

1 STATE OF OKLAHOMA

2 1st Session of the 53rd Legislature (2011)

3 HOUSE BILL 1039

By: Cox

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5  
6 AS INTRODUCED

7 An Act relating to insurance; amending Section 3,  
8 Chapter 127, O.S.L. 2003 (36 O.S. Supp. 2010, Section  
9 952), which relates to the Use of Credit Information  
10 in Personal Insurance Act; modifying definition; and  
11 providing an effective date.

12 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

13 SECTION 1. AMENDATORY Section 3, Chapter 127, O.S.L.  
14 2003 (36 O.S. Supp. 2010, Section 952), is amended to read as  
15 follows:

16 Section 952. As used in ~~this act~~ the Use of Credit Information  
17 in Personal Insurance Act:

18 1. "Adverse action" means a denial or cancellation of, an  
19 increase in any charge for, or a reduction or other adverse or  
20 unfavorable change in the terms of coverage or amount of, any  
21 insurance, existing or applied for, in connection with the  
22 underwriting of personal insurance;

23 2. "Affiliate" means any company that controls, is controlled  
24 by, or is under common control with another company;

1       3. "Applicant" means an individual who has applied to be  
2 covered by a personal insurance policy with an insurer;

3       4. "Consumer" means an insured whose credit information is used  
4 or whose insurance score is calculated in the underwriting or rating  
5 of a personal insurance policy or an applicant for such a policy;

6       5. "Consumer reporting agency" means any person which, for  
7 monetary fees, dues, or on a cooperative nonprofit basis, regularly  
8 engages in whole or in part in the practice of assembling or  
9 evaluating consumer credit information or other information on  
10 consumers for the purpose of furnishing consumer reports to third  
11 parties;

12       6. "Credit information" means any credit-related information  
13 derived from a credit report, found on a credit report itself, or  
14 provided on an application for personal insurance. Information that  
15 is not credit-related shall not be considered "credit information",  
16 regardless of whether it is contained in a credit report or in an  
17 application, or is used to calculate an insurance score;

18       7. "Credit report" means any written, oral, or other  
19 communication of information by a consumer reporting agency bearing  
20 on a consumer's credit worthiness, credit standing or credit  
21 capacity which is used or expected to be used or collected in whole  
22 or in part for the purpose of serving as a factor to determine  
23 personal insurance premiums, eligibility for coverage, or tier  
24 placement;

1 8. "Insurance score" means a number or rating that is derived  
2 from an algorithm, computer application, model, or other process  
3 that is based in whole or in part on credit information for the  
4 purposes of predicting the future insurance loss exposure of an  
5 individual applicant or insured; and

6 9. "Personal insurance" means ~~private passenger automobile,~~  
7 ~~homeowners,~~ motorcycle, mobile-homeowners and noncommercial dwelling  
8 fire insurance policies and boat, personal watercraft, snowmobile  
9 and recreational vehicle policies. Such policies must be  
10 individually underwritten for personal, family or household use. No  
11 other type of insurance shall be included as personal insurance for  
12 the purpose of ~~this act~~ the Use of Credit Information in Personal  
13 Insurance Act.

14 SECTION 2. This act shall become effective November 1, 2011.

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