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**SUBSTITUTE HOUSE BILL 2434**

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**State of Washington**

**59th Legislature**

**2006 Regular Session**

**By** House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Kirby, Campbell, Chase, McDonald, Blake, Morrell, Moeller, Linville, Conway and Schual-Berke)

READ FIRST TIME 02/03/06.

1       AN ACT Relating to limiting the use of consumer credit histories  
2 for personal insurance renewal decisions; and creating a new section.

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

4       NEW SECTION. **Sec. 1.** The legislature finds that there is  
5 inadequate information to determine the fairness or reasonableness  
6 regarding the use of consumer credit histories for personal insurance  
7 transactions. These histories, also known as insurance scores, are  
8 regulated under RCW 48.19.035.

9       The legislature further finds consumers continue to be confused as  
10 to how and why credit histories affect their personal insurance  
11 eligibility and premiums.

12       It is known that the federal trade commission is currently studying  
13 the issue of credit-based insurance scores and its effect on consumers.  
14 The insurance commissioner is directed to obtain this report when  
15 completed, and review the findings as they may apply to Washington  
16 consumers and make any recommendations to the legislature necessary to  
17 protect Washington consumers no later than one hundred eighty days

1 after receipt of the federal trade commission report.

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