

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2290 Session of  
2004

INTRODUCED BY CRUZ, DeWEESE, GEORGE, YOUNGBLOOD, LEDERER,  
THOMAS, SOLOBAY, GOOD, TIGUE, PALLONE, HORSEY, FABRIZIO,  
JOSEPHS, HARHAI, WHEATLEY, E. Z. TAYLOR, KIRKLAND, MCGEEHAN  
AND DALEY, JANUARY 6, 2004

REFERRED TO COMMITTEE ON INSURANCE, JANUARY 6, 2004

AN ACT

1 Amending the act of July 22, 1974 (P.L.589, No.205), entitled  
2 "An act relating to unfair insurance practices; prohibiting  
3 unfair methods of competition and unfair or deceptive acts  
4 and practices; and prescribing remedies and penalties,"  
5 further providing for unfair acts; and providing for a report  
6 by the Insurance Department.

7 The General Assembly of the Commonwealth of Pennsylvania  
8 hereby enacts as follows:

9 Section 1. Section 5(a) of the act of July 22, 1974  
10 (P.L.589, No.205), known as the Unfair Insurance Practices Act,  
11 is amended by adding paragraphs to read:

12 Section 5. Unfair Methods of Competition and Unfair or  
13 Deceptive Acts or Practices Defined.--(a) "Unfair methods of  
14 competition" and "unfair or deceptive acts or practices" in the  
15 business of insurance means:

16 \* \* \*

17 (15) Cancelling or denying motor vehicle insurance coverage  
18 based solely on the basis of information obtained from a credit  
19 rating, credit history or credit scoring model.

1     (16) Increasing the rate of a person's motor vehicle  
2 insurance on the basis of information obtained from a credit  
3 rating, credit history or credit scoring model when a person can  
4 demonstrate that the person's credit rating, credit history or  
5 credit scoring model was caused by a lack of credit history.

6     (17) Cancelling or denying motor vehicle coverage or  
7 increasing the rate of motor vehicle insurance of a person based  
8 on the location of that person's residence in a municipality,  
9 zip code or other region or territory designated by the insurer  
10 or another party.

11     \* \* \*

12     Section 2. The Insurance Department shall report to the  
13 General Assembly within one year of the effective date of this  
14 act on the impact of credit ratings, credit history or credit  
15 scoring models on insurance rates. Persons regulated by the  
16 Insurance Department under the act shall cooperate with the  
17 Insurance Department in the preparation of this report.

18     Section 3. The addition of section 5(a)(15), (16) and (17)  
19 of the act shall apply to insurance policy applications for  
20 issuance or renewal made on or after the effective date of this  
21 act.

22     Section 4. This act shall take effect in 60 days.