



SPONSOR: Sen. Still

DELAWARE STATE SENATE

141st GENERAL ASSEMBLY

SENATE CONCURRENT RESOLUTION NO. 35

REQUESTING THAT THE INSURANCE COMMISSIONER PROMPTLY CONSIDER AND ENACT REGULATIONS RELATING TO THE PROPER USE OF CREDIT SCORING BY INSURERS IN THE STATE OF DELAWARE.

1 WHEREAS, the use of credit scoring by insurers may have a disproportionate and deleterious effect on some
2 consumers; and

3 WHEREAS, there are legitimate questions relating to whether credit scores are predictors of future risk
4 exposure; and

5 WHEREAS, many states have enacted laws or resolutions relating to the use of credit scoring by insurers; and

6 WHEREAS, the use of credit scores may have a disparate impact on minority groups; and

7 WHEREAS, the Delaware Insurance Commissioner has required that insurers and credit score vendors using
8 credit scoring models meet with the members of the Commissioner's office to fully explain the manner in which such
9 models are being used in either or both the underwriting or rating of insurance policies; and

10 WHEREAS, the National Association of Insurance Commissioners' Credit Scoring Working Group is charged
11 with researching whether there is an actual connection between a person's credit history and the likelihood of filing an
12 insurance claim; and

13 WHEREAS, in recognition of the importance of this issue, the Delaware Insurance Commissioner is a member
14 of the National Association of Insurance Commissioners' Credit Scoring Working Group which is working at an
15 accelerated pace to develop and propose a model act and/or regulation relating to the use of credit scoring by the end of
16 this year.

17 NOW THEREFORE:

18 BE IT RESOLVED, that the Delaware Insurance Commissioner be aware of the concern and interest in this
19 process by the General Assembly of the State of Delaware and that the Insurance Commissioner act consistently to assure

20 that the National Association of Insurance Commissioners completes its work in a timely manner and that the Delaware
21 Department of Insurance promulgate such regulations as will protect the insurance buying public from the adverse and
22 potentially detrimental effects from the inappropriate use of credit scoring as an underwriting and rating tool by insurers
23 in the State of Delaware; and

24 BE IT FURTHER RESOLVED, that the Delaware Insurance Commissioner inform the General Assembly from
25 time to time on the progress of her efforts and the work of the National Association of Insurance Commissioners on this
26 important issue and report recommendations on or before January 15, 2003; and

27 BE IT FURTHER RESOLVED, by the Senate of the 141st General Assembly, the House concurring therein, that
28 the General Assembly of the State of Delaware request that the Insurance Commissioner promptly consider regulations
29 relating to the proper use of credit scoring by insurers in the State of Delaware.

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SYNOPSIS

This resolution requests that the Insurance Commissioner promptly consider and enact regulations relating to the proper use of credit scoring by insurers in the State of Delaware.