
SENATE BILL 5589

State of Washington

69th Legislature

2025 Regular Session

By Senators Hasegawa, Kauffman, Lovelett, Nobles, Saldaña, Stanford, and C. Wilson; by request of Insurance Commissioner

Read first time 01/30/25. Referred to Committee on Business, Financial Services & Trade.

1 AN ACT Relating to conducting a study of credit history, credit-
2 based insurance scores, and other rate factors that may disparately
3 impact Washington residents, in making rates for personal insurance;
4 creating a new section; and providing an expiration date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that insurers'
7 use of credit history, credit-based insurance scoring models, and
8 other rate factors that may disparately impact Washington residents,
9 to make personal insurance rates, may be impacting Washington
10 residents in unintended or unacceptable ways. The legislature further
11 finds that establishing public policy for ensuring personal insurance
12 availability and pricing that is consistent with legislative
13 expectations requires actuarial evaluation of insurers' current use
14 of credit history, credit-based insurance scores, other rate factors
15 that may have disparate impacts on Washington residents, and
16 alternatives to their use, for purposes of rates, premiums, or
17 eligibility for coverage.

18 (2) The office of the insurance commissioner shall conduct a
19 study of insurers' use of credit history, credit-based insurance
20 scores, other rate factors that may have disparate impacts on
21 Washington residents, and alternatives to their use, in determining

1 personal insurance premiums, rates, or eligibility for coverage, and
2 the associated impacts to consumer costs and the availability of
3 insurance.

4 (3) In conducting the study, the insurance commissioner shall:

5 (a) Collect information from entities transacting personal
6 insurance as defined in RCW 48.19.035. The identified authorized
7 insurers are required to provide the requested information to the
8 insurance commissioner;

9 (b) Investigate and obtain any other relevant information that
10 may assist the insurance commissioner with analyzing insurers' use of
11 credit history, credit-based insurance scoring models, other rate
12 factors that may disparately impact Washington residents, and
13 alternatives to their use, in determining personal insurance
14 premiums, rates, eligibility for coverage, and evaluating the
15 associated impacts to consumer costs and the availability of
16 insurance; and

17 (c) Contract with actuaries and other consultants, as needed, to:

18 (i) Analyze insurers' use of credit history, credit-based
19 insurance scoring models, or other rate factors that may disparately
20 impact Washington residents, in determining premiums, rates, and
21 eligibility for coverage for people of various races, ethnicities,
22 sexes, socioeconomic status, and national origins;

23 (ii) Identify and analyze alternative rate factors that could be
24 used to determine premiums, rates, and eligibility for coverage that
25 neither rely on credit history or credit-based insurance scoring
26 models, nor disparately impact Washington residents of various races,
27 ethnicities, sexes, socioeconomic status, or national origins;

28 (iii) Analyze the likely impact of insurers' uses under (c)(i) of
29 this subsection, and alternative rate factors identified under
30 (c)(ii) of this subsection, on consumer costs, rates, premiums
31 eligibility for coverage, and availability of insurance for people of
32 various races, ethnicities, sexes, socioeconomic status, and national
33 origins; and

34 (iv) Develop for legislative consideration, policy options and
35 their likely impacts on consumer costs, premiums, rates, eligibility
36 for coverage, and the availability of personal insurance, of use of
37 rate plans that include and exclude credit history, credit-based
38 insurance scoring models, or other rate factors that may have a
39 disparate impact on Washington residents.

1 (4) Consistent with RCW 43.01.036, the insurance commissioner
2 shall submit a preliminary report to the relevant policy committees
3 of the legislature by December 31, 2025, and a final report by
4 September 15, 2026, with review findings, policy options, and
5 recommendations regarding allowance, prohibition, or contingent use,
6 of credit history, credit-based insurance scoring models, other
7 disparately impactful rating factors, and alternatives to their use,
8 for personal insurance, and the associated impacts on consumer costs,
9 premiums, rates, eligibility for coverage, and availability of
10 insurance for people of various races, ethnicities, sexes,
11 socioeconomic status, and national origins.

12 (5) Data requested by, or provided to, the insurance commissioner
13 and the insurance commissioner's contracted consultants for the
14 purpose of complying with the study and reporting requirements in
15 this section is confidential by law and privileged, and is not
16 subject to public disclosure under chapter 42.56 RCW. Nothing in this
17 section prohibits the insurance commissioner from preparing and
18 publishing reports, analyses, or other documents using the data
19 received under this section so long as the data is in aggregate form
20 and does not permit the identification of information related to
21 individual companies. Data in the aggregate form is deemed open
22 records available for public inspection. Nothing in this section
23 affects, limits, or amends the insurance commissioner's authority
24 under chapter 48.37 RCW.

25 (6) This section expires December 31, 2033.

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