

Amendment Offered by Mr. Gutierrez

To the Amendment in the Nature of a Substitute Offered by Mr. Bachus

At the end of title V, insert the following new section (and conform the table of contents accordingly):

1 **SEC. 504. DISCLOSURE OF USE OF INSURANCE CREDIT**
2 **SCORES AND CONSUMER REPORTS BY INSUR-**
3 **ERS REQUIRED.**

4 (a) IN GENERAL.—Section 609 of the Fair Credit
5 Reporting Act (15 U.S.C. 1681g) is amended by inserting
6 after subsection (d) (as added by section 204 of this Act)
7 the following new subsection:

8 “(e) DISCLOSURE OF USE OF INSURANCE CREDIT
9 SCORE AND CONSUMER REPORT.—

10 “(1) DISCLOSURE OF INFORMATION CON-
11 CERNING USE.—An insurer who uses a consumer re-
12 port or insurance credit score as a factor in under-
13 writing an insurance application or policy for any
14 consumer shall disclose to the consumer, including a
15 consumer renewing an existing policy of insurance,
16 at the time of the original application for the policy



1 or the renewal of the policy, the following informa-
2 tion:

3 “(A) Whether the insurer will, or will not,
4 gather credit information.

5 “(B) Whether the cost (including dis-
6 counts), coverage, and availability of insurance
7 policy will be affected by the consumer report
8 or the insurance credit score.

9 “(C) Whether consumer reports or insur-
10 ance scores will be used as a factor in under-
11 writing policy renewals.

12 “(D) Whether consumer reports or insur-
13 ance scores will be used in any periodic evalua-
14 tion of policy premiums.

15 “(2) DISCLOSURE OF INFORMATION ABOUT
16 PRICING.—An insurer who uses a consumer report
17 or insurance credit score as a factor in underwriting
18 an insurance application or policy for any consumer
19 shall disclose to the consumer, including a consumer
20 renewing an existing policy of insurance, at the time
21 of the original application for the policy or the re-
22 newal of the policy, all relevant information about
23 how insurance scores and credit reports are used to
24 price the scope of insurance, including the following:



1 “(A) A detailed summary of how the scores
2 and predictors are derived.

3 “(B) All factors taken into account in de-
4 riving such a score.

5 “(C) How these factors are applied to the
6 policyholder.

7 “(D) How the policyholder scored on all
8 factors.

9 “(E) The relative weight given to each fac-
10 tor.

11 “(F) The extent to which such factors
12 raise or lower the score.

13 “(3) DEFINITIONS.—For purposes of this sub-
14 section, the following definitions shall apply:

15 “(A) INSURANCE CREDIT SCORE.—The
16 term ‘insurance credit score’ means a numerical
17 representation of the insurance risk a consumer
18 presents using the consumer’s attributes de-
19 rived from a consumer report or credit informa-
20 tion in a formula to assess insurance risk on an
21 actuarial or statistical basis.

22 “(B) INSURER.—The term ‘insurer’—
23 “(i) means any corporation, associa-
24 tion, society, order, firm, company, mutual,
25 partnership, individual, aggregation of in-



1 dividuals, or any other legal entity that is
2 authorized to transact the business of
3 property or casualty insurance in any State
4 or that is engaged in a property or cas-
5 ualty insurance business; and
6 “ (ii) does not include an individual or
7 entity which represents an insurer as agent
8 solely for the purpose of selling or which
9 represents a consumer as a broker solely
10 for the purpose of buying insurance.”.

