

HOUSE No. 3795

The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

An Act banning the use of credit in underwriting and rating private passenger motor vehicle 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 SECTION 1. Chapter 175 of the General Laws is hereby amended by inserting after
2 Section 4D, as appearing in the 2010 Official Edition, the following section:-

3 Section 4E. No insurer engaged in writing private passenger motor vehicle insurance in
4 the commonwealth shall, in connection with underwriting of said insurance, refuse to issue or
5 renew a private passenger motor vehicle insurance policy or bond based on the ownership or
6 operation of a private passenger motor vehicle based upon credit information, including but not
7 limited to a numerical credit-based insurance score or credit rating of an insured; and provided,
8 further, no insurer shall file rates for private passenger motor vehicle insurance, pursuant to
9 chapter 175E, based on credit information, including but not limited to a numerical credit-based
10 insurance score or credit rating of an applicant or insured. Nothing in this section shall be
11 construed to restrict any insurer from obtaining or using its own payment history information or
12 information contained in an insurance claims history report, a motor vehicle or driver history

13 report, or any other report from the Massachusetts Registry of Motor Vehicles or its out-of-state
14 equivalent.

15 SECTION 2. Section 113B of said chapter 175, as so appearing in the 2010 Official
16 Edition, is hereby amended by adding the following paragraph:- The commissioner shall not fix
17 or establish any private passenger motor vehicle insurance rates, premium charges, premium
18 adjustments, or classifications of risks based in whole or in part on credit information relating to
19 an insured, including but not limited to a numerical credit-based insurance score or credit rating
20 of an insured; and provided, further, that no insurer, in connection with underwriting private
21 passenger motor vehicle insurance or bonds based on the ownership or operation of a private
22 passenger motor vehicle, shall refuse to issue or renew said insurance or bond based upon credit
23 information, including but not limited to a numerical credit-based insurance score, other credit
24 rating of an insured or applicant. Nothing in this paragraph shall be construed to restrict any
25 insurer from obtaining or using its own payment history information or information contained in
26 an insurance claims history report, a motor vehicle or driver history report, or any other report
27 from the Massachusetts Registry of Motor Vehicles or its out-of-state equivalent.

28 SECTION 3. Section 4 of chapter 175E of the General Laws, as so appearing in the 2010
29 Official Edition, inserting after the word "discriminatory", in line 5, the following sentence:- In
30 connection with private passenger motor vehicle insurance, rates shall not be based in whole or
31 in part on any credit information relating to an insured, including but not limited to, a numerical
32 credit-based insurance score or other credit rating of an insured; and provided, further, that no
33 insurer, in connection with underwriting private passenger motor vehicle insurance or bonds
34 based on the ownership or operation of a private passenger motor vehicle, shall refuse to issue or
35 renew said insurance or bond based upon credit information, including but not limited to a

36 numerical credit-based insurance score or other credit rating of an insured or applicant. Nothing
37 in this section shall be construed to restrict any insurer from obtaining or using its own payment
38 history information or information contained in an insurance claims history report, a motor
39 vehicle or driver history report, or any other report from the Massachusetts Registry of Motor
40 Vehicles or its out-of-state equivalent.