

# SENATE BILL REPORT

## SB 6381

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As of January 23, 2004

**Title:** An act relating to requiring all insurers to file credit based rating plans.

**Brief Description:** Requiring all insurers to file credit based rating plans.

**Sponsors:** Senators Prentice and Keiser; by request of Insurance Commissioner.

**Brief History:**

**Committee Activity:** Financial Services, Insurance & Housing: 1/26/04.

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### SENATE COMMITTEE ON FINANCIAL SERVICES, INSURANCE & HOUSING

**Staff:** Joanne Conrad (786-7472)

**Background:** In the 2002 legislative session, a new law was passed regulating the use of credit history in personal insurance underwriting. Credit history cannot be used to determine personal insurance rates, premiums or eligibility for coverage unless the insurance scoring models are filed with the Office of the Insurance Commissioner (OIC). Such information is protected as a trade secret.

Some insurers comply with these filing provisions and others do not.

**Summary of Bill:** The requirement to file rates and rating plans with the OIC is clarified. Each insurer that uses credit history or an insurance score to determine personal insurance rates, premiums or eligibility for coverage must file all rates and rating plans with the OIC. This requirement applies to affiliated insurers, as well as single insurers.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.