

SUBSTITUTE FOR
HOUSE BILL NO. 4593

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:

1

CHAPTER 21A

2

CREDIT INFORMATION AND CREDIT SCORES

3

SEC. 2151. AS USED IN THIS CHAPTER:

4

(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.

5

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

6

House Bill No. 4593 (H-1) as amended October 12, 2011

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

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

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

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

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

1 SEC. 2159. NOTHING IN THIS CHAPTER SHALL BE CONSTRUED TO
2 PROVIDE AN INSURED OR APPLICANT FOR INSURANCE WITH A CAUSE OF
3 ACTION THAT DOES NOT EXIST IN THE ABSENCE OF THIS CHAPTER.

4 SEC. 2161. AN INSURER SHALL INDEMNIFY, DEFEND, AND HOLD
5 HARMLESS PRODUCERS FROM AND AGAINST ALL LIABILITY, FEES, AND COSTS
6 ARISING OUT OF OR RELATING TO THE ACTIONS, ERRORS, OR OMISSIONS OF
7 A PRODUCER RESULTING FROM THE USE OF CREDIT INFORMATION OR
8 INSURANCE SCORES FOR THE INSURER, PROVIDED THAT THE PRODUCER
9 FOLLOWS THE PROCEDURES AND INSTRUCTIONS ESTABLISHED BY THE INSURER
10 AND COMPLIES WITH ALL APPLICABLE LAWS AND REGULATIONS.

11 Enacting section 1. Chapter 21A as added by this amendatory
12 act takes effect January 1, 2012.

13 Enacting section 2. This amendatory act does not take effect
14 unless all of the following bills of the 96th Legislature are
15 enacted into law:

16 (a) House Bill No. 4594.

17 (b) House Bill No. 4595.

18 (c) House Bill No. 4596.