

HB

312

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 4
 Bill Version: CSHB 312(FIN)
 (H) Publish Date: 3/18/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Education & Early Development
 Title: "An Act relating to the delay of the reduction of BRU: K-12 Support
supplementary public school funding; and providing for an eff..." Component: Foundation Program
 Sponsor: Rep. Williams
 Requester: (H) FIN Component Number: 141

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	334.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous						
TOTAL OPERATING	334.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	334.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	334.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Attached is an analysis of the financial impact on foundation funding if the floor provision is suspended until 2004.

211 students enrolled in Alaska Challenge Youth Program funded through Alyeska Central School.
 211 x \$3,208 = \$676,888

Summary:

Section 1 \$1,010,918
 Section 2 (676,888)
 Net change \$334,030

Prepared by: Eddy Jeans, School Finance Manager Phone 465-8679
 Division: Education & Early Development Date/Time 03/15/02
 Approved by: Ed McLain, Deputy Commissioner of Education Date 3/15/2002
 Agency: Education & Early Development

For distribution information, call the Governor's Legislative Office

School District	FY2003 Floor	FY2002 Floor	Section 1 Difference	Section 2	Net Change
Alaska Gateway	213,670	213,670	-		0
Aleutian Region	151,145	172,799	21,654		21,654
Aleutians East Borough	-	-	-		0
Anchorage	-	-	-		0
Annette Island	-	-	-		0
Bering Strait	-	-	-		0
Bristol Bay Borough	-	-	-		0
Chatham	-	-	-		0
Chugach	482,622	482,622	-		0
Copper River	-	-	-		0
Cordova	36,212	36,324	112		112
Craig	-	-	-		0
Delta/Greely	98,930	306,215	207,285		207,285
Denali Borough	-	-	-		0
Dillingham	54,808	79,814	25,006		25,006
Fairbanks N. Star Borough	-	-	-		0
Galena	1,358,327	1,564,082	205,755		205,755
Haines Borough	1,904	7,261	5,357		5,357
Hoonah	36,570	36,570	-		0
Hydaburg	135,953	141,618	5,665		5,665
Iditarod Area	660,505	705,331	44,826		44,826
Juneau Borough	-	-	-		0
Kake	47,666	47,666	-		0
Kashunamiut	-	-	-		0
Kenai Peninsula Borough	-	-	-		0
Ketchikan Gateway Borough	-	-	-		0
Klawock	178,457	178,457	-		0
Kodiak Island Borough	-	-	-		0
Kuspuk	62,218	152,940	90,722		90,722
Lake & Peninsula Borough	186,798	190,610	3,812		3,812
Lower Kuskokwim	3,956,869	4,139,773	182,904		182,904
Lower Yukon	-	-	-		0
Mat-Su Borough	-	-	-		0
Nenana	-	-	-		0
Nome	95,044	95,798	754		754
North Slope Borough	-	-	-		0
Northwest Arctic Borough	-	-	-		0
Pelican	170,985	170,985	-		0
Petersburg	-	-	-		0
Pribilof	22,135	27,348	5,213		5,213
Sitka Borough	-	-	-		0
Skagway	195,530	199,075	3,545		3,545
Southeast Island	405,398	422,290	16,892		16,892
Southwest Region	-	-	-		0
St. Mary's	83,071	128,079	45,008		45,008
Tanana	76,854	86,751	9,897		9,897
Unalaska	344,603	344,603	-		0
Valdez	462,038	492,498	30,460		30,460
Wrangell	-	-	-		0
Yakutat	146,730	188,115	41,385		41,385
Yukon Flats	713,429	727,989	14,560		14,560
Yukon/Koyukuk	522,921	550,443	27,522		27,522
Yupitit	311,485	334,069	22,584		22,584
Alyeska Central School *	-	-	-	(676,888)	(676,888)
Mt. Edgecumbe High School	-	-	-		0
TOTALS:	11,212,877	12,223,795	1,010,918	(676,888)	334,030

