



## INFORMATIONAL MEMORANDUM

OIR- 06-10M

ISSUED

May 22, 2006

Office of Insurance Regulation

**Kevin M. McCarty**

Commissioner

### **All Property and Casualty Insurers**

#### **Use of Credit Reports and Credit Scores by Insurers**

The purpose of this Memorandum is to notify Florida property and casualty insurers that on January 31, 2006, the Financial Services Commission approved for final adoption Rule 69O-125.005, Use of Credit Reports and Credit Scores by Insurers, F.A.C. The rule details the information that an insurer must submit to the Office regarding their use of credit reports and credit scores and requires insurers to demonstrate that their use of credit reports and credit scores does not unfairly discriminate against insureds because of their race, color, religion, marital status, age, gender, income, national origin, or place of residence.

The rule is currently being challenged by the Florida Insurance Council, the American Insurance Association, the Property and Casualty Insurers of America, and the National Association of Mutual Insurance Companies (Petitioners). In light of the delays associated with the ongoing litigation and the potential ongoing harm to consumers resulting from the use of credit reports and credit scores by insurers, the Financial Services Commission has authorized the Office to begin implementation of the provisions of the rule.

**Beginning September 1, 2006, all Florida property and casualty insurers making a new rate, rule, or underwriting guideline filing that uses, is in anyway subject to, or is based upon, credit reports or credit scores will be required to demonstrate that their credit scoring methodology does not disproportionately affect persons of any race, color, religion, marital status, age, gender, income, national origin, or place of residence.**

**By December 1, 2006, all Florida property and casualty insurers that use credit reports or credit scores for rates, rules, or underwriting purposes are required to provide appropriate information sufficient to demonstrate that their credit scoring methodology does not disproportionately affect persons of any race, color, religion, marital status, age, gender, income national origin, or place of residence.**

Inquiries should be directed to Steven H. Parton at (850)-413-4274.