

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1506 Session of  
2017

INTRODUCED BY V. BROWN, BULLOCK, THOMAS, YOUNGBLOOD AND VAZQUEZ,  
JUNE 6, 2017

REFERRED TO COMMITTEE ON INSURANCE, JUNE 6, 2017

AN ACT

1 Amending the act of May 17, 1921 (P.L.789, No.285), entitled "An  
2 act relating to insurance; establishing an insurance  
3 department; and amending, revising, and consolidating the law  
4 relating to the licensing, qualification, regulation,  
5 examination, suspension, and dissolution of insurance  
6 companies, Lloyds associations, reciprocal and inter-  
7 insurance exchanges, and certain societies and orders, the  
8 examination and regulation of fire insurance rating bureaus,  
9 and the licensing and regulation of insurance agents and  
10 brokers; the service of legal process upon foreign insurance  
11 companies, associations or exchanges; providing penalties,  
12 and repealing existing laws," in insurance producers,  
13 providing 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.--No insurer or insurance producer may  
21 deny, cancel or refuse to renew or raise the premium of personal  
22 insurance due in whole or in part to an insured's credit  
23 history.

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

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

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

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

17 (4) Impose such other conditions as the department may  
18 deem appropriate.

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

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

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

1 coverage.

2 "Personal insurance." Property and casualty insurance to be  
3 used primarily for personal, family or household purposes, such  
4 as homeowner and private passenger automobile insurance.

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