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSHB 312(FIN)
(H) Publish Date: 3/18/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Education & Early Development
Title: "An Act relating to the delay of the reduction of BRU: K-12 Support
supplementary public school funding; and providing for an eff..." Component: Schools for the Handicapped
Sponsor: Rep. Williams
Requester: (H) FIN Component Number: 151

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	2,531.6	2,531.6	2,531.6	2,531.6	2,531.6	2,531.6
Miscellaneous						
TOTAL OPERATING	2,531.6	2,531.6	2,531.6	2,531.6	2,531.6	2,531.6

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	2,531.6	2,531.6	2,531.6	2,531.6	2,531.6	2,531.6
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	2,531.6	2,531.6	2,531.6	2,531.6	2,531.6	2,531.6

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

- a) Base student allocation (\$4,010) x 7 x # of residential students (150) = \$4,210,500
b) Base student allocation (\$4,010) x 60% x # of nonresidential students (175) = \$421,050

Total Allocation: \$4,210,500 + \$421,050 = \$4,631,550 - \$2,100,000 Fed Funds = \$2,531,550 Alaska Military Youth Academy Grant

SUMMARY:

Alaska Military Youth Academy Grant \$2,531,550
Reduction in Foundation Program (676,888)
Military & Veterans Affairs fiscal note (1,407,500)
Military & Veterans Affairs fiscal note (97,600)
Net Increase for Military Youth Academy \$349,562

Prepared by: Eddy Jeans, School Finance Manager Phone 465-8679
Division: Education & Early Development Date/Time 03/15/02
Approved by: _____ Date 3/15/2002
Agency: Education & Early Development

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: CSHB 312(FIN)
 (H) Publish Date: 3/18/02

Revision Date/Time (Note if correction): _____
 Title: Supplementary Public School Funding
 Sponsor: Rep. Williams
 Requester: (H) FIN
 Dept. Affected: Military & Veterans Affairs
 BRU: Alaska National Guard
 Component: AK Military Youth Academy
 Component Number: 1969

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	641.5					
Miscellaneous						
TOTAL OPERATING	641.5	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match	(1,407.5)					
1004 GF	(97.6)					
1005 GF/Program Receipts						
1037 GF/Mental Health						
1007 Interagency Receipts	2,146.6					
TOTAL	641.5	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: none
 Check this box (X) if funding for this bill is included in the Governor's FY2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See next page for fiscal calculations.

Prepared by: Carol Carroll, Director Phone 907-465-4730
 Division: Administrative Services Date/Time 15-Mar-02
 Approved by: Phillip Oates Date 15-Mar-02
 Agency: Military & Veterans Affairs

ANALYSIS: (continued) CSHB 312(FIN) FN#2

Calculation:

- a. Base student allocation $(\$4,010) \times 7 \times \# \text{ of residential students } (150) = \$4,210,500$
- b. Base student allocation $(\$4,010) \times 6/10 \times \# \text{ of nonresidential students } (175) = \$421,050$

Total Allocation:

$$\$4,210,500 + \$421,050 = \$4,631,550$$

Less Federal Matching Funds of \$2,100,000

Equals \$2,531,550 TOTAL interagency receipts allocation from Dept. of Education

Notes:

1. This fiscal note reflects an interagency receipts amount of \$2,146,600 because the FY03 Governor's budget request already included \$385,000 interagency receipts authorization from Dept. of Education's Alyeska School. This funding will be replaced by the public school funding, but the additional receipt authorization is not needed as long as the Governor's budget interagency receipt amount is funded in HB403.
2. This fiscal note is based on changes from the Governor's FY03 budget. Not included was the Governor's FY03 amended request of \$240,000 for graduate stipends. The net difference of \$641,500 on the fiscal note less the \$240,000 amendment request results in a NET increase over the Governor's amended request of \$401,500.
3. This calculation is based on FY01 student counts and federal funding grants. These may fluctuate each year, and will be determined on October 1 per this legislation.

