

---

HOUSE BILL 2763

---

State of Washington

57th Legislature

2002 Regular Session

By Representatives Lysen, Clements and Chase

Read first time 01/28/2002. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to using credit history for insurance purposes;  
2 adding a new section to chapter 48.18 RCW; adding a new section to  
3 chapter 48.19 RCW; and providing an effective date.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 48.18 RCW  
6 to read as follows:

7 (1) For the purposes of this section:

8 (a) "Credit history" means any written, oral, or other  
9 communication of any information by a consumer reporting agency bearing  
10 on a consumer's credit worthiness, credit standing, or credit capacity,  
11 that is used, or expected to be used, or collected in whole or in part  
12 for consideration as a factor in establishing personal insurance  
13 premiums or eligibility for coverage.

14 (b) "Personal insurance" means property and casualty insurance to  
15 be used primarily for personal, family, or household purposes, such as  
16 homeowner and private passenger auto insurance.

17 (c) "Insurance score" means a number or rating that is derived from  
18 an algorithm, computer application, model, or other process that is  
19 based in whole or in part on credit history.

1 (2) A person's credit history or insurance score shall not be a  
2 factor considered by an insurer in any decision to underwrite, deny,  
3 cancel, or refuse to renew a policy of personal insurance.

4 (3) The commissioner may adopt rules as necessary to implement this  
5 section.

6 NEW SECTION. **Sec. 2.** A new section is added to chapter 48.19 RCW  
7 to read as follows:

8 (1) For the purposes of this section:

9 (a) "Credit history" means any written, oral, or other  
10 communication of any information by a consumer reporting agency bearing  
11 on a consumer's credit worthiness, credit standing, or credit capacity,  
12 that is used, or expected to be used, or collected in whole or in part  
13 for consideration as a factor in establishing personal insurance  
14 premiums or eligibility for coverage.

15 (b) "Personal insurance" means property and casualty insurance to  
16 be used primarily for personal, family, or household purposes, such as  
17 homeowner and private passenger auto insurance.

18 (c) "Insurance score" means a number or rating that is derived from  
19 an algorithm, computer application, model, or other process that is  
20 based in whole or in part on credit history.

21 (2) A person's credit history or insurance score shall not be a  
22 factor considered by an insurer in the setting or adjustment of premium  
23 rates for personal insurance.

24 (3) The commissioner may adopt rules as necessary to implement this  
25 section.

26 NEW SECTION. **Sec. 3.** This act takes effect July 1, 2002.

--- END ---