

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office
FLOOR DEBATE

February 26, 2003 LB 487

limited. And then it also provides some protections and I think they're very significant. When I push my light again, we'll start going through those because I want you to understand that this is about protecting our people. This is about making sure that credit information is not used against people in an injurious way, and certainly as we have looked at the climbing rate of identity theft and the fact that people are often finding errors in their credit information, we want to make sure that there's an avenue where they can correct those errors and actually be rerated so that they can bring those insurance decisions down to their benefit. So I'm here to tell you just a few stories. I want to tell you that in Lacey, Washington, a couple was denied the best credit score because they pay all their credit cards in full every month. Well, LB 487 addresses that. A Seattle man suffered injuries from an accident involving a drunk driver. After 12 surgeries and steep medical bills, he and his wife missed some payments on their bills. The wife was frustrated because she feels she shouldn't have to pay as much for their auto insurance as the person with the DUI. LB 487 fixes that. An American citizen established good credit in Canada where he lived for 21 years. He recently moved to Washington and is having trouble finding reasonably priced auto insurance because insurers claim he has no credit history. He'd been out of the country for 21 years; still an American citizen. LB 487 addresses that. Now, on page 3 of the bill, you will see the most important thing that you can glean today from our discussion, and that is definitions for credit reports and insurance scores, because they are not the same thing. A credit report means any written, oral, or other communication of information by a consumer reporting agency bearing on it the consumer's credit worthiness, credit standing or credit capacity. It's used or expected to be used or collected in whole or in part for the purpose of serving as a factor to determine personal insurance premiums, eligibility for coverage, or tier placement. Now, as I read that definition to you, remember, that's different than what we're talking about whether you can get a loan or not. It's different than the information they use on whether you can get a credit card. It's looking at a broader spectrum of factors and each model doesn't even use, necessarily, the same factors, but they have tried to identify the ones that they feel are truly risk factors for insurance.