

# 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:

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.

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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.