

New Credit History and Insurance Score Legislation; **SB 311**

The following is a checklist of the items that entities need to provide when filing insurance scoring models with the state of Montana:

- 1) A complete copy of the insurance scoring model.**
- 2) A list of the specific factors utilized in the insurance scoring model.**
- 3) Confirmation that the model does not utilize any one of the following factors in a negative manner for underwriting or rating:**
 - Income, gender, address, zip code, ethnic group, religion, marital status or nationality of the consumer;
 - Credit inquiries not initiated by the consumer or inquiries requested by the consumer for the consumer's own credit information;
 - Inquiries relating to insurance coverage;
 - Collection accounts with a medical industry code;
 - Multiple-lender inquiries from the automobile or home mortgage lending industry and made within 30 days of one another unless only one inquiry is considered;
 - Number of credit inquiries;
 - A consumer's use of a particular type of credit card, charge card, or debit card or the number of credit cards obtained by a consumer;
 - A loan if information from the credit report indicates the loan is for the purchase of an automobile or a personal residence. However, an insurer may consider the bill payment history of any loan, the total number of loans, or both;
 - A consumer's total available line of credit or total debt. However, an insurer may consider the consumer's bill payment history on the debt or the total amount of outstanding debt if the outstanding debt exceeds the total line of credit.
- 4) Please indicate yes or no whether or not the absence of credit information or an inability to calculate insurance score will be considered in underwriting or rating:**
 Yes **No**
- 5) If the answer to 4) above is Yes please indicate below how compliance will be maintained by marking one of the three below and provide additional information to explain:**
 - Treats the consumer as otherwise approved by the Commissioner if the insurer presents information that the absence or inability relates to the risk for the insurer;
 - Treats the consumer as if the consumer had neutral credit;
 - Excludes the use of credit and uses only other underwriting criteria.