



INSURANCE SCORING IS ALREADY REGULATED IN WEST VIRGINIA
West Virginia is one of the 48 states that already regulates the use of insurance scoring.

W. Va. Code § 33-6B-3 prohibits an insurer from declining to issue an automobile policy to a prospective policyholder solely on the basis of a person's adverse credit report or insurance scoring.

W. Va. Code § 33-17A-6 identifies as a discriminatory practice an insurer's denial of property insurance coverage to an insured based solely upon a person's credit report or adverse insurance scoring.

Informational Letter No. 142-A issued by the Insurance Commissioner in August, 2003 requires that an insurer:

- Use an insurance scoring model that does not unfairly discriminate, based upon race, age, sex, socio-economic class, occupation, nationality, religion or handicap.
- Make sure that its model is an accurate and statistically credible predictor of loss, and retain relevant documentary evidence. Accuracy shall be randomly tested. If inaccuracies are discovered, affected insurance scores must be recalculated and any premium overpayment must be refunded.
- Disclose to an applicant that his or her credit history may be used, and provide further notice that an insured may request a recalculation of his or her insurance score once a year.
- Recalculate an insured's insurance score every three years, and re-underwrite or re-rate the policy based upon the new insurance score.
- Shall not use credit bureau information that has been disputed by the insured.
- Comply with the federal Fair Credit Reporting Act.
- Provide the actual insurance scoring algorithm, and all statistical data used to develop the algorithm, to the Insurance Commissioner upon request.
- Shall not raise its rates upon the initial implementation of insurance scoring.
- File and obtain the Commissioner's prior approval of any rate increase under a credit-based rating plan.
- Shall not decline, cancel or nonrenew any personal lines automobile or homeowners insurance policy solely on the basis of credit.
- Shall, in the absence of sufficient credit history, treat the applicant or insured as if they have a neutral insurance score, exclude the use of credit information, or treat the person as otherwise approved by the Commissioner.
- Shall not change the way it uses credit information in any way without prior approval of the Commissioner.

DATED 1/2007