



Greg Schwab

Bill Analysis
Legislative Service Commission

Sub. S.B. 151*
125th General Assembly
(As Reported by S. Insurance, Commerce, and Labor)

Sens. Austria, Schuring, Jacobson

BILL SUMMARY

- Requires consumer reporting agencies to provide consumers with one free consumer report per calendar year.
- Prohibits consumer reporting agencies from disclosing certain information obtained from insurance companies.
- Requires insurance companies to indemnify licensed insurance agents that obtain, provide, or use information from a consumer reporting agency in error if the agent follows established procedures and laws.

CONTENT AND OPERATION

Consumer reports to be made available to consumers

(sec. 1349.04)

The bill requires consumer reporting agencies that compile and maintain files on consumers on a nationwide basis to furnish, upon request and without charge, one complete consumer report per calendar year to any consumer who has provided appropriate verification of the consumer's identity.

* *This analysis was prepared before the report of the Senate Insurance, Commerce, and Labor Committee appeared in the Senate Journal. Note that the list of co-sponsors and the legislative history may be incomplete.*

Consumer reporting agencies prohibited from disclosing certain information obtained from insurance companies; agents indemnified

(sec. 1349.51)

The bill prohibits consumer reporting agencies from selling or otherwise furnishing a consumer report containing any information relative to an individual's insurance coverage that was submitted to the agency in whole or in part in conjunction with an insurance company's inquiry into an individual's credit history or a request for a consumer report. Information relative to an individual's insurance coverage includes, but is not limited to, the expiration date of an insurance policy, information that may be used to find a policy's expiration date or approximate expiration date, and the terms and conditions of an insurance policy.

The bill does not prohibit a consumer reporting agency from furnishing information relative to an individual's insurance coverage to the agent or producer that supplied the information to the consumer reporting agency. A consumer reporting agency may also furnish this information to an insurance company and its affiliates, or to the members of a holding company in which the insurance company is a member, if the information was supplied to the consumer reporting agency by an agent or producer acting on behalf of the insurance company. Nothing in the bill prohibits an insurance company from obtaining a claims history or motor vehicle report.

Insurance companies, under the bill, are required to indemnify, defend, and hold harmless a licensed insurance agent from and against all liability, fees, and costs arising out of or relating to the actions, errors, or omissions of the agent in obtaining, providing, or using information on behalf of the insurance company, which information is sold or furnished by a consumer reporting agency in violation of the bill, provided that the agent follows the procedures and instructions established by the insurance company and follows all applicable laws and regulations. The bill stipulates that nothing in this section of the bill may be construed to provide a consumer or insured with a cause of action that would not otherwise exist.

Definitions

As used in this bill, "consumer report," "consumer reporting agency," and "consumer reporting agency that compiles and maintains files on consumers on a nationwide basis" have the same meanings as in the federal "Fair Credit Reporting Act." *In general:*

--A "consumer report" is any written, oral, or other communication of information by a consumer reporting agency bearing on a consumer's credit

worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living which is used or expected to be used or collected in whole or in part for the purpose of serving as a factor in establishing the consumer's eligibility for credit or insurance for personal, family, or household purposes, employment purposes, and other purposes delineated by the "Fair Credit Reporting Act."

--A "consumer reporting agency" is any person that, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties.

--A "consumer reporting agency that compiles and maintains files on consumers on a nationwide basis" means a consumer reporting agency that regularly engages in the practice of assembling or evaluating, and maintaining, for the purpose of furnishing consumer reports to third parties bearing on a consumer's credit worthiness, credit standing, or credit capacity, public record information and credit account information regarding consumers residing anywhere nationwide.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	11-12-03	p. 1160
Reported, S. Insurance, Commerce, and Labor	---	---

S0151-RS-125.doc/jc

