STATE OF NEW YORK

6456

2021-2022 Regular Sessions

IN SENATE

April 29, 2021

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 Assembly, do enact as follows:

Section 1. Subsections (c), (d), (f) and (g) of section 2801 of the insurance law, as added by chapter 215 of the laws of 2004, are amended and a new subsection (j) is added to read as follows:

(c) "Applicant" shall mean an individual who has applied to be covered by a personal lines insurance policy **or automobile insurance policy** with an insurer.

(d) "Consumer" shall mean an insured whose credit information is used or whose insurance score is calculated in the underwriting or rating of a personal lines insurance policy **or automobile insurance policy,** or an applicant for such a policy.

(f) "Credit information" shall mean any credit-related information derived from a credit report, found on a credit report itself, or provided on an application for personal lines insurance **or automobile insurance**. Information that is not credit-related shall not be considered "credit information", regardless of whether it is contained in a credit report or in an application, or is used to calculate an insurance score.

(g) "Credit report" shall mean any written, oral, or other communication of information by a consumer reporting agency bearing on a consumer's credit worthiness, credit standing or credit capacity which is used or expected to be used or collected in whole or in part for the purpose of serving as a factor to determine personal lines insurance premiums**, automobile insurance premiums**, eligibility for coverage, or tier placement.

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

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(j) "Automobile insurance" shall mean a contract of insurance, issued or issued for delivery in this state, on a risk located or resident in this state, insuring against losses or liabilities arising out of the ownership, operation, or use of a motor vehicle, predominantly used for non-business purposes, when a natural person is the named insured under the policy of automobile insurance; provided, however, that the use or operation of the motor vehicle by a transportation network driver as a TNC vehicle in accordance with article forty-four-B of the vehicle and traffic law shall not be included in determining whether the motor vehicle is being used predominantly for non-business purposes.

§ 2. The insurance law is amended by adding a new section 2802-a to read as follows:

§ 2802-a. Use of credit information; automobile insurance. (a) Insurers shall be prohibited from refusing to issue an automobile insurance policy to any applicant solely on the basis of such applicant's credit information.

(b) Insurers shall be prohibited from refusing to renew an existing automobile insurance policy solely upon the basis of the named insured's credit information and shall be prohibited for the purpose of policy renewal from requesting such named insured's credit information or credit report from a consumer reporting agency.

§ 3. This act shall take effect immediately.