

**First Regular Session  
Sixty-third General Assembly  
STATE OF COLORADO**

**INTRODUCED**

LLS NO. 01-0454.01 Pam Cybyske [Duane Gall]

**HOUSE BILL 01-1126**

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**HOUSE SPONSORSHIP**

**Jahn**

**SENATE SPONSORSHIP**

**(None)**

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**House Committees**

Information & Technology

**Senate Committees**

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**A BILL FOR AN ACT**

101     **CONCERNING LIMITATIONS ON THE USE OF CONSUMER CREDIT**  
102             **INFORMATION IN CONNECTION WITH THE ISSUANCE OF**  
103             **INSURANCE POLICIES.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)*

Prohibits insurers from using a consumer credit report or credit scoring information to determine either the consumer's eligibility for noncommercial insurance or the premium to be charged to the consumer for noncommercial insurance.

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Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** 10-1-111 (1), Colorado Revised Statutes, is  
3 amended BY THE ADDITION OF THE FOLLOWING NEW  
4 PARAGRAPHS to read:

5 **10-1-111. Grounds and procedure for suspension or revocation**  
6 **of certificate or license of entities.** (1) The certificate of authority of an  
7 insurance company to do business in this state may be revoked or  
8 suspended by the commissioner for any reason specified in this title,  
9 article 7 of title 12, and article 14 of title 24, C.R.S. Specifically, the  
10 certificate may be suspended or revoked by the commissioner for the  
11 following reasons:

12 (k) USE OF CREDIT SCORING, AS DEFINED IN SECTION 12-14.3-102  
13 (4.3), C.R.S., TO DETERMINE EITHER THE CONSUMER'S ELIGIBILITY FOR  
14 INSURANCE OR THE PREMIUM TO BE CHARGED TO THE CONSUMER EXCEPT  
15 IN CONNECTION WITH INSURANCE COVERING THE CONSUMER'S BUSINESS,  
16 PROFESSION, OR OCCUPATION.

17 (l) USE OF A CONSUMER REPORT, AS DEFINED IN SECTION  
18 12-14.3-102 (3), C.R.S., TO DETERMINE EITHER THE CONSUMER'S  
19 ELIGIBILITY FOR INSURANCE OR THE PREMIUM TO BE CHARGED TO THE  
20 CONSUMER EXCEPT IN CONNECTION WITH INSURANCE COVERING THE  
21 CONSUMER'S BUSINESS, PROFESSION, OR OCCUPATION.

22 **SECTION 2.** 12-14.3-103 (1)(c) (III), Colorado Revised Statutes,  
23 is amended to read:

24 **12-14.3-103. Permissible purposes - prohibition.** (1) A  
25 consumer reporting agency may furnish a consumer report only under the  
26 following circumstances:

27 (c) To a person which the consumer reporting agency has reason

1 to believe:

2 (III) Intends to use credit scoring information in connection with  
3 the underwriting or rating of BUSINESS insurance involving the consumer  
4 and such person establishes that the consumer has received written  
5 notification, or notification in the same medium as the application for  
6 insurance, that a credit report may be requested in connection with his or  
7 her application for BUSINESS insurance and that credit scoring information  
8 may be used to determine either the consumer's eligibility for SUCH  
9 insurance or the premium to be charged to the consumer; or

10 **SECTION 3. Effective date - applicability.** This act shall take  
11 effect July 1, 2001, and shall apply to policies of insurance issued or  
12 renewed on or after said date.

13 **SECTION 4. Safety clause.** The general assembly hereby finds,  
14 determines, and declares that this act is necessary for the immediate  
15 preservation of the public peace, health, and safety.