

1 **MOTOR VEHICLE INSURANCE MODIFICATIONS**

2 2018 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Paul Ray**

5 Senate Sponsor: \_\_\_\_\_

---

---

7 **LONG TITLE**

8 **General Description:**

9 This bill modifies provisions related to motor vehicle insurance.

10 **Highlighted Provisions:**

11 This bill:

12 ▶ prohibits an insurer that issues a motor vehicle related insurance policy from using  
13 an individual's credit information for determining initial underwriting.

14 **Money Appropriated in this Bill:**

15 None

16 **Other Special Clauses:**

17 None

18 **Utah Code Sections Affected:**

19 AMENDS:

20 **31A-22-320**, as last amended by Laws of Utah 2008, Chapter 382

---

---

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

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

24 **31A-22-320. Use of credit information.**

25 (1) For purposes of this section:

26 ~~(b)~~ (a) (i) Except as provided in Subsection (1)~~(b)~~(a)(ii), "consumer report" is as  
27 defined in 15 U.S.C. 1681a.



- 28 (ii) "Consumer report" does not include:
- 29 (A) a motor vehicle record obtained from a state or an agency of a state; or
- 30 (B) any information regarding an applicant's or insured's insurance claim history.
- 31 [~~(a)~~] (b) "Credit information" means:
- 32 (i) a consumer report;
- 33 (ii) a credit score;
- 34 (iii) any information obtained by the insurer from a consumer report;
- 35 (iv) any part of a consumer report; or
- 36 (v) any part of a credit score.
- 37 (c) (i) "Credit score" means a numerical value or a categorization that is:
- 38 (A) derived from information in a consumer report;
- 39 (B) derived from a statistical tool or modeling system; and
- 40 (C) developed to predict the likelihood of:
- 41 (I) future insurance claims behavior; or
- 42 (II) credit behavior.
- 43 (ii) "Credit score" includes:
- 44 (A) a risk predictor; or
- 45 (B) a risk score.
- 46 (iii) A numerical value or a categorization described in Subsection (1)(c)(i) is a credit
- 47 score if it is developed to predict the behavior described in Subsection (1)(c)(i)(C) regardless of
- 48 whether it is developed to predict other factors in addition to predicting the behavior described
- 49 in Subsection (1)(c)(i)(C).
- 50 (d) "Motor vehicle related insurance policy" means:
- 51 (i) a motor vehicle liability policy;
- 52 (ii) a policy that contains uninsured motorist coverage;
- 53 (iii) a policy that contains underinsured motorist coverage;
- 54 (iv) a policy that contains property damage coverage under this part; or
- 55 (v) a policy that contains personal injury coverage under this part.
- 56 (2) An insurer that issues a motor vehicle related insurance policy:
- 57 (a) except as provided in Subsection (2)(b), may not use credit information for the
- 58 purpose of determining for the motor vehicle related insurance policy:

59 (i) renewal;  
60 (ii) nonrenewal;  
61 (iii) termination;  
62 (iv) eligibility;  
63 (v) underwriting; or  
64 (vi) rating; and  
65 (b) notwithstanding Subsection (2)(a), may use credit information for the purpose of[  
66 ~~(i) if risk related factors other than credit information are considered, determining initial~~  
67 ~~underwriting; or (ii)] providing to an insured:  
68 [~~(A)~~] (i) a reduction in rates paid by the insured for the motor vehicle related insurance  
69 policy; or  
70 [~~(B)~~] (ii) any other discount similar to the reduction in rates described in Subsection  
71 (2)(b)[~~(ii)(A)~~](i).  
72 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
73 commissioner may make rules necessary to enforce this section.~~

---

---

**Legislative Review Note**  
**Office of Legislative Research and General Counsel**