

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1077 Session of 2009

INTRODUCED BY WATERS, YOUNGBLOOD, PARKER, M. O'BRIEN, BURNS, CALTAGIRONE, GEORGE, GIBBONS, KORTZ, MANDERINO, MELIO, MUNDY, READSHAW AND SIPTROTH, MARCH 24, 2009

REFERRED TO COMMITTEE ON INSURANCE, MARCH 24, 2009

AN ACT

1 Amending the act of May 17, 1921 (P.L.789, No.285), entitled, as  
 2 amended, "An act relating to insurance; establishing an  
 3 insurance department; and amending, revising, and  
 4 consolidating the law relating to the licensing,  
 5 qualification, regulation, examination, suspension, and  
 6 dissolution of insurance companies, Lloyds associations,  
 7 reciprocal and inter-insurance exchanges, and certain  
 8 societies and orders, the examination and regulation of fire  
 9 insurance rating bureaus, and the licensing and regulation of  
 10 insurance agents and brokers; the service of legal process  
 11 upon foreign insurance companies, associations or exchanges;  
 12 providing penalties, and repealing existing laws," providing  
 13 for use of credit history of insured.

14 The General Assembly of the Commonwealth of Pennsylvania  
 15 hereby enacts as follows:

16 Section 1. The act of May 17, 1921 (P.L.789, No.285), known  
 17 as The Insurance Department Act of 1921, is amended by adding a  
 18 section to read:

19 Section 652-A. Use of credit history of insured.

20 (a) General rule.--An insurer shall not deny, cancel or  
 21 refuse to renew or raise the premium of personal insurance due  
 22 in whole or in part to an insured's credit history.

23 (b) Enforcement.--Upon satisfactory evidence of a violation

1 of this section by any insurer or insurance producer or on  
2 satisfactory evidence of such conduct that would disqualify the  
3 insurance producer from initial issuance of a certificate of  
4 qualification under former section 604 or 622 or under this  
5 article, the department may pursue any one or more of the  
6 following courses of action regardless of whether the insurance  
7 producer was previously so authorized by the department:

8 (1) Suspend, revoke or refuse to renew the certificate  
9 of qualification or license of the offending party or  
10 parties.

11 (2) Impose a civil penalty of not more than \$5,000 for  
12 each action in violation of any of the provisions of this  
13 section.

14 (3) Issue an order to cease and desist.

15 (4) Impose such other conditions as the department may  
16 deem appropriate.

17 (c) Rules and regulations.--The department may adopt such  
18 rules and regulations as are necessary to administer this  
19 section.

20 (d) Definitions.--As used in this section, the following  
21 words and phrases shall have the meanings given to them in this  
22 subsection:

23 "Credit history." A written, oral or other communication of  
24 information by a consumer reporting agency bearing on a  
25 consumer's credit worthiness, credit standing or credit  
26 capacity, which is used, expected to be used or collected in  
27 whole or in part for the purpose of serving as a factor in  
28 establishing personal insurance premiums or eligibility for  
29 coverage.

30 "Personal insurance." Property and casualty insurance to be

1 used primarily for personal, family or household purposes, such  
2 as homeowner and private passenger automobile insurance.

3 Section 2. This act shall take effect in 60 days.