

Office of Insurance Regulation – Legislative Priorities 2009

Discriminatory Rating Practices

[SB 1524](#) sponsored by [Sen. Storms](#)

[HB 683](#) sponsored by [Rep. P. Taylor](#)

This bill precludes the use of discriminatory rating criteria such as profession, education and credit score when consumers purchase insurance. These rating factors have historically discriminated against African-Americans, Hispanics and people who have a limited credit history. In the current economic turmoil, people who find their credit reduced through no fault of their own or who take a less prestigious job could pay more for insurance despite no change in their insurance claim history and driving record.

Stranger Originated Life Insurance

[SB 1882](#) sponsored by [Sen. Fasano](#)

[HB 1167](#) sponsored by [Rep. Legg](#)

This bill would stop investors from fraudulently creating an insurable interest in strangers as a lucrative way of betting on the demise of high net worth individuals. Primarily targeted at senior citizens, this scheme, if left unabated, could drive up life insurance rates while creating unanticipated tax liabilities for consumers who are recruited into these precarious financial arrangements.

Title Insurance

[SB 444](#) sponsored by [Sen. Bennett](#)

[HB 1267](#) sponsored by [Rep. Jenne](#)

This bill allows title insurance companies to file for an actuarially sound insurance rate like most sellers of insurance products do in other lines of business. Currently, the law prescribes a premium cost to consumers that may be artificially high and discourages healthy competition in the market.