STATE OF NEW YORK

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6456

2021-2022 Regular Sessions

IN SENATE

April 29, 2021
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Introduced by Sen. MAY -- read twice and ordered printed, and when
  printed to be committed to the Committee on Insurance

AN ACT to amend the insurance law, in relation to prohibiting automobile
  insurers from refusing to issue or renew an individual's policy based
  on such individual's credit history

  **The People of the State of New York, represented in Senate and Assem-
  bly, do enact as follows:**

 1   Section 1. Subsections (c), (d), (f) and (g) of section 2801 of the
 2 insurance law, as added by chapter 215 of the laws of 2004, are amended
 3 and a new subsection (j) is added to read as follows:
 4   (c) "Applicant" shall mean an individual who has applied to be covered
 5 by a personal lines insurance policy **or automobile insurance policy** with
 6 an insurer.
 7   (d) "Consumer" shall mean an insured whose credit information is used
 8 or whose insurance score is calculated in the underwriting or rating of
 9 a personal lines insurance policy **or automobile insurance policy,** or an
10 applicant for such a policy.
11   (f) "Credit information" shall mean any credit-related information
12 derived from a credit report, found on a credit report itself, or
13 provided on an application for personal lines insurance **or automobile
14 insurance**. Information that is not credit-related shall not be consid-
15 ered "credit information", regardless of whether it is contained in a
16 credit report or in an application, or is used to calculate an insurance
17 score.
18   (g) "Credit report" shall mean any written, oral, or other communi-
19 cation of information by a consumer reporting agency bearing on a
20 consumer's credit worthiness, credit standing or credit capacity which
21 is used or expected to be used or collected in whole or in part for the
22 purpose of serving as a factor to determine personal lines insurance
23 premiums**, automobile insurance premiums**, eligibility for coverage, or
24 tier placement.

     EXPLANATION--Matter in **italics** (underscored) is new; matter in brackets
                    [-] is old law to be omitted.
                                                          LBD10467-01-1

1   (j) "Automobile insurance" shall mean a contract of insurance, issued
2   or issued for delivery in this state, on a risk located or resident in
3   this state, insuring against losses or liabilities arising out of the
4   ownership, operation, or use of a motor vehicle, predominantly used for
5   non-business purposes, when a natural person is the named insured under
6   the policy of automobile insurance; provided, however, that the use or
7   operation of the motor vehicle by a transportation network driver as a
8   TNC vehicle in accordance with article forty-four-B of the vehicle and
9   traffic law shall not be included in determining whether the motor vehi-
10   cle is being used predominantly for non-business purposes.
11   § 2. The insurance law is amended by adding a new section 2802-a to
12   read as follows:
13   § 2802-a. Use of credit information; automobile insurance. (a) Insur-
14   ers shall be prohibited from refusing to issue an automobile insurance
15   policy to any applicant solely on the basis of such applicant's credit
16   information.
17   (b) Insurers shall be prohibited from refusing to renew an existing
18   automobile insurance policy solely upon the basis of the named insured's
19   credit information and shall be prohibited for the purpose of policy
20   renewal from requesting such named insured's credit information or cred-
21   it report from a consumer reporting agency.
22   § 3. This act shall take effect immediately.