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### NCOIL INSURANCE SCORING MODEL HAS REGULATION UNDER CONTROL, NEW RESOLUTION ASSERTS

**New York, New York, June 14, 2008**—As Congress debates bills that would toss aside state efforts to regulate credit-based insurance scoring, the National Conference of Insurance Legislators (NCOIL) on July 13 adopted a *Resolution Supporting State Regulation of the Use of Credit Information in Personal Insurance*—which highlights the ongoing 26-state success of an NCOIL insurance scoring model act and opposes federal plans to usurp state prerogative.

The resolution, adopted during the NCOIL Summer Meeting in New York City, recognizes the 2002 NCOIL model's ability to protect consumers and promote competitive insurance markets, including provisions that assist the young, old, and those who suffer extraordinary life events. Nearly all states, the resolution notes, regulate credit-based scoring. The NCOIL resolution says also that H.R. 5633, the *Nondiscriminatory Use of Consumer Reports and Consumer Information Act of 2008* and H.R. 6062, the *Personal Lines of Insurance Fairness Act of 2008*, would intrude on state-level efforts to oversee insurance scoring.

The NCOIL resolution opposes any federal legislation that would disregard legislatures' ability to determine what is best for their individual states and would infringe on state authority to regulate the business of insurance. Proponents of the pending bills say they would remedy concerns that insurance scores serve as "stand-ins" for race, income, or ethnicity.

According to NCOIL Secretary Rep. George Keiser (ND), sponsor of the resolution, "The NCOIL model successfully balances consumer and other interests and makes it clear, in our opinion, that federal regulation is unnecessary. Those in Congress who worry about the fairness of insurance scoring should read the NCOIL model law and look at what NCOIL-based states have accomplished—since most states resolved this issue, in a timely way, several years ago."

In general, the NCOIL *Model Act Regarding Use of Credit Information in Personal Insurance* prohibits credit experience from being the sole factor influencing a personal-lines underwriting or rating decision and provides for use of updated credit information, among other things.

Adoption of the NCOIL resolution followed Rep. Keiser's May 21 testimony at a U.S. House Subcommittee on Oversight & Investigations hearing entitled *The Impact of Credit-Based Insurance Scoring on the Availability and Affordability of Insurance*.

The NCOIL Executive Committee vote on July 13 followed Property-Casualty Insurance Committee adoption of the resolution on July 11. The NCOIL Summer Meeting was held at the Marriott Marquis in Times Square.

NCOIL is an organization of state legislators whose main area of public policy interest is insurance legislation and regulation. Most legislators active in NCOIL either chair or are members of the committees responsible for insurance legislation in their respective state houses across the country. More information is available at [www.ncoil.org](http://www.ncoil.org).

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