

SENATE BILL NO. 61

BY SENATORS LUNEAU, BARROW, BOUDREAUX, BOUIE, CARTER, DUPLESSIS,
HARRIS, JACKSON-ANDREWS, JENKINS, PRICE AND SELDERS
AND REPRESENTATIVES BOYD, CHASSION, FISHER, HUGHES,
JACKSON, JORDAN, KNOX, MANDIE LANDRY, TERRY LANDRY,
LARVADAIN, LYONS, MARCELLE, MILLER, NEWELL, PHELPS,
WILLARD AND YOUNG

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

1 AN ACT

2 To amend and reenact R.S. 22:1508, 1509, and 1510, relative to the use of credit information
3 in underwriting or rating of certain personal insurance policies; to require an insurer
4 to provide a consumer with the credit information obtained by the insurer; to provide
5 for adverse action notification; to require review of an insurer's scoring system; to
6 provide for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:1508, 1509, and 1510 are hereby amended and reenacted to read
9 as follows:

10 §1508. Initial notification; **disclosure**

11 A.**(1)** If an insurer writing personal insurance uses credit information in
12 underwriting or rating a consumer, the insurer or its agent shall disclose, either on
13 the insurance application or at the time the insurance application is taken, that it may
14 obtain credit information in connection with ~~such~~ **the** application. ~~Such~~ **The**
15 disclosure shall be either written or provided to an applicant in the same medium as
16 the application for insurance. The insurer need not provide the disclosure statement
17 required under this Section to any insured on a renewal policy, if ~~such consumer~~ **the**
18 **insured** has previously been provided a disclosure statement.

19 ~~B.~~**(2)** Use of the following example disclosure statement constitutes
20 compliance with this ~~Section.~~ **Subsection:** "In connection with this application for
21 insurance, we may review your credit report or obtain or use a credit-based insurance
22 score based on the information contained in that credit report. We may use a third

1 party in connection with the development of your insurance score."

2 **B. At the time of an insurer's initial notification described in Paragraph**
3 **(A)(1) of this Section, the insurer shall also notify the consumer of how he may**
4 **obtain a copy of the credit information used in the underwriting or rating**
5 **process.**

6 §1509. Adverse action notification

7 If an insurer takes an adverse action based upon credit information, the
8 insurer ~~must meet the notice requirements of this Section. Such insurer~~ shall **do both**
9 **of the following:**

10 (1) Provide notification to the consumer that an adverse action has been taken
11 in accordance with the requirements of the federal Fair Credit Reporting Act, 15
12 U.S.C. 1681m(a).

13 (2) Provide notification to the consumer explaining the reason for the adverse
14 action. The reasons shall be provided in sufficiently clear and specific language so
15 that a person can identify the basis for the insurer's decision to take an adverse
16 action. ~~Such~~ **The** notification shall include a description of up to four factors that
17 were the primary influences of the adverse action. The use of generalized terms such
18 as "poor credit history", "poor credit rating", or "poor insurance score" does not meet
19 the explanation requirements of this Section. Standardized credit explanations
20 provided by consumer reporting agencies or other third-party vendors are deemed
21 to comply with this Section.

22 §1510. Filing; **review by commissioner**

23 A.**(1)** Insurers that use insurance-related scoring systems to underwrite and
24 rate risks shall file their scoring models or other scoring processes with the
25 Department of Insurance. A third party may file scoring models on behalf of
26 insurers. A filing that includes insurance scoring may include loss experience
27 justifying the use of credit information.

28 **(2) The commissioner shall review the scoring models or other scoring**
29 **processes filed with the department pursuant to this Subsection to ensure**
30 **compliance with the requirements of this Subpart.**

1 B. Any filing relating to credit information is considered a trade secret ~~under~~
2 **pursuant to the Uniform Trade Secrets Act**, R.S. 51:1431 **et seq.**
3 Section 2. This Act shall become effective on July 1, 2026.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____