

State of South Dakota

SEVENTY-SEVENTH SESSION
LEGISLATIVE ASSEMBLY, 2002

562H0288

HOUSE BILL NO. 1117

Introduced by: Representatives Madsen, Broderick, Brown (Jarvis), Flowers, Pederson (Gordon), Peterson (Bill), Solum, and Sutton (Duane) and Senators Munson, Brown (Arnold), Diedrich (Elmer), McCracken, Reedy, Sutton (Dan), and Vitter

1 FOR AN ACT ENTITLED, An Act to provide rule-making authority regarding the use of credit
2 histories by insurers when underwriting or rating certain insurance applications or renewing
3 insurance policies.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

5 Section 1. That chapter 58-2 be amended by adding thereto a NEW SECTION to read as
6 follows:

7 The director may promulgate rules, pursuant to chapter 1-26, to specify the prohibited uses
8 of a credit history by any insurer to underwrite or rate personal lines automobile or homeowner's
9 insurance applications or renewals which, in the opinion of the director, are unjust, unfair, or
10 unfairly discriminatory to any person insured or making application for coverage. The director
11 may also promulgate rules, pursuant to chapter 1-26, assuring notice by the insurer to an insured
12 or applicant of the use of any credit report or credit history in the underwriting and rating of
13 personal lines automobile or homeowner's applications or renewals.

14 The director may not promulgate any rule that would constitute an absolute bar to the use



- 1 of credit scoring by an insurer when underwriting or rating personal lines automobile or
- 2 homeowner's insurance applications or renewals.