WEST VIRGINIA LEGISLATURE

2016 REGULAR SESSION

Introduced

House Bill 4257

BY DELEGATES FLUHARTY, HORNBUCKLE, SPONAUGLE,
GUTHRIE, BATES, PUSHKIN, FERRO, MILEY,
FLEISCHAUER, BYRD AND PERDUE

[Introduced January 25, 2016; Banking and Insurance
then the Judiciary.]
A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section, designated §33-11-4c, relating to insurance unfair trade practices; prohibiting use of a person’s credit history in certain insurance transactions.

Be it enacted by the Legislature of West Virginia:

That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new section, designated §33-11-4c, to read as follows:

ARTICLE 11. UNFAIR TRADE PRACTICES.

§33-11-4c. Use of credit history prohibited in certain transactions.

With respect to insurance policies for passenger motor vehicles, residential property or other personal insurance lines, no person may:

(1) Refuse to underwrite, cancel, refuse to renew a risk or increase a renewal premium based, in whole or in part, on the credit history of an applicant for insurance or an insured person;

(2) Rate a risk based, in whole or in part, on the credit history of an applicant for insurance or an insured person in any manner, including, but not limited to, the provision or removal of a discount, assigning an applicant or insured person to a rating tier, or placing an applicant or insured person with an affiliated company; or

(3) Require a particular payment plan based, in whole or in part, on the credit history of the applicant for insurance or the insured person.

NOTE: The purpose of this bill is to prohibit the use of a person’s credit history in certain insurance transactions.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.

§33-11-4c is new, therefore it has been entirely underscored.