

ORS 746.661

Use of credit history or insurance score

- (1) An insurer that issues personal insurance policies in this state:
- (a) May not cancel or nonrenew personal insurance that has been in effect for more than 60 days based in whole or in part on a consumer's credit history or insurance score.
 - (b) May use a consumer's credit history to decline coverage of personal insurance in the initial underwriting decision only in combination with other substantive underwriting factors. An offer of placement with an affiliate insurer does not constitute a declination of insurance coverage.
 - (c) May not use the following types of credit history to decline coverage of personal insurance, calculate an insurance score or determine personal insurance premiums or rates:
 - (A) The absence of credit history or the inability to determine the consumer's credit history, if the insurer has received accurate and complete information from the consumer, unless the insurer does one of the following:
 - (i) If the insurer presents information that the absence of credit history or the inability to determine the consumer's credit history relates to the risk for the insurer, uses the absence of a credit history or inability to determine a consumer's credit history as allowed by rules adopted by the Director of the Department of Consumer and Business Services;
 - (ii) Treats the consumer as if the applicant or insured has neutral credit history, as defined by the insurer; or
 - (iii) Excludes the use of credit information as a factor and uses only other underwriting criteria.
 - (B) Credit inquiries not initiated by the consumer or inquiries requested by the consumer for the consumer's own credit information.
 - (C) Inquiries identified on a consumer's credit report relating to insurance coverage.
 - (D) Multiple lender inquiries identified as being from the home mortgage industry and made within 30 days of one another, unless only one inquiry is considered.
 - (E) Multiple lender inquiries identified as being from the automobile lending industry and made within 30 days of one another, unless only one inquiry is considered.

- (d) May not re-rate an existing policy or re-rate a customer based on a customer's credit history or the credit history component of a customer's insurance score when the marital status of the customer changes due to death or divorce.
- (2) (a) If an insurer uses the consumer's credit history or insurance score at any time in the rating of a personal insurance policy, the consumer may request, no more than once per insurer per policy line annually, that the insurer re-rate the consumer according to the standards that the insurer would apply if the consumer were initially applying for the same insurance policy.
- (b) The insurer shall re-rate the consumer within 30 days after receiving a request from the consumer. After re-rating the consumer based upon the request, the insurer may not use credit information from re-rating to increase the premium on any personal insurance policy the consumer holds. If the consumer qualifies for a more favorable rating category, the insurer shall reduce the premiums on all the personal insurance policies the consumer holds in the related policy line for which the consumer's credit history and insurance score would entitle the consumer to lower premiums if the consumer were applying for a new policy. The effective date of any rate change is the date of the consumer's request.
- (c) If a request to re-rate a policy is received within 60 days prior to a renewal date, or if the difference between the current rate and the improved rate is less than \$10, the insurer may provide the consumer with the difference between the current rate and the improved rate over the remainder of the current period as a credit upon renewal. If the policy is canceled or not renewed, the insurer shall refund the unearned premium. Any existing claim-related discounts or surcharges shall carry forward for each re-rated policy.
- (3) If an insurer uses disputed credit history to determine eligibility for coverage of personal insurance and places a consumer with an affiliate that charges higher premiums or offers less favorable policy terms:
- (a) The insurer shall re-rate the policy retroactive to the effective date of the current policy term; and
- (b) The policy, as reissued or re-rated, shall provide the premiums and policy terms for which the consumer would have been eligible if accurate credit history had been used to determine eligibility.
- (4) If an insurer charges higher premiums due to disputed credit history, the insurer shall re-rate the policy retroactive to the effective date of the current policy term. As re-rated, the insurer shall charge the consumer the same premiums the consumer would have been charged if accurate credit history had been used to calculate an insurance score.

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(6) Except as provided in subsections (2), (3) and (4) of this section, an insurer may only use rating factors other than credit history or insurance score to rerate the policy at renewal.
[2003 c.788 §4; 2005 c.464 §1; 2009 c.422 §1]

Location: https://oregon.public.law/statutes/ors_746.661

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