

SENATE No. 487

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act banning the use of certain socio-economic factors for insurance underwriting and rating of motor vehicle liability insurance..

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

1 SECTION1. Chapter 175 of the General Laws is hereby amended by inserting after
2 Section 4C, as appearing in the 2006 official edition, the following section:-

3 Section 4D. No insurer, engaged in writing motor vehicle liability insurance in the
4 commonwealth, shall in connection with underwriting of said insurance, shall refuse to issue or
5 renew a motor vehicle liability policy or bond or any other insurance based on the ownership or
6 operation of a motor vehicle based upon credit information, including but not limited to a
7 numerical credit-based insurance score, other credit rating of an insured, or education or
8 occupation or any other information or factors that would be considered as proxies for credit
9 scores, education or occupation; and provided, further, no insurer shall file rates, pursuant to
10 chapter 175E, based on credit information, including but not limited to a numerical credit-bases
11 insurance score, other credit rating of an applicant or insured, or the education or occupation of
12 the insured or any other information or factors that would be considered as proxies for credit
13 scores, education or occupation.

14 SECTION 2. Section 113B of said chapter 175, as so appearing in the 2006 official
15 edition, is hereby amended by adding the following paragraph:- The commissioner shall not fix
16 or establish any rates, premium charges, premium adjustments, or classifications of risks based in
17 whole or in part on credit information relating to an insured, including but not limited to a
18 numerical credit based insurance score, other credit rating of an insured, or education or
19 occupation or any other information or factors that would be considered as proxies for credit
20 scores, education or occupation; and provided, further, that no insurer, in connection with
21 underwriting motor vehicle liability insurance or bonds on any other insurance based on the
22 ownership or operation of a motor vehicle, shall refuse to issue or renew said insurance or bond
23 based upon credit information, including but not limited to a numerical credit-based insurance
24 score, other credit rating of an insured or applicant, or education or occupation, or any other
25 information or factors that would be considered as proxies for credit scores, education or
26 occupation.

27 SECTION 3. Subsection (a) of section 5 of chapter 175A of the General Laws, as so
28 appearing in the 2006 Official Editions, is hereby amended by striking out subdivision 4. and
29 inserting in place thereof the following subdivision:-

30 4. Rates shall not be excessive, inadequate or unfairly discriminatory and shall not be
31 based in part or in whole on credit information relating to an insured, including but not limited to
32 a numerical credit-based insurance score, other credit rating of an insured, or education or
33 occupation or any other information or factors that would be considered as proxies for credit
34 scores, education or occupation.

35 SECTION 4. Section 4 of chapter 175E of the General Laws, as so appearing in the 2006
36 Official Edition, inserting after the word “discriminatory”, in line 5, the following words:- and
37 shall not be based in whole or in part on any credit information relating to an insured, including
38 but not limited to, a numerical credit-based insurance score, other credit rating of an insured, or
39 education or occupation, or any other information or factors that would be considered as proxies
40 for credit scores, education or occupation; and provided, further, that no insurer, in connection
41 with underwriting motor vehicle liability insurance or bonds or any other insurance based on the
42 ownership or operation of a motor vehicle, shall refuse to issue or renew said insurance or bond
43 based upon credit information, including but not limited to a numerical credit-based insurance
44 score, other credit rating of an insured or applicant, or education or occupation or any other
45 information or factors that would be considered as proxies for credit scores, education or
46 occupation.

47 SECTION 5. Section 3 of chapter 176D of the General Laws, as so appearing in the 2006
48 Official Edition, is hereby amended by inserting after the word “sections”, in line 170, the
49 following words:- four D

50 SECTION 6. Section 51 of chapter 93 subsections (a) (3) (iii) is hereby deleted.