

**SENATE CHAMBER**  
**STATE OF OKLAHOMA**

DISPOSITION

☐ FLOOR AMENDMENT

No. \_\_\_\_\_

\_\_\_\_\_

☐ COMMITTEE AMENDMENT

\_\_\_\_\_  
(Date)

Mr./Madame President:

I move to amend Senate Bill No. 582, by substituting the attached floor substitute for the title, enacting clause and entire body of the measure.

Submitted by:

\_\_\_\_\_  
Senator Standridge

Standridge-JK-FS-Req#1659  
3/21/2017 5:51 PM

(Floor Amendments Only)    Date and Time Filed: \_\_\_\_\_

☐ Untimely

☐ Amendment Cycle Extended

☐ Secondary Amendment

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

FLOOR SUBSTITUTE  
FOR

SENATE BILL NO. 582

By: Standridge of the Senate

and

Cleveland of the House

FLOOR SUBSTITUTE

[ insurance - prohibition - effective date ]

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

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

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

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

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

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

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

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

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

14            b. treats the consumer as if the applicant or insured had  
15                neutral credit information, as defined by the insurer,  
16                or

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

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

1        7. Use credit information unless not later than every thirty-  
2 six (36) months following the last time that the insurer obtained  
3 current credit information for the insured, the insurer recalculates  
4 the insurance score or obtains an updated credit report. Regardless  
5 of the requirements of this subsection:

6            a. at annual renewal, upon the request of a consumer or  
7 the agent of the consumer, the insurer shall  
8 reunderwrite and rerate the policy based upon a  
9 current credit report or insurance score. An insurer  
10 need not recalculate the insurance score or obtain the  
11 updated credit report of a consumer more frequently  
12 than once in a twelve-month period,

13           b. the insurer shall have the discretion to obtain  
14 current credit information upon any renewal before the  
15 thirty-six (36) months, if consistent with its  
16 underwriting guidelines, and

17           c. no insurer need obtain current credit information for  
18 an insured, despite the requirements of paragraph 7 of  
19 this section, if one of the following applies:

20            (1) the insurer is treating the consumer as otherwise  
21 approved by the Commissioner,

22            (2) the insured is in the most favorably priced tier  
23 of the insurer, within a group of affiliated  
24 insurers. However, the insurer shall have the

1                   discretion to order a report, if consistent with  
2                   its underwriting guidelines,

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

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

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

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

1 as being from the home mortgage industry and made  
2 within thirty (30) days of one another, unless only  
3 one inquiry is considered, and  
4 e. multiple lender inquiries, if coded by the consumer  
5 reporting agency on the credit report of the consumer  
6 as being from the automobile lending industry and made  
7 within thirty (30) days of one another, unless only  
8 one inquiry is considered.

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

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11 56-1-1659 JK 3/21/2017 5:51:25 PM  
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