

SENATE BILL No. 417

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-1-22-25.5.

Synopsis: Use of credit records by auto insurance companies. Provides that a motor vehicle insurance rating plan filed with the insurance commissioner may not use adverse information on an individual's credit report as a rating factor. Prohibits an issuer, in deciding whether to issue or setting the premium for a motor vehicle insurance policy, from considering adverse information on the credit report of an individual who would be covered under the policy as a named insured or the spouse or family member of a named insured.

Effective: July 1, 2000.

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January 10, 2000, read first time and referred to Committee on Insurance and Financial Institutions.

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Second Regular Session 111th General Assembly (2000)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1999 General Assembly.

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SENATE BILL No. 417



A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 27-1-22-25.5 IS ADDED TO THE INDIANA
- 2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 3 [EFFECTIVE JULY 1, 2000]: **Sec. 25.5. (a) This section applies only**
- 4 **to an applicant or a policyholder who is an individual.**
- 5 (b) As used in this section, "insurer" has the meaning set forth
- 6 in IC 27-1-2-3(x).
- 7 (c) As used in this section, "motor vehicle insurance" means any
- 8 type of insurance described in IC 27-1-5-1, Class 2(f).
- 9 (d) A motor vehicle insurance rating plan filed under section 4
- 10 of this chapter may not use adverse information on an individual's
- 11 credit report as a rating factor.
- 12 (e) In:
- 13 (1) deciding whether to issue; or
- 14 (2) setting the premium for;
- 15 a motor vehicle insurance policy, an insurer may not consider
- 16 adverse information on the credit report of an individual who
- 17 would be covered under the policy as a named insured or the



1 spouse or family member of a named insured.
2 (f) This section is not intended to conflict with any disclosure
3 provisions of state law or the federal Truth in Lending Act (15
4 U.S.C. 1601 et seq.) applying to lending institutions, credit bureaus,
5 or other credit service organizations that maintain or distribute
6 credit histories on insurance applicants or policyholders.

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