

FEB 23 2000

COMMERCE AND REGULATION

HOUSE FILE
BY FALLON

2401

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act prohibiting an insurance company from considering a
2 person's credit history in establishing rates for automobile
3 liability coverage.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2401

1 Section 1. NEW SECTION. 516B.4 CREDIT HISTORY NOT
2 CONSIDERED IN ESTABLISHING RATES.

3 The commissioner shall require that insurance companies
4 transacting business in this state not consider an insured's
5 credit history for the purpose of establishing rates for motor
6 vehicle insurance charged by the insurer and shall require
7 that insurance companies not cancel or refuse to renew any
8 such policy as a result of an insured's credit history.

9 EXPLANATION

10 This bill directs the commissioner of insurance to prohibit
11 an insurance company transacting business in this state from
12 considering an insured's credit history for the purpose of
13 establishing rates for motor vehicle insurance charged by the
14 insurer. The bill also prohibits an insurer from canceling or
15 refusing to renew such a policy as a result of an insured's
16 credit history.

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