

Amendment Offered by Mr. Gutierrez

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

Page 28, after line 21, insert the following new section (and conform the table of contents accordingly):

1 **SEC. 504. CONDITIONS FOR ADVERSE ACTIONS ON BASIS**
2 **OF CONSUMER REPORT BY INSURERS.**

3 Section 604 of the Fair Credit Reporting Act (15
4 U.S.C. 1681b) is amended by adding at the end the following new subsection:

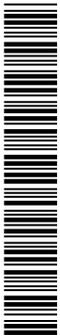
6 “(h) CONDITIONS ON USE OF CONSUMER REPORTS
7 FOR ADVERSE ACTIONS BY INSURERS.—

8 “(1) IN GENERAL.—If an insurer takes an adverse
9 action with respect to any consumer on the
10 basis of a consumer report on the consumer, the insurer shall—

12 “(A) inform the consumer that a report or
13 score adversely affected a decision on insurance;

14 “(B) provide the consumer with a copy of
15 the report and a detailed explanation of—

16 “(i) specific credit characteristics that
17 the action was based upon; and



1 “(ii) specific actions the consumer can
2 take to improve the insurance credit score;

3 “(C) ensure that the consumer report has
4 the name, address, and toll-free number of the
5 consumer reporting agency that furnished the
6 report;

7 “(D) inform the consumer of the right to
8 verify credit information with consumer report-
9 ing agencies; and

10 “(E) inform the consumer of the right of
11 the consumer to file a dispute with the credit
12 reporting agency.

13 “(2) REDETERMINATION OF UNDERWRITING
14 FOLLOWING CORRECTION OF CONSUMER REPORT.—

15 If an insurer has taken an adverse action with re-
16 spect to any insurance policy for any consumer
17 based on inaccurate information contained in a con-
18 sumer report or utilized in computing an insurance
19 credit score relating to such consumer, and that in-
20 accurate information is subsequently corrected, the
21 insurer shall re-underwrite the impacted policy and
22 refund any premium decrease as a result of such re-
23 underwriting to the consumer retroactive to the in-
24 ception date of the policy.



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

3 “(A) ADVERSE ACTION.—The term ‘ad-
4 verse action’—

5 “(i) means a denial or cancellation of,
6 an increase in any charge for, or a reduc-
7 tion or other adverse or unfavorable
8 change in the terms of coverage or amount
9 of, any insurance, existing or applied for,
10 in connection with the underwriting of in-
11 surance; and

12 “(ii) includes the nonrenewal of an ex-
13 isting insurance policy.

14 “(B) INSURER.—The term ‘insurer’—

15 “(i) means any corporation, associa-
16 tion, society, order, firm, company, mutual,
17 partnership, individual, aggregation of in-
18 dividuals, or any other legal entity that is
19 authorized to transact the business of
20 property or casualty insurance in any State
21 or that is engaged in a property or cas-
22 ualty insurance business; and

23 “(ii) does not include an individual or
24 entity which represents an insurer as agent
25 solely for the purpose of selling or which



1 represents a consumer as a broker solely
2 for the purpose of buying insurance.”.