Alaska State Legislature

Co-Chair
House Finance Committee
Subcommittee Chair
Environmental Conservation
Courts



Representative William K. Williams

During Session:
State Capitol
Juneau, AK 99801-1182
(907) 465-3424
Fax (907) 465-3793

In Ketchikan:
50 Front Street, Suite 203
Ketchikan, AK 99901
(907) 247-4672
Fax (907) 225-7157

SPONSOR STATEMENT FOR HOUSE BILL 312

House Bill 312 suspends the "erosion" effect on the "Supplemental Funding Floor" established by SB 36 in the 20th legislature. Presently, in FY 03, the erosion effect takes some school funds away from 22 school districts across the state. The suspension will be in place pending the results of a study of school district cost factors funded by this legislature last session. The results of that study will be available for consideration by the legislature in determining school funding for FY 04.

The Supplemental Funding Floor is a way to help school districts that lost funding in SB 36 make the transition from the old community based funding formula to the new school funding formula established by SB 36.

School districts that qualified for less state funding under SB 36 than under the old community based funding formula were held "harmless" by the supplemental funding floor. These districts were given additional funds that represent the difference between the districts old community based funding formula and the new school funding formula established by SB 36.

However, as a school district qualifies for increased funding, the school district's supplemental funding floor is subject to a reduction of 40%. This "erosion" of the funding floor continues until the school district no longer qualifies for a supplemental funding floor.

Again, HB 312 proposes to suspend the 40% reduction to the supplemental funding floor for FY 03 only. The suspension will allow legislators to have current, reliable, area cost differential information while deliberating the FY 04 budget. This will give the next legislature the tools necessary to make sound and informed school funding decisions based upon the best possible information. I urge your support of this important legislation.

Prepared on 3/15/02

CSHB312(FIN)

School District	FY2003 Floor	FY2002 Floor	Section 1 Difference	Section 2	Net Change
Alaska Gateway	213,670	213,670	-		0
Aleutian Region	151,145	172,799	21,654		21,654
Aleutians East Borough	-	-	-		0
Anchorage	-	-	-		0
Annette Island	-	-	-		0
Bering Strait	-	-	-		0
Bristol Bay Borough	-	-	-		0
Chatham	-	-	-		0
Chugach	482,622	482,622	-		0
Copper River	-	-	-		0
Cordova	36,212	36,324	112		112
Craig	-	-	-		0
Delta/Greely	98,930	306,215	207,285		207,285
Denali Borough	-	-	-		0
Dillingham	54,808	79,814	25,006		25,006
Fairbanks N. Star Borough	-	-	-		0
Galena	1,358,327	1,564,082	205,755		205,755
Haines Borough	1,904	7,261	5,357		5,357
Hoonah	36,570	36,570	-		0
Hydaburg	135,953	141,618	5,665		5,665
Iditarod Area	660,505	705,331	44,826		44,826
Juneau Borough	-	-	-		0
Kake	47,666	47,666	-		0
Kashunamiut	-	-	-		0
Kenai Peninsula Borough	-	-	-		0
Ketchikan Gateway Borough	-	-	-		0
Klawock	178,457	178,457	-		0
Kodiak Island Borough	-	-	-		0
Kuspuk	62,218	152,940	90,722		90,722
Lake & Peninsula Borough	186,798	190,610	3,812		3,812
Lower Kuskokwim	3,956,869	4,139,773	182,904		182,904
Lower Yukon	-	-	-		0
Mat-Su Borough	-	-	-		0
Nenana	-	-	-		0
Nome	95,044	95,798	754		754
North Slope Borough	-	-	-		0
Northwest Arctic Borough	-	-	-		0
Pelican	170,985	170,985	-		0
Petersburg	-	-	-		0
Pribilof	22,135	27,348	5,213		5,213
Sitka Borough	-	-	-		0
Skagway	195,530	199,075	3,545		3,545
Southeast Island	405,398	422,290	16,892		16,892
Southwest Region	-	-	-		0
St. Mary's	83,071	128,079	45,008		45,008
Tanana	76,854	86,751	9,897		9,897
Unalaska	344,603	344,603	-		0
Valdez	462,038	492,498	30,460		30,460
Wrangell	-	-	-		0
Yakutat	146,730	188,115	41,385		41,385
Yukon Flats	713,429	727,989	14,560		14,560
Yukon/Koyukuk	522,921	550,443	27,522		27,522
Yupitit	311,485	334,069	22,584		22,584
Alyeska Central School *	-	-	-	(676,888)	(676,888)
Mt. Edgecumbe High School	-	-	-		0
TOTALS:	11,212,877	12,223,795	1,010,918	(676,888)	334,030

