

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 176

Introduced by Lathrop, 12.

Read first time January 12, 2009

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
4 insurance.

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

9 (3) For purposes of this section:

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

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

15 (i) Derived from a credit report;

16 (ii) Found in a credit report; or

17 (iii) Provided in an application for insurance;

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

1 to calculate an insurance score;

2 (d) Insurance score means a number or rating that is
3 derived from an algorithm, computer application, model, or other
4 process that is based in whole or in part on credit information for
5 the purposes of predicting the future insurance loss exposure of an
6 individual applicant or insured; and

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

8 Sec. 2. This act becomes operative on January 1, 2010.

9 Sec. 3. The following sections are outright repealed:
10 Sections 44-7701, 44-7702, 44-7703, 44-7704, 44-7705, 44-7706,
11 44-7707, 44-7708, 44-7709, 44-7710, 44-7711, and 44-7712, Reissue
12 Revised Statutes of Nebraska.