

Representative Wayne A. Harper proposes the following substitute bill:

**MOTOR VEHICLE INSURANCE AND CREDIT
INFORMATION**

2002 GENERAL SESSION

STATE OF UTAH

Sponsor: Peggy Wallace

Ron Bigelow

This act modifies the Insurance Code to prohibit the use of certain credit information in making insurance decisions related to motor vehicle insurance.

This act affects sections of Utah Code Annotated 1953 as follows:

ENACTS:

31A-22-320, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **31A-22-320** is enacted to read:

31A-22-320. Use of credit information prohibited.

(1) For purposes of this section:

(a) (i) Except as provided in Subsection (1)(a)(ii), "consumer report" is as defined in 15

U.S.C. 1681.

(ii) "Consumer report" does not include:

(A) a motor vehicle record obtained from a state or an agency of a state; or

(B) any information regarding an applicant's or insured's insurance claim history.

(b) (i) "Credit score" means a numerical value or a categorization that is:

(A) derived from a statistical tool or modeling system; and

(B) developed to predict the likelihood of certain credit behavior.

(ii) "Credit score" includes:

(A) a risk predictor; or



26 (B) a risk score.
27 (iii) A numerical value or a categorization described in Subsection (1)(b)(i) is a credit
28 score if it is developed to predict the likelihood of credit behavior regardless of whether it is
29 developed to predict other factors in addition to predicting credit behavior.

30 (c) "Motor vehicle related insurance policy" means:
31 (i) a motor vehicle liability policy;
32 (ii) a policy that contains uninsured motorist coverage;
33 (iii) a policy that contains underinsured motorist coverage;
34 (iv) a policy that contains property damage coverage under this part; or
35 (v) a policy that contains personal injury coverage under this part.

36 (2) (a) An insurer that issues a motor vehicle related insurance policy may not use the
37 following information for any purpose described in Subsection (2)(b):

38 (i) a consumer report;
39 (ii) a credit score;
40 (iii) any information obtained by the insurer from a consumer report;
41 (iv) any part of a consumer report; or
42 (v) any part of a credit score.

43 (b) Subsection (2)(a) applies to use in any way of the information described in Subsection
44 (2)(a) for the purpose of determining for the motor vehicle related insurance policy:

45 (i) eligibility;
46 (ii) underwriting;
47 (iii) rating;
48 (iv) renewal; or
49 (v) termination.

50 (c) Subsection (2)(a) prohibits the use of the information described in Subsection (2)(a)
51 even if that information is not the sole basis of a determination described in Subsection (2)(b).