

2025 Regular Session

SENATE BILL NO. 61

BY SENATOR LUNEAU

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

INSURANCE RATES. Provides for the use of credit information in underwriting or rating of certain personal insurance policies. (8/1/25)

1 AN ACT

2 To amend and reenact R.S. 22:1508, 1509, and 1510, relative to the use of credit information
3 in underwriting or rating of certain personal insurance policies; to require an insurer
4 to provide a consumer with the credit information obtained by the insurer; to provide
5 for adverse action notification; to require review of an insurer's scoring system; and
6 to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:1508, 1509, and 1510 are hereby amended and reenacted to read
9 as follows:

10 §1508. Initial notification; **disclosure**

11 A.**(1)** If an insurer writing personal insurance uses credit information in
12 underwriting or rating a consumer, the insurer or its agent shall disclose, either on
13 the insurance application or at the time the insurance application is taken, that it may
14 obtain credit information in connection with ~~such~~ **the** application. ~~Such~~ **The**
15 disclosure shall be either written or provided to an applicant in the same medium as
16 the application for insurance. The insurer need not provide the disclosure statement
17 required under this Section to any insured on a renewal policy, if ~~such~~ **the** consumer

1 has previously been provided a disclosure statement.

2 ~~B.(2)~~ Use of the following example disclosure statement constitutes
3 compliance with this ~~Section~~**Subsection**: "In connection with this application for
4 insurance, we may review your credit report or obtain or use a credit-based insurance
5 score based on the information contained in that credit report. We may use a third
6 party in connection with the development of your insurance score."

7 **B. The insurer shall provide the consumer a copy of the credit**
8 **information obtained by the insurer on the consumer in connection with the**
9 **initial application or any subsequent renewal policy.**

10 §1509. Adverse action notification

11 If an insurer takes an adverse action based upon credit information, the
12 insurer must meet the notice requirements of this Section. ~~Such~~ **The** insurer shall **do**
13 **both of the following**:

14 (1) Provide notification to the consumer that an adverse action has been taken
15 in accordance with the requirements of the federal Fair Credit Reporting Act, 15
16 U.S.C. 1681m(a).

17 (2) Provide notification to the consumer explaining the reason for the adverse
18 action. The reasons shall be provided in sufficiently clear and specific language so
19 that a person can identify the basis for the insurer's decision to take an adverse
20 action. ~~Such~~ **The** notification shall include a description of up to four factors that
21 were the primary influences of the adverse action. The use of generalized terms such
22 as "poor credit history", "poor credit rating", or "poor insurance score" does not meet
23 the explanation requirements of this Section. Standardized credit explanations
24 provided by consumer reporting agencies or other third-party vendors are deemed
25 to comply with this Section.

26 §1510. Filing; **review by commissioner**

27 A.**(1)** Insurers that use insurance-related scoring systems to underwrite and
28 rate risks shall file their scoring models or other scoring processes with the
29 Department of Insurance. A third party may file scoring models on behalf of

1 insurers. A filing that includes insurance scoring may include loss experience
2 justifying the use of credit information.

3 **(2) The commissioner shall review the scoring models or other scoring**
4 **processes filed with the department pursuant to this Subsection to ensure**
5 **compliance with the requirements of this Subpart.**

6 B. Any filing relating to credit information is considered a trade secret ~~under~~
7 **pursuant to the Uniform Trade Secrets Act, R.S. 51:1431 et seq.**

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

DIGEST

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Present law regulates the use of credit information for personal insurance. Further defines personal insurance as the following categories of insurance policies that are individually underwritten for personal, family, or household use: private passenger automobile, homeowners', motorcycle, mobile home owners', noncommercial dwelling fire insurance, boat, personal watercraft, snowmobile, and recreational vehicle.

Proposed law retains present law.

Present law requires an insurer writing personal insurance that uses credit information in underwriting or rating a consumer to disclose, either on the insurance application or at the time the insurance application is taken, that it may obtain credit information in connection with the application.

Proposed law retains present law but makes technical changes.

Proposed law requires the insurer to provide the consumer with a copy of any credit information on the consumer obtained by the insurer in connection with an initial application or a renewal policy.

Present law requires an insurer that takes an adverse action based upon credit information to provide notification to the consumer that an adverse action has been taken in accordance with the federal Fair Credit Reporting Act. Further requires the insurer to provide the reason for the adverse action in sufficiently clear and specific language so the consumer can identify the basis for the insurer's decision to take an adverse action, including up to four factors that were the primary influences of the adverse action.

Proposed law retains present law but makes technical changes.

Present law requires insurers that use insurance-related scoring systems to underwrite and rate risks to file their scoring models or other scoring processes with the Dept. of Insurance.

Proposed law retains present law but makes technical changes.

Proposed law requires the commissioner to review the scoring models or other scoring processes filed with the department to ensure compliance with the requirements of proposed

law.

Present law provides that any filing relating to credit information is considered a trade secret pursuant to the Uniform Trade Secrets Act.

Proposed law retains present law but makes technical changes.

Effective August 1, 2025.

(Amends R.S. 22:1508-1510)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the original bill

1. Require insurer to provide the consumer a copy of the credit information obtained by the insurer in connection with an application or a renewal.
2. Make technical changes.