

LEGISLATURE OF NEBRASKA
 ONE HUNDRED THIRD LEGISLATURE
 FIRST SESSION
LEGISLATIVE BILL 92

Introduced by Karpisek, 32.
 Read first time January 10, 2013
 Committee: Banking, Commerce and Insurance

A BILL

1 FOR AN ACT relating to insurance; to prohibit the use of credit
 2 information and discriminatory practices as prescribed;
 3 to define terms; to eliminate the Model Act Regarding Use
 4 of Credit Information in Personal Insurance; to provide
 5 an operative date; and to outright repeal sections
 6 44-7701, 44-7702, 44-7703, 44-7704, 44-7705, 44-7706,
 7 44-7707, 44-7708, 44-7709, 44-7710, 44-7711, and 44-7712,
 8 Reissue Revised Statutes of Nebraska.
 9 Be it enacted by the people of the State of Nebraska,

1 Section 1. (1) An insurer shall not use credit
2 information in connection with the issuance, underwriting, renewal,
3 cancellation, or denial of or any other action related to insurance.

4 (2) An insurer shall not use an insurance score that is
5 calculated using income, gender, address, zip code, ethnic group,
6 religion, marital status, or nationality of the consumer as a factor.

7 (3) For purposes of this section:

8 (a) Consumer means an insured whose credit information is
9 used or whose insurance score is calculated in the underwriting or
10 rating of a personal insurance policy or an applicant for such a
11 policy;

12 (b) Credit information means credit-related information:

13 (i) Derived from a credit report;

14 (ii) Found in a credit report; or

15 (iii) Provided in an application for insurance;

16 (c) Credit report means any communication of information
17 by a consumer reporting agency concerning a consumer's
18 creditworthiness, credit standing, or credit capacity that is used or
19 expected to be used or collected as a factor to determine insurance
20 policy premiums, eligibility for coverage, or tier placement. Credit
21 report does not include information that is not credit-related,
22 regardless of whether the information is contained in a credit report
23 or in an application for insurance or is used to calculate an
24 insurance score;

25 (d) Insurance score means a number or rating that is

1 derived from an algorithm, computer application, model, or other
2 process that is based in whole or in part on credit information for
3 the purposes of predicting the future insurance loss exposure of an
4 individual applicant or insured; and

5 (e) Insurer has the same meaning as in section 44-103.

6 Sec. 2. This act becomes operative on January 1, 2014.

7 Sec. 3. The following sections are outright repealed:

8 Sections 44-7701, 44-7702, 44-7703, 44-7704, 44-7705, 44-7706,
9 44-7707, 44-7708, 44-7709, 44-7710, 44-7711, and 44-7712, Reissue
10 Revised Statutes of Nebraska.