

1 ENGROSSED SENATE  
2 BILL NO. 582

By: Standridge of the Senate

3 and

4 Cleveland of the House

5  
6 [ insurance - prohibition - effective date ]  
7

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

9 SECTION 1. AMENDATORY 36 O.S. 2011, Section 953, is  
10 amended to read as follows:

11 Section 953. An insurer authorized to do business in this state  
12 that uses credit information to underwrite or rate risks, shall not:

13 1. Use an insurance score that is calculated using income,  
14 gender, address, zip code, ethnic group, religion, marital status,  
15 or nationality of the consumer as a factor;

16 2. Deny, cancel or fail to renew a policy of personal insurance  
17 solely on the basis of credit information, without consideration of  
18 any other applicable underwriting factor independent of credit  
19 information and not expressly prohibited by paragraph 1 of this  
20 section;

21 3. Base renewal rates for personal insurance of an insured  
22 solely upon credit information, without consideration of any other  
23 applicable factor independent of credit information;  
24

1       4. Take adverse action against a consumer solely because the  
2 consumer does not have a credit card account, without consideration  
3 of any other applicable factor independent of credit information;

4       5. Consider an absence of credit information or an inability to  
5 calculate an insurance score in underwriting or rating personal  
6 insurance, unless the insurer does one of the following:

7           a. treats the consumer as otherwise approved by the  
8 Insurance Commissioner, if the insurer presents  
9 information that an absence or inability relates to  
10 the risk for the insurer,

11          b. treats the consumer as if the applicant or insured had  
12 neutral credit information, as defined by the insurer,  
13 or

14          c. excludes the use of credit information as a factor and  
15 use only other underwriting criteria;

16       6. Take an adverse action against a consumer based on credit  
17 information, unless an insurer obtains and uses a credit report  
18 issued or an insurance score calculated within one (1) year ~~ninety~~  
19 ~~(90) days~~ from the date the policy is first written or renewal is  
20 issued;

21       7. Use credit information unless not later than every thirty-  
22 six (36) months following the last time that the insurer obtained  
23 current credit information for the insured, the insurer recalculates  
24

1 the insurance score or obtains an updated credit report. Regardless  
2 of the requirements of this subsection:

- 3 a. at annual renewal, upon the request of a consumer or  
4 the agent of the consumer, the insurer shall  
5 reunderwrite and rerate the policy based upon a  
6 current credit report or insurance score. An insurer  
7 need not recalculate the insurance score or obtain the  
8 updated credit report of a consumer more frequently  
9 than once in a twelve-month period,
- 10 b. the insurer shall have the discretion to obtain  
11 current credit information upon any renewal before the  
12 thirty-six (36) months, if consistent with its  
13 underwriting guidelines, and
- 14 c. no insurer need obtain current credit information for  
15 an insured, despite the requirements of paragraph 7 of  
16 this section, if one of the following applies:
  - 17 (1) the insurer is treating the consumer as otherwise  
18 approved by the Commissioner,
  - 19 (2) the insured is in the most favorably priced tier  
20 of the insurer, within a group of affiliated  
21 insurers. However, the insurer shall have the  
22 discretion to order a report, if consistent with  
23 its underwriting guidelines,

1 (3) credit was not used for underwriting or rating  
2 the insured when the policy was initially  
3 written. However, the insurer shall have the  
4 discretion to use credit for underwriting or  
5 rating the insured upon renewal, if consistent  
6 with its underwriting guidelines, or

7 (4) the insurer reevaluates the insured beginning no  
8 later than thirty-six (36) months after inception  
9 and thereafter based upon other underwriting or  
10 rating factors, excluding credit information; and

11 8. Use the following as a negative factor in any insurance  
12 scoring methodology or in reviewing credit information for the  
13 purpose of underwriting or rating a policy of personal insurance:

- 14 a. credit inquiries not initiated by the consumer or  
15 inquiries requested by the consumer for the credit  
16 information of the consumer,  
17 b. inquiries relating to insurance coverage, if so  
18 identified on a credit report of the consumer,  
19 c. collection accounts with a medical industry code, if  
20 so identified on the credit report of the consumer,  
21 d. multiple lender inquiries, if coded by the consumer  
22 reporting agency on the credit report of the consumer  
23 as being from the home mortgage industry and made  
24

within thirty (30) days of one another, unless only one inquiry is considered, and

e. multiple lender inquiries, if coded by the consumer reporting agency on the credit report of the consumer as being from the automobile lending industry and made within thirty (30) days of one another, unless only one inquiry is considered.

SECTION 2. This act shall become effective November 1, 2017.

Passed the Senate the 22nd day of March, 2017.

---

Presiding Officer of the Senate

Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,

Presiding Officer of the House  
of Representatives