

Amend CSSB 1007 (committee printing) as follows:

(1) Insert a new ARTICLE in the bill, appropriately numbered, to read as follows:

ARTICLE _____. CREDIT SCORING

SECTION _____.001. Section 559.001, Insurance Code, is amended by amending Subdivision (10) and adding Subdivision (12) to read as follows:

(10) "Insurer" means an insurer authorized to write property and casualty insurance in this state, including an insurance company, reciprocal or interinsurance exchange, mutual insurance company, capital stock company, county mutual insurance company, farm mutual insurance company, association, Lloyd's plan, or other entity writing personal insurance in this state. The term includes an affiliate, as described by this code, if that affiliate is authorized to write personal insurance in this state. The term does not include ~~[a farm mutual insurance company or]~~ an eligible surplus lines insurer under this code.

(12) "Underwriting" means the selection of the risk that will be assumed by an insurer, and specifically the decision whether to accept, deny, renew, nonrenew, reduce, or increase the amount of benefits payable under an insurance policy or the types of coverages available under an insurance policy.

SECTION _____.002. Section 559.002, Insurance Code, is amended to read as follows:

Sec. 559.002. APPLICABILITY OF CHAPTER. This chapter applies to an insurer that writes personal insurance coverage ~~[and uses credit information or credit reports for the underwriting or rating of that coverage]~~.

SECTION _____.003. Section 559.004, Insurance Code, is amended to read as follows:

Sec. 559.004. RULES. ~~[(a)]~~ The commissioner may adopt rules in the manner prescribed by Subchapter A, Chapter 36, as necessary to implement this chapter.

~~[(b) The commissioner shall adopt rules that prescribe the allowable differences in rates charged by insurers due solely to the difference in credit scores.]~~

SECTION _____.004. The heading to Subchapter B, Chapter 559,

Insurance Code, is amended to read as follows:

SUBCHAPTER B. PROHIBITED USE OF CREDIT SCORING AND
CREDIT INFORMATION

SECTION ____ .005. Section 559.051, Insurance Code, is amended to read as follows:

Sec. 559.051. PROHIBITION ON CERTAIN [~~PERMISSIBLE~~] USE OF CREDIT SCORING BY INSURERS. With respect to a line of insurance subject to this chapter, an [~~An~~] insurer may not:

(1) refuse to underwrite, cancel, or refuse to renew a risk based, in whole or in part, on the credit report or credit score of an insured or an applicant for insurance coverage; or

(2) rate a risk based, in whole or in part, on the credit report or credit score of an insured or an applicant for insurance coverage in any manner, including:

(A) the provision or removal of a discount;

(B) assignment of an insured or an applicant for insurance coverage to a rating tier; or

(C) placement of an insured or an applicant for insurance coverage with an affiliate [~~use credit scoring, except for factors that constitute unfair discrimination, to develop rates, rating classifications, or underwriting criteria regarding lines of insurance subject to this chapter~~].

SECTION ____ .006. The following laws are repealed:

(1) Sections 559.001(1) and (2), Insurance Code;

(2) Section 559.003, Insurance Code;

(3) Sections 559.052, 559.053, 559.054, 559.055, 559.056, and 559.057, Insurance Code; and

(4) Subchapters C and D, Chapter 559, Insurance Code.

SECTION ____ .007. (a) Chapter 559, Insurance Code, as amended by this article, applies only to a personal insurance policy:

(1) that is delivered, issued for delivery, or renewed on or after January 1, 2010; or

(2) the application for which is submitted on or after January 1, 2010.

(b) A personal insurance policy delivered, issued for delivery, or renewed before January 1, 2010, or the application for

which is submitted before January 1, 2010, is governed by the law as it existed immediately before January 1, 2010, and that law is continued in effect for that purpose.

(2) Renumber the ARTICLES of the bill accordingly.