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

January 25, 2002

SUBJECT: Sectional Summary of Public school funding - HB 312

TO: Representative Bill Williams
Attn: Randy

FROM: Michael F. Ford *M.F.*
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Changes the effective date for a provision of law requiring a reduction in certain public school funding from fiscal year 2000 to fiscal year 2004.

Section 2. Provides that HB 312 does not apply to any public school funding reductions required under AS 14.17.490(d) in fiscal years 2000, 2001, or 2002.

Section 3. Allows the Department of Education and Early Development to adopt regulations necessary to implement HB 312.

Section 4. Effective date for sec. 3.

Section 5. Effective date for secs. 1 and 2.

MFF:med
02-057.med

ENGROSSED SUBSTITUTE HOUSE BILL 2544

Passed Legislature - 2002 Regular Session

State of Washington 57th Legislature 2002 Regular Session

By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Cooper, Benson, Santos, Clements, Simpson, McIntire, Armstrong, Hunt, Romero, Dickerson, Upthegrove, Chase, Ogden, Haigh, Conway, Kenney, Campbell and Linville; by request of Governor Locke. Insurance Commissioner and Attorney General)

Read first time 02/08/2002. Referred to Committee on .

1 AN ACT Relating to using credit history for insurance purposes;
2 adding a new section to chapter 48.18 RCW; adding a new section to
3 chapter 48.19 RCW; and creating new sections.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. Sec. 1. A new section is added to chapter 48.18 RCW
6 to read as follows:

7 UNDERWRITING RESTRICTIONS THAT APPLY TO PERSONAL INSURANCE. (1)

8 For the purposes of this section:

9 (a) "Adverse action" has the same meaning as defined in the fair
10 credit reporting act, 15 U.S.C. Sec. 1681 et seq. Adverse actions
11 include, but are not limited to:

12 (i) Cancellation, denial, or nonrenewal of personal insurance
13 coverage;

14 (ii) Charging a higher insurance premium for personal insurance
15 than would have been offered if the credit history or insurance score
16 had been more favorable, whether the charge is by:

17 (A) Application of a rating rule;

18 (B) Assignment to a rating tier that does not have the lowest
19 available rates; or

1 (C) Placement with an affiliate company that does not offer the
2 lowest rates available to the consumer within the affiliate group of
3 insurance companies; or

4 (iii) Any reduction, adverse, or unfavorable change in the terms of
5 coverage or amount of any personal insurance due to a consumer's credit
6 history or insurance score. A reduction, adverse, or unfavorable
7 change in the terms of coverage occurs when:

8 (A) Coverage provided to the consumer is not as broad in scope as
9 coverage requested by the consumer but available to other insureds of
10 the insurer or any affiliate; or

11 (B) The consumer is not eligible for benefits such as dividends
12 that are available through affiliate insurers.

13 (b) "Affiliate" has the same meaning as defined in RCW
14 48.31B.005(1).

15 (c) "Consumer" means an individual policyholder or applicant for
16 insurance.

17 (d) "Consumer report" has the same meaning as defined in the fair
18 credit reporting act, 15 U.S.C. Sec. 1681 et seq.

19 (e) "Credit history" means any written, oral, or other
20 communication of any information by a consumer reporting agency bearing
21 on a consumer's creditworthiness, credit standing, or credit capacity
22 that is used or expected to be used, or collected in whole or in part,
23 for the purpose of serving as a factor in determining personal
24 insurance premiums or eligibility for coverage.

