

SENATE BILL No. 206

By Senators Faust-Goudeau, Kelsey and Masterson

2-4

9 AN ACT amending the Kansas insurance score act; definitions; amending
10 K.S.A. 2008 Supp. 40-5103 and repealing the existing section.

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12 *Be it enacted by the Legislature of the State of Kansas:*

13 Section 1. K.S.A. 2008 Supp. 40-5103 is hereby amended to read as
14 follows: 40-5103. As used in this act:

15 (a) "Adverse action" means any of the following in connection with
16 the underwriting of personal insurance:

17 (1) A denial or cancellation of coverage;

18 (2) anything other than the best possible rate; or

19 (3) a reduction or other adverse or unfavorable change in the terms
20 of coverage of any insurance regardless of whether such insurance is in
21 existence or has been applied for.

22 (b) "Affiliate" means any company that controls, is controlled by, or
23 is under common control with another company.

24 (c) "Agent" shall have the meaning ascribed to it in subsection (k) of
25 K.S.A. 2008 Supp. 40-4902, and amendments thereto, unless the context
26 requires otherwise.

27 (d) "Applicant" means an individual who has applied to an insurer to
28 be covered by a personal insurance policy.

29 (e) "Commissioner" means the commissioner of insurance and any
30 authorized designee of the commissioner.

31 (f) "Consumer" means an insured whose credit information is used
32 or whose insurance score is calculated in the underwriting or rating of a
33 personal insurance policy. "Consumer" also includes an applicant for a
34 personal insurance policy.

35 (g) "Consumer reporting agency" means any person which, for mon-
36 etary fees, dues, or on a cooperative nonprofit basis, regularly engages,
37 in whole or in part, in the practice of assembling or evaluating consumer
38 credit information or other information on consumers for the purpose of
39 furnishing consumer reports to third parties.

40 (h) "Credit information" means any credit related information de-
41 rived from a credit report, found on a credit report itself, or provided on
42 an application for personal insurance. Credit information shall not include
43 any information which is not credit related, regardless of whether such

1 information is contained in a credit report or in an application or is used
2 to calculate an insurance score.

3 (i) "Credit report" means any written, oral, or other communication
4 of information by a consumer reporting agency bearing on a consumer's
5 credit worthiness, credit standing or credit capacity which is used or ex-
6 pected to be used or collected in whole or in part for the purpose of
7 serving as a factor to determine personal insurance premiums, eligibility
8 for coverage, or tier placement.

9 (j) "Department" means the insurance department established by
10 K.S.A. 40-102, and amendments thereto.

11 (k) "Insurance score" means a number or rating that is derived from
12 an algorithm, computer application, model, or other process that is based,
13 in whole or in part, on credit information for the purposes of predicting
14 the future insurance loss exposure of an individual applicant or insured.

15 (l) "Personal insurance" means ~~private passenger automobile, hom-~~
16 ~~eowners, motorcycle,~~ mobile homeowners and non-commercial dwelling
17 fire insurance policies and boat, personal water craft, snowmobile and
18 recreational vehicle policies. For the strict purposes of this act, personal
19 insurance shall also include individually underwritten policies of
20 farmowners.

21 Sec. 2. K.S.A. 2008 Supp. 40-5103 is hereby repealed.

22 Sec. 3. This act shall take effect and be in force from and after its
23 publication in the statute book.