

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1102 Session of  
2005

INTRODUCED BY GEORGE, HERSHEY, DeWEESE, BARRAR, BELARDI,  
BELFANTI, CALTAGIRONE, CAWLEY, CURRY, DALLY, FREEMAN,  
GOODMAN, GRUCELA, HENNESSEY, JOSEPHS, KENNEY, KIRKLAND,  
MANDERINO, McILHATTAN, PALLONE, PISTELLA, READSHAW, ROEBUCK,  
SATHER, B. SMITH, SOLOBAY, TIGUE, WALKO, WATERS, WHEATLEY AND  
SURRA, MARCH 24, 2005

REFERRED TO COMMITTEE ON INSURANCE, MARCH 24, 2005

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 of the act of July 22, 1974 (P.L.589,  
10 No.205), known as the Unfair Insurance Practices Act, is amended  
11 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

1 rating, credit history or credit scoring model.

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

7 \* \* \*

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

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

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