

REFERENCE TITLE: **home insurers; discrimination; prohibition**

State of Arizona
House of Representatives
Fifty-sixth Legislature
First Regular Session
2023

HB 2065

Introduced by
Representatives Carter: Bliss

AN ACT

**AMENDING SECTION 20-2110, ARIZONA REVISED STATUTES; RELATING TO INSURANCE
INFORMATION AND PRIVACY PROTECTION.**

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 20-2110, Arizona Revised Statutes, is amended to
3 read:

4 20-2110. Reasons for adverse underwriting decisions

5 A. In the event of an adverse underwriting decision the insurance
6 institution or insurance producer responsible for the decision shall
7 either provide the applicant, policyholder or individual proposed for
8 coverage with the specific reason for the adverse underwriting decision in
9 writing or advise the person, in writing, that on written request the
10 person may receive the specific reason in writing and provide the
11 applicant, policyholder or individual proposed for coverage with a summary
12 of the rights established under subsection B of this section and sections
13 20-2108 and 20-2109.

14 B. On receipt of a written request within ninety business days
15 after the date the notice or other communication of an adverse
16 underwriting decision is sent to an applicant, policyholder or individual
17 proposed for coverage, the insurance institution or insurance producer
18 shall send to the person within twenty-one business days after the date of
19 receipt of the written request:

20 1. The specific reason for the adverse underwriting decision, in
21 writing, if the information was not initially furnished in writing
22 pursuant to subsection A of this section.

23 2. The specific items of personal and privileged information that
24 support those reasons except that:

25 (a) The insurance institution or insurance producer is not required
26 to furnish specific items of privileged information if it has a reasonable
27 suspicion, based on specific information available for review by the
28 director, that the applicant, policyholder or individual proposed for
29 coverage has engaged in criminal activity, fraud, material
30 misrepresentation or material nondisclosure.

31 (b) Specific items of medical record information supplied by a
32 medical care institution or medical professional shall be disclosed either
33 directly to the individual about whom the information relates or to a
34 medical professional designated by the individual and licensed to provide
35 medical care with respect to the condition to which the information
36 relates, at the option of the insurance institution or insurance producer.

37 3. The names and addresses of the institutional sources that
38 supplied the specific items of information pursuant to paragraph 2 of this
39 subsection, except that the identity of any medical professional or
40 medical care institution shall be disclosed either directly to the
41 individual or to the designated medical professional, whichever the
42 insurance institution or insurance producer prefers.

43 C. The obligations imposed by this section on an insurance
44 institution or insurance producer may be satisfied by another insurance
45 institution or insurance producer authorized to act on its behalf.

1 D. If an adverse underwriting decision results solely from an oral
2 request or inquiry, the explanation of the specific reasons and summary of
3 rights required by subsection A of this section may be given orally.

4 E. In providing the specific reason for an adverse underwriting
5 decision based on credit related information contained or not contained in
6 an individual's consumer report, the insurance institution or agent shall
7 provide at least the following information:

8 1. That the decision was based in part on a consumer report or the
9 absence of credit history.

10 2. The source of the consumer report and how the individual may
11 obtain a copy of the consumer report.

12 3. A description of up to four factors that were the primary cause
13 for the adverse action that resulted from the insurance score.

14 F. An insurer shall not use the following types of credit history
15 to calculate an insurance score to determine property or casualty premiums
16 for insurance transactions that are subject to this article and shall not
17 knowingly use an insurance score developed by a third party if the score
18 is calculated using any of the following types of credit history:

19 1. The absence of credit history or the inability to determine the
20 consumer's credit history unless the insurer's action is actuarially
21 justified or the insurer treats the consumer as if the consumer had
22 neutral credit information, as defined by the insurer.

23 2. Credit history or an insurance score based on collection
24 accounts identified with a medical industry code.

25 3. A bankruptcy or a lien satisfaction that is more than seven
26 years old.

27 4. The consumer's use of a particular type of credit card, charge
28 card or debit card unless actuarially justified.

29 5. The consumer's total available line of credit, except that an
30 insurer may consider the total amount of outstanding debt in relation to
31 the total available line of credit.

32 6. An insurance score that is calculated using the income, gender,
33 address, zip code, ethnic group, religion, marital status, **AGE** or
34 nationality of the consumer as a factor. This paragraph does not prohibit
35 an insurer from using zip code, address, gender, ~~and~~ marital status **AND**
36 **AGE** information for underwriting purposes.