HOUSE DOCKET, NO. 1108 FILED ON: 1/19/2011

HOUSE . . . . . No. 1186

The Commonwealth of Massachusetts

PRESENTED BY:

Jay R. Kaufman

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying:

An Act relative to insurance rates..

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Jay R. Kaufman	*15th Middlesex*
Stephen L. DiNatale	*3rd Worcester*
William Smitty Pignatelli	*4th Berkshire*
James B. Eldridge	☐ *[District]* ☐
Martin J. Walsh	*13th Suffolk*
Elizabeth A. Malia	*11th Suffolk*
David B. Sullivan	*6th Bristol*
Denise Andrews	*2nd Franklin*
Gale D. Candaras	☐ *[District]* ☐

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HOUSE . . . . . No. 1186

By Mr. Kaufman of Lexington, a petition (accompanied by bill, House, No. 1186) of Jay R. Kaufman and others relative to the use of credit information of applicants or insured persons in the establishment of insurance rates. Financial Services.

The Commonwealth of Massachusetts

An Act relative to insurance rates..

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1.

Subsection (a) of section 5 of chapter 174A of the General Laws, as appearing in the 2008 Official Edition, is hereby amended by striking out subdivision 2. and inserting in place thereof the following subdivision:-

2. Rates shall not be excessive, inadequate or unfairly discriminatory and shall not be based in part or in whole on any credit information relating to an insured, including but not limited to any numerical credit rating score or on any other credit rating of an insured.

SECTION 2. Chapter 175 of the General Laws is hereby amended by inserting after section 4C, as so appearing, the following section:-

Section 4D. An insurer engaged in the writing of insurance in the commonwealth shall, when deciding whether to offer, provide, renew or cancel insurance or when determining or proposing the amounts of the rates or premiums to charge an applicant or insured, shall not rely upon in any way or take into consideration in part or in whole credit information relating to the applicant or insured, including but not limited to a numerical credit rating score or other credit rating of the applicant or insured.

SECTION 3. Section 113B of said chapter 175, as so appearing, is hereby amended by adding the following paragraph:-

The commissioner shall not fix or establish any rates, premium charges, premium adjustments, or classifications of risks based in part or in whole on credit information relating to an insured, including but not limited to a numerical credit rating score or other credit rating of an insured.

22 SECTION 4. Subsection (a) of section 5 of chapter 175A of the General Laws, as
23 so appearing, is hereby amended by striking out subdivision 4. and inserting in place thereof the
24 following subdivision:-

25 4. Rates shall not be excessive, inadequate or unfairly discriminatory and shall not
26 be based in part or in whole on credit information relating to an insured, including but not limited
27 to a numerical credit rating score or other credit rating of an insured.

28 SECTION 5. The second paragraph of section 5 of chapter 175C of the General
29 Laws, as so appearing, is hereby amended by adding the following sentence:- Rates for the
30 association shall not be based in part or in whole on credit information relating to an insured,
31 including but not limited to a numerical credit rating score or other credit rating of an insured.

32 SECTION 6. Section 4 of chapter 175E of the General Laws, as so appearing, is
33 hereby amended by inserting after the word "discriminatory", in line 5, the following words:- and
34 shall not be based in part or in whole on any credit information relating to an insured, including
35 but not limited to, a numerical credit rating score or other credit rating of an insured.

36 SECTION 7. Section 3 of chapter 176D of the General Laws, as so appearing, is
37 hereby amended by inserting after the word “sections”, in line 170, the following words:- “four
38 D,”.