25 (f) "Insurance score" means a number or rating that is derived from
26 an algorithm, computer application, model, or other process that is
27 based in whole or in part on credit history.

28 (g) "Personal insurance" means:

29 (i) Private passenger automobile coverage;

30 (ii) Homeowner's coverage, including mobile homeowners,
31 manufactured homeowners, condominium owners, and renter's coverage;

32 (iii) Dwelling property coverage;

33 (iv) Earthquake coverage for a residence or personal property;

34 (v) Personal liability and theft coverage;

35 (vi) Personal inland marine coverage; and

36 (vii) Mechanical breakdown coverage for personal auto or home
37 appliances.

38 (h) "Tier" means a category within a single insurer into which
39 insureds with substantially like insuring, risk or exposure factors,

1 and expense elements are placed for purposes of determining rate or
2 premium.

3 (2) An insurer that takes adverse action against a consumer based
4 in whole or in part on credit history or insurance score shall provide
5 written notice to the applicant or named insured. The notice must
6 state the significant factors of the credit history or insurance score
7 that resulted in the adverse action. The insurer shall also inform the
8 consumer that the consumer is entitled to a free copy of their consumer
9 report under the fair credit reporting act.

10 (3) An insurer shall not cancel or nonrenew personal insurance
11 based in whole or in part on a consumer's credit history or insurance
12 score. An offer of placement with an affiliate insurer does not
13 constitute cancellation or nonrenewal under this section.

14 (4) An insurer may use credit history to deny personal insurance
15 only in combination with other substantive underwriting factors. For
16 the purposes of this subsection:

17 (a) "Deny" means an insurer refuses to offer insurance coverage to
18 a consumer;

19 (b) An offer of placement with an affiliate insurer does not
20 constitute denial of coverage; and

21 (c) An insurer may reject an application when coverage is not bound
22 or cancel an insurance contract within the first sixty days after the
23 effective date of the contract.

24 (5) Insurers shall not deny personal insurance coverage based on:

25 (a) The absence of credit history or the inability to determine the
26 consumer's credit history, if the insurer has received accurate and
27 complete information from the consumer;

28 (b) The number of credit inquiries;

29 (c) Credit history or an insurance score based on collection
30 accounts identified with a medical industry code;

31 (d) The initial purchase or finance of a vehicle or house that adds
32 a new loan to the consumer's existing credit history, if evident from
33 the consumer report; however, an insurer may consider the bill payment
34 history of any loan, the total number of loans, or both;

35 (e) The consumer's use of a particular type of credit card, charge
36 card, or debit card; or

37 (f) The consumer's total available line of credit; however, an
38 insurer may consider the total amount of outstanding debt in relation
39 to the total available line of credit.

1 (6) (a) If disputed credit history is used to determine eligibility
2 for coverage and a consumer is placed with an affiliate that charges
3 higher premiums or offers less favorable policy terms:

4 (i) The insurer shall reissue or rerate the policy retroactive to
5 the effective date of the current policy term; and

6 (ii) The policy, as reissued or rerated, shall provide premiums and
7 policy terms the consumer would have been eligible for if accurate
8 credit history had been used to determine eligibility.

9 (b) This subsection only applies if the consumer resolves the
10 dispute under the process set forth in the fair credit reporting act
11 and notifies the insurer in writing that the dispute has been resolved.

12 (7) The commissioner may adopt rules to implement this section.

13 (8) This section applies to all personal insurance policies issued
14 or renewed after January 1, 2003.

15 NEW SECTION. Sec. 2. A new section is added to chapter 48.19 RCW
16 to read as follows:

17 MAKING OF RATES--PERSONAL INSURANCE. (1) For the purposes of this
18 section:

19 (a) "Consumer" means an individual policyholder or applicant for
20 insurance.

