SUBSTITUTE FOR

SENATE BILL NO. 300

A bill to amend 1956 PA 218, entitled

"The insurance code of 1956,"

(MCL 500.100 to 500.8302) by adding chapter 21A.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

CHAPTER 21A

CREDIT INFORMATION AND CREDIT SCORES

SEC. 2151. AS USED IN THIS CHAPTER:

(A) "ADVERSE ACTION" MEANS AN INCREASE IN ANY CHARGE FOR, OR A REDUCTION OR OTHER ADVERSE OR UNFAVORABLE CHANGE IN THE TERMS OF COVERAGE OR AMOUNT OF, ANY PERSONAL INSURANCE, EXISTING OR APPLIED FOR.

(B) "CONSUMER REPORTING AGENCY" MEANS ANY PERSON WHICH, FOR MONETARY FEES OR DUES OR ON A COOPERATIVE NONPROFIT BASIS,

REGULARLY ENGAGES IN WHOLE OR IN PART IN THE PRACTICE OF ASSEMBLING OR EVALUATING CONSUMER CREDIT INFORMATION OR OTHER INFORMATION ON CONSUMERS FOR THE PURPOSE OF FURNISHING CONSUMER REPORTS TO THIRD PARTIES.

(C) "CREDIT INFORMATION" MEANS ANY CREDIT-RELATED INFORMATION DERIVED FROM A CREDIT REPORT, FOUND ON A CREDIT REPORT ITSELF, OR PROVIDED ON AN APPLICATION FOR PERSONAL INSURANCE. INFORMATION THAT IS NOT CREDIT-RELATED SHALL NOT BE CONSIDERED CREDIT INFORMATION, REGARDLESS OF WHETHER IT IS CONTAINED IN A CREDIT REPORT OR IN AN APPLICATION, OR IS USED TO CALCULATE AN INSURANCE SCORE.

(D) "CREDIT REPORT" MEANS ANY WRITTEN, ORAL, OR OTHER COMMUNICATION OF INFORMATION BY A CONSUMER REPORTING AGENCY BEARING ON A CONSUMER'S CREDIT WORTHINESS, CREDIT STANDING, OR CREDIT CAPACITY THAT IS USED OR EXPECTED TO BE USED OR COLLECTED IN WHOLE OR IN PART FOR THE PURPOSE OF SERVING AS A FACTOR IN THE RATING OF PERSONAL INSURANCE.

(E) "INSURANCE SCORE" MEANS A NUMBER OR RATING THAT IS DERIVED FROM AN ALGORITHM, COMPUTER APPLICATION, MODEL, OR OTHER PROCESS THAT IS BASED IN WHOLE OR IN PART ON CREDIT INFORMATION FOR THE PURPOSES OF PREDICTING THE FUTURE INSURANCE LOSS EXPOSURE OF AN INDIVIDUAL APPLICANT OR INSURED.

(F) "PERSONAL INSURANCE" MEANS PROPERTY/CASUALTY INSURANCE WRITTEN FOR PERSONAL, FAMILY, OR HOUSEHOLD USE, INCLUDING AUTOMOBILE, HOME, MOTORCYCLE, MOBILE HOME, NONCOMMERCIAL DWELLING FIRE, BOAT, PERSONAL WATERCRAFT, SNOWMOBILE, AND RECREATIONAL VEHICLE, WHETHER WRITTEN ON AN INDIVIDUAL, GROUP, FRANCHISE, BLANKET POLICY, OR SIMILAR BASIS.

Senate Bill No. 300 (S-1) as amended May 16, 2012

[ ]

Enacting section [1]. This amendatory act does not take effect unless all of the following bills of the 96th Legislature are enacted into law:

(a) House Bill No. 4593.

(b) House Bill No. 4594.

(c) House Bill No. 4595.

(d) House Bill No. 4596.