respect to private passenger motor vehicle insurance, an insurer that uses credit information to provide certain exceptions to the insurer’s rates, ratings classifications, company or tier placement, and underwriting rules or guidelines to certain applicants and insureds on request; authorizing an insurer to take certain actions if an applicant or insured submits a request for an exception; providing that an insurer is not out of compliance with any law or rule relating to underwriting, rating, or rate filing as a result of granting an exception; establishing certain notice, reporting, and other requirements related to requests for exceptions;”.

AMENDMENT NO. 2

On page 2, in lines 11, 13, 14, 15, 23, and 25, in each instance, strike the bracket; in line 13, strike “**(I)**”; in the same line, strike “**OR**”; in line 14, strike “**A RISK**”; in line 15, strike “**AN**”; in the same line, strike “**OR INSURED**”; strike in their entirety lines 16 through 22, inclusive; and in line 23, strike “**(III)**”.

On page 4, in lines 5, 6, 9, 12, and 17, in each instance, strike the bracket; in line 6, strike “**(4)**”; in line 9, strike “**(5)**”; in line 12, strike “**(6)**”; in line 17, strike “**(7)**”; and after line 21, insert:

**“(10) (I) WITH RESPECT TO PRIVATE PASSENGER MOTOR VEHICLE INSURANCE, AN INSURER THAT USES CREDIT INFORMATION SHALL, ON WRITTEN REQUEST FROM AN APPLICANT OR AN INSURED, PROVIDE REASONABLE EXCEPTIONS TO THE INSURER’S RATES, RATINGS CLASSIFICATIONS, COMPANY OR TIER PLACEMENT, OR UNDERWRITING RULES OR GUIDELINES FOR AN**

APPLICANT OR INSURED WHO HAS EXPERIENCED AND WHOSE CREDIT INFORMATION HAS BEEN DIRECTLY INFLUENCED BY ANY OF THE FOLLOWING EVENTS:

1. A CATASTROPHIC EVENT DECLARED BY THE FEDERAL OR A STATE GOVERNMENT;

2. SERIOUS ILLNESS OR INJURY, OR SERIOUS ILLNESS OR INJURY TO AN IMMEDIATE FAMILY MEMBER;

3. DEATH OF A SPOUSE, CHILD, OR PARENT;

4. DIVORCE OR INVOLUNTARY INTERRUPTION OF LEGALLY OWED ALIMONY OR SUPPORT PAYMENTS;

5. IDENTITY THEFT;

6. TEMPORARY LOSS OF EMPLOYMENT FOR A PERIOD OF 3 MONTHS OR MORE, IF IT RESULTS FROM INVOLUNTARY TERMINATION;

7. MILITARY DEPLOYMENT OVERSEAS; OR

8. OTHER EVENTS, AS DETERMINED BY THE INSURER.

(II) IF AN APPLICANT OR INSURED SUBMITS A REQUEST FOR AN EXCEPTION, AN INSURER, IN ITS SOLE DISCRETION, MAY:

1. REQUIRE THE APPLICANT OR INSURED TO PROVIDE REASONABLE WRITTEN AND INDEPENDENTLY VERIFIABLE DOCUMENTATION OF THE EVENT;

2. REQUIRE THE APPLICANT OR INSURED TO DEMONSTRATE THAT THE EVENT HAD DIRECT AND MEANINGFUL IMPACT ON THE APPLICANT'S OR INSURED'S CREDIT INFORMATION;

3. REQUIRE THAT THE REQUEST BE MADE NOT MORE THAN 60 DAYS FROM THE DATE OF APPLICATION FOR INSURANCE OR THE POLICY RENEWAL;

4. GRANT AN EXCEPTION DESPITE THE APPLICANT OR INSURED NOT PROVIDING THE INITIAL REQUEST FOR AN EXCEPTION IN WRITING; AND

5. GRANT AN EXCEPTION WHERE THE APPLICANT OR INSURED ASKS FOR CONSIDERATION OF REPEATED EVENTS OR THE INSURER HAS CONSIDERED THIS EVENT PREVIOUSLY.

(III) 1. AN INSURER IS NOT OUT OF COMPLIANCE WITH ANY LAW OR REGULATION RELATING TO UNDERWRITING, RATING, OR RATE FILING AS A RESULT OF GRANTING AN EXCEPTION UNDER THIS PARAGRAPH.

2. THIS PARAGRAPH MAY NOT BE CONSTRUED TO PROVIDE AN APPLICANT OR OTHER INSURED WITH A CAUSE OF ACTION THAT DOES NOT EXIST IN THE ABSENCE OF THIS PARAGRAPH.

(IV) THE INSURER SHALL PROVIDE TO APPLICANTS AND INSUREDS:

1. NOTICE THAT REASONABLE EXCEPTIONS ARE AVAILABLE; AND

2. INFORMATION ABOUT HOW THE APPLICANT OR INSURED MAY INQUIRE FURTHER REGARDING THE EXCEPTIONS THAT ARE AVAILABLE.

(V) WITHIN 30 DAYS AFTER THE INSURER'S RECEIPT OF SUFFICIENT DOCUMENTATION OF AN EVENT DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE INSURER SHALL INFORM THE APPLICANT OR INSURED OF THE OUTCOME OF THE REQUEST FOR A REASONABLE EXCEPTION IN WRITING OR IN THE SAME MEDIUM IN WHICH THE REQUEST WAS MADE.

(VI) BEGINNING JULY 1, 2023, AND EVERY 6 MONTHS THEREAFTER, AN INSURER WHO HAS RECEIVED A REQUEST FOR A REASONABLE EXCEPTION FROM AN APPLICANT OR INSURED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH WITHIN THE IMMEDIATELY PRECEDING 6 MONTHS SHALL SUBMIT TO THE ADMINISTRATION:

1. THE NUMBER OF REQUESTS FOR A REASONABLE EXCEPTION SUBMITTED TO THE INSURER DURING THE IMMEDIATELY PRECEDING 6 MONTHS;

2. THE OUTCOME OF EACH REQUEST FOR A REASONABLE EXCEPTION;

**3. THE DEMOGRAPHIC INFORMATION, INCLUDING INCOME, RACE AND ETHNICITY, GENDER, EDUCATION LEVEL, AND ZIP CODE, FOR EACH APPLICANT OR INSURED REQUESTING A REASONABLE EXCEPTION; AND**

**4. THE CRITERIA USED BY THE INSURER TO DETERMINE WHETHER TO APPROVE OR DENY A REQUEST FOR A REASONABLE EXCEPTION.”.**