21 (b) "Credit history" means any written, oral, or other
22 communication of any information by a consumer reporting agency bearing
23 on a consumer's creditworthiness, credit standing, or credit capacity
24 that is used or expected to be used, or collected in whole or in part,
25 for the purpose of serving as a factor in determining personal
26 insurance premiums or eligibility for coverage.

27 (c) "Insurance score" means a number or rating that is derived from
28 an algorithm, computer application, model, or other process that is
29 based in whole or in part on credit history.

30 (d) "Personal insurance" means:

31 (i) Private passenger automobile coverage;

32 (ii) Homeowner's coverage, including mobile homeowners,
33 manufactured homeowners, condominium owners, and renter's coverage;

34 (iii) Dwelling property coverage;

35 (iv) Earthquake coverage for a residence or personal property;

36 (v) Personal liability and theft coverage;

37 (vi) Personal inland marine coverage; and

1 (vii) Mechanical breakdown coverage for personal auto or home
2 appliances.

3 (2) Credit history shall not be used to determine personal
4 insurance rates, premiums, or eligibility for coverage unless the
5 insurance scoring models are filed with the commissioner. Insurance
6 scoring models include all attributes and factors used in the
7 calculation of an insurance score. RCW 48.19.040(5) does not apply to
8 any information filed under this subsection, and the information shall
9 be withheld from public inspection and kept confidential by the
10 commissioner. All information filed under this subsection shall be
11 considered trade secrets under RCW 48.02.120(3). Information filed
12 under this subsection may be made public by the commissioner for the
13 sole purpose of enforcement actions taken by the commissioner.

14 (3) Insurers shall not use the following types of credit history to
15 calculate a personal insurance score or determine personal insurance
16 premiums or rates:

17 (a) The absence of credit history or the inability to determine the
18 consumer's credit history, unless the insurer has filed actuarial data
19 segmented by demographic factors in a manner prescribed by the
20 commissioner that demonstrates compliance with RCW 48.19.020;

21 (b) The number of credit inquiries;

22 (c) Credit history or an insurance score based on collection
23 accounts identified with a medical industry code;

24 (d) The initial purchase or finance of a vehicle or house that adds
25 a new loan to the consumer's existing credit history, if evident from
26 the consumer report; however, an insurer may consider the bill payment
27 history of any loan, the total number of loans, or both;

28 (e) The consumer's use of a particular type of credit card, charge
29 card, or debit card; or

30 (f) The consumer's total available line of credit; however, an
31 insurer may consider the total amount of outstanding debt in relation
32 to the total available line of credit.

33 (4) If a consumer is charged higher premiums due to disputed credit
34 history, the insurer shall rerate the policy retroactive to the
35 effective date of the current policy term. As rerated, the consumer
36 shall be charged the same premiums they would have been charged if
37 accurate credit history was used to calculate an insurance score. This
38 subsection applies only if the consumer resolves the dispute under the

1 process set forth in the fair credit reporting act and notifies the
2 insurer in writing that the dispute has been resolved.

3 (5) The commissioner may adopt rules to implement this section.

4 (6) This section applies to all personal insurance policies issued
5 or renewed on or after June 30, 2003.

6 NEW SECTION. Sec. 3. Captions used in this act are not any part
7 of the law.

8 NEW SECTION. Sec. 4. The commissioner shall report to the
9 legislature by January 1, 2004, on issues related to the use of credit
10 history in personal insurance underwriting and rating and the
11 implementation of this act. The report must include:

12 (1) A review of how this act has been implemented and how it has
13 impacted consumers; and

14 (2) A review and analysis of insurance scoring that is due to the
15 legislature by January 1, 2003, which includes, but is not limited to:

16 (a) Which types of consumers, based on demographic factors, benefit
17 from or are harmed by the use of credit history in personal insurance
18 rating and underwriting;

19 (b) The extent to which the use of credit history affects rates
20 charged to the consumer;

21 (c) Whether insurance scoring results in discrimination against a
22 protected class of people or the poor; and

23 (d) Other issues as determined by the commissioner.

--- END ---