

SENATE, No. 2766

STATE OF NEW JERSEY 213th LEGISLATURE

INTRODUCED MAY 4, 2009

Sponsored by:
Senator NIA H. GILL
District 34 (Essex and Passaic)

SYNOPSIS

Prohibits use of insurance scoring by property-casualty insurers in rate-making for personal lines insurance coverage.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** concerning the use of insurance scoring by certain insurers
2 and supplementing P.L.1944, c.27 (C.17:29A-1 et seq.).

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4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

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7 1. Notwithstanding any other law to the contrary, an insurer
8 shall not use insurance scoring in rate-making, as defined in section
9 1 of P.L.1944, c.27 (C.17:29A-1), for any personal lines insurance
10 coverage delivered, issued, executed or renewed in this State, or
11 approved for issuance or renewal in this State by the commissioner,
12 on or after the first day of the third month next following the
13 effective date of this section and until June 30, 2011. As used in
14 this section, “insurance scoring” means a number or rating that is
15 derived from an algorithm, computer application, model, or other
16 process that is based in whole or in part on credit information for
17 the purpose of establishing the measure of exposure for insurance
18 loss represented by an applicant or insured.

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20 2. This act shall take effect immediately, but the Commissioner
21 of Banking and Insurance may take any anticipatory administrative
22 action in advance thereof as shall be necessary for the
23 implementation of this act.

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STATEMENT

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28 This bill temporarily prohibits the use of insurance scoring by
29 property-casualty insurers in rate-making for personal lines
30 insurance coverage. Thus, an insurer, for the designated period,
31 shall not use a credit score or other credit information in
32 determining a person’s eligibility for insurance coverage or the
33 premium paid by the person in consideration for coverage received.

34 The provisions of the bill shall apply to contracts or policies
35 delivered, issued, executed, or renewed, or approved for issuance or
36 renewal by the Commissioner of Banking and Insurance, on or after
37 the first day of the third month next following the bill’s effective
38 date and until June 30, 2011.