

Introduced by

Representatives Kasper, Dosch, Ruby, Thoreson, Tieman

Senator Fischer

1 A BILL for an Act to create and enact sections 26.1-39-17.1 and 26.1-40-11.2 of the North  
2 Dakota Century Code, relating to use of credit information for property and casualty insurance  
3 and automobile insurance.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1.** Section 26.1-39-17.1 of the North Dakota Century Code is created and  
6 enacted as follows:

7 **26.1-39-17.1. Use of credit information.**

8 1. An insurer may not:

9 a. Use credit information as the sole basis for declining an application for,  
10 declining a renewal of, or terminating a property and casualty insurance  
11 policy.

12 b. Use credit information as a basis on which a property and casualty insurance  
13 policy premium rate is increased or decreased if that increase or decrease  
14 exceeds fifteen percent of the policy rate.

15 2. If an insurer increases a property and casualty insurance policy premium rate on  
16 the basis of credit information, that insurer shall provide the insured with a free  
17 copy of the complete credit information used as a basis for the increase. If an  
18 insurer is required to provide a copy of credit information under this section, the  
19 credit information must be provided at the same time the insured is notified of the  
20 rate increase.

21 3. As used in this section, credit information includes a consumer report or any part of  
22 a consumer report, a credit score or any part of a credit score, and any information  
23 obtained by the insurer from a consumer report.

1           **SECTION 2.** Section 26.1-40-11.2 of the North Dakota Century Code is created and  
2 enacted as follows:

3           **26.1-40-11.2. Use of credit information.**

- 4           1. An insurer may not:
- 5               a. Use credit information as the sole basis for declining an application for,  
6                 declining a renewal of, or terminating a policy.
- 7               b. Use credit information as a basis on which a policy premium rate is increased  
8                 or decreased if that increase or decrease exceeds fifteen percent of the policy  
9                 rate.
- 10          2. If an insurer increases a policy premium rate on the basis of credit information, that  
11           insurer shall provide the insured with a free copy of the complete credit information  
12           used as a basis for the increase. If an insurer is required to provide a copy of  
13           credit information under this section, the credit information must be provided at the  
14           same time the insured is notified of the rate increase.
- 15          3. As used in this section, credit information includes a consumer report or any part of  
16           a consumer report, a credit score or any part of a credit score, and any information  
17           obtained by the insurer from a consumer report.