

# State Corporation Commission

## 2018 Fiscal Impact Statement

**1. Bill Number:** HB16

<b>House of Origin</b>	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
<b>Second House</b>	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

**2. Patron:** Cole

**3. Committee:** Commerce and Labor

**4. Title:** Motor vehicle and fire insurance; use of credit information.

**5. Summary:** Prohibits insurers from setting rates for motor vehicle insurance or fire insurance policies on the basis of a person's credit history, lack of credit history, or credit score. The bill has a delayed effective date of January 1, 2019.

**6. Budget amendment necessary:** No

**7. Fiscal Impact Estimates:** No Fiscal Impact on the State Corporation Commission

**8. Fiscal Implications:** None on the State Corporation Commission

**9. Specific agency or political subdivisions affected:** State Corporation Commission Bureau of Insurance

**10. Technical amendment necessary:** No

**11. Other comments:** If House Bill 16 were enacted, insurers would have to refile all homeowners and renters rate filings to remove any credit-related factors by January 1, 2019. The impact on the number of filings the Bureau of Insurance (Bureau) receives for review would be significant for 2018, but would be managed with existing staff.

The Bureau most recently studied the use by insurers of an insured's or applicant's credit information in connection with the underwriting of motor vehicle policies as directed by 2016 House Joint Resolution 594 (see 2016 RD 331). The Bureau noted in the Report that it receives few consumer complaints and inquiries related to the use of consumer credit information, but continues to monitor the number and makeup of consumer complaints related to the use of consumer credit.

**Date:** 01/14/18/V. Tompkins