§ 2804. Initial notification. An insurer writing personal lines insurance which uses credit information in underwriting or rating a consumer, shall disclose such fact to the consumer. The insurer shall provide the disclosure required under this section to any insured on new and renewal policies.

(a) The disclosure must be provided in a separate written document, which need not be provided in a separate mailing as another document as long as it is provided on a separate piece of paper, except that for new business it may be provided either in writing or in the same medium as the application for insurance.

(b) The disclosure must, in clear and specific language, comply with the following:

(1) inform the consumer that it may obtain credit information in connection with the application or renewal;

(2) give an explanation of insurance scoring;

(3) list typical items relative to a consumer's credit history that could affect such score; and

(4) provide the name of the consumer reporting agency supplying the credit data used in determining the score.

(c) Use of one of the following example disclosure statements constitutes compliance with this section:

(1) "In connection with this insurance, we may review your credit report or obtain or use a credit-based insurance score based on information contained in that report. An insurance score uses information from your credit report to help predict how often you are likely to file claims and how expensive those claims will be. Typical items from a credit report that could affect a score include, but are not limited to, the following: payment history, number of revolving accounts, number of new accounts, the presence of collection accounts, bankruptcies and foreclosures. The information used to develop the insurance score comes from (insert name.)"; or

(2) Use of the following example disclosure statement for renewal business constitutes compliance with this section: "In connection with this insurance, we previously used a credit report or obtained or used a credit-based insurance score based on information contained in that report. We may obtain or use credit information again provided, however, that upon renewal such information may only be used to reduce premiums.

An insurance score uses information from your credit report to help predict how often you are likely to file claims and how expensive those claims will be. Typical items from a credit report that could affect a score include, but are not limited to, the following: payment history, number of revolving accounts, number of new accounts, the presence of collection accounts, bankruptcies and foreclosures. The information used to develop the insurance score comes from (insert name.)".

(d) If a new business application is taken over the telephone, an oral disclosure may be provided by one of the following approaches:

(1) As described in subsections (a) through (c) of this section; or

(2) (A) By first disclosing the fact that the insurer may obtain credit information in connection with such application, as indicated in paragraph one of subsection (b) of this section. Use of the following example disclosure constitutes compliance with this provision: "In connection with this application for insurance, we may review your credit report or obtain or use a credit-based insurance score based on the information contained in that credit report."; and

(B) If a policy is issued, by supplying the information required under paragraphs two, three and four of subsection (b) of this section. The disclosure must be provided in a separate written document, which need not be provided in a separate mailing as another document as long as it is provided on a separate piece of paper. Use of the following example disclosure constitutes compliance with this provision: "In connection with this insurance, we reviewed your credit report or obtained or used a credit-based insurance score based on information contained in that report. An insurance score uses information from your credit report to help predict how often you are likely to file claims and how expensive those claims will be. Typical items from a credit report that could affect a score include, but are not limited to, the following: payment history, number of revolving accounts, number of new accounts, the presence of collection accounts, bankruptcies and foreclosures. The information used to develop the insurance score comes from (insert name.)".