

HOUSE RESEARCH

Bill Summary

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Overview

Auto insurance companies generally use the location of the residence of the applicant or policyholder as a factor in determining premium rates and other underwriting decisions. This bill would ban that. ("Underwriting" is the process by which insurance companies evaluate an application for insurance (including renewal) and decide whether to offer insurance and at what premium rate and other terms.)

Section

- 1 Discrimination in auto insurance policies.** Adds an item to the list of factors that auto insurance companies are forbidden to consider in underwriting decisions. That new item is where the applicant or policyholder lives. Prohibits use of geographic area as an underwriting factor in deciding whether to deny coverage, charge differential premiums, or make other decisions.