

Government of the District of Columbia
Muriel Bowser, Mayor
Department of Insurance, Securities and Banking



Chester A. McPherson
Acting Commissioner

BULLETIN
15-IB-01-02/03

**TO: ALL PROPERTY AND CASUALTY INSURANCE COMPANIES
AUTHORIZED TO WRITE PERSONAL LINES INSURANCE IN THE
DISTRICT OF COLUMBIA**

FROM: CHESTER A. MCPHERSON, ACTING COMMISSIONER

SUBJECT: USE OF CREDIT SCORES IN RATING INSURANCE POLICIES

DATE: FEBRUARY 19, 2015

The purpose of this bulletin is to address how insurers use credit scores to rate insurance policies in the District of Columbia. Although District of Columbia law does not prohibit the use of credit scores to set insurance rates, the Department believes that if credit scores are used to rate policies, then policyholders should be permitted to take advantage of any improvements in their credit scores. Thus, pursuant to the authorities provided in D.C. Official Codes §§ 31-2231.07, 2231.11, and 2703, which regulate insurance rates and prohibit discrimination, the Department is issuing the following guidance in order to more equitably balance the interests of insurers and consumers:

If an insurer opts to use credit scores as factors to rate policies and the insurer does not review credit scores at least annually, then the insurer must afford every policyholder, once a year at any renewal, the right to request and to receive a rate determination that considers the most recent credit score. Insurers must also notify every policyholder of these rights. To this end, insurers shall provide such a disclosure in the initial policy document and all subsequent renewal letters. The disclosure shall also be included in the form filing that is submitted to this Department for approval.

Should you have any questions regarding this Bulletin, please contact the Supervisory Actuary at (202) 727-8000.