
SENATE BILL No. 294

DIGEST OF INTRODUCED BILL

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

Synopsis: Use of credit records by auto insurance companies. Provides that: (1) a motor vehicle insurance rating plan may not use, as a rating factor, adverse credit report information; and (2) a motor vehicle insurer may not consider adverse credit report information in certain underwriting activities.

Effective: July 1, 2003.

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January 15, 2003, read first time and referred to Committee on Insurance and Financial Institutions.

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First Regular Session 113th General Assembly (2003)

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 2002 Regular or Special Session of the General Assembly.

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SENATE BILL No. 294



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, 2003]: **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 as 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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