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STATE OF MISSISSIPPI
Mississippi Insurance Department

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1/29/2004

**TO: ALL PERSONAL LINES PROPERTY AND CASUALTY INSURERS
LICENSED IN THE STATE OF MISSISSIPPI**

FROM: MISSISSIPPI INSURANCE DEPARTMENT

**SUBJECT: MISSISSIPPI REGULATION 2003-1 COMPLIANCE CHECKLIST
(USE OF CREDIT HISTORY AND INSURANCE SCORES FOR
DETERMINING RATES AND ELIGIBILITY FOR PERSONAL INSURANCE)**

Mississippi Regulation 2003-1 became effective December 24, 2003. It contains specific requirements and prohibited procedures affecting all personal lines insurers licensed in the State of Mississippi who use credit history and insurance scores for determining rates and eligibility for personal insurance.

The Mississippi Department of Insurance requires that **each** P&C Company subject to Regulation 2003-1 complete the enclosed MISSISSIPPI REGULATION 2003-1 COMPLIANCE CHECKLIST. The checklist must be signed and dated by an officer of the company and certifies the company is in compliance with Regulation 2003-1. Also, companies that have made a filing with the Department in response to Regulation 2003-1 should provide: 1) Date of the filing and 2) Company file number.

Date of Filing: _____ File No. _____

The Regulation extends the time for companies to become compliant until March 1, 2004. We ask that the checklist be returned no later than that date.

NOTE: If your company is not subject to the Regulation, i.e., Commercial Lines Only, No Use of Credit History, etc., please indicate below.

Company: _____ **Not Required.**

Date: _____

Return Address: Mississippi Insurance Department, Rating Division, P. O. Box 79,
Jackson, MS 39205-0079

Mississippi Regulation 2003-1 Compliance Checklist

Throughout this document, "Insurer" refers to company name _____, NAIC number _____. Please check all boxes that apply and return the signed, completed checklist to the Mississippi Department of Insurance.

- The Insurer maintains and makes available upon request by the Department the following information:
 - When credit history will be ordered and when insurance scores will be ordered or calculated, about whom such information will be ordered or calculated, and how such information will be used (refer to Section 5.A. for examples);
 - Disclosure forms (refer to Section 7.A. for further details) provided to the applicant advising that credit report information will be ordered, as well as evidence that the disclosure forms were furnished to the applicant; and
 - The adverse action notification, as detailed in Section 7.C.

- The Insurer (or a third party on behalf of the Insurer) has filed its insurance scoring model and underlying statistical support with the Commissioner.

- Check this box if any of the following applies to the Insurer and check the box below to signify which is applicable:
 - The Insurer treats all consumers whose credit history is unavailable ("no-hit") or incomplete ("thin file") as having the most favorable credit history.
 - Subsequent to the passing of Regulation 2003-1, the Insurer has filed and the Department is reviewing or has concurred with actuarial documentation that supports the Insurer's practices regarding no-hits and thin files. The no-hit and thin file support data submitted was segmented by age of insured.
 - The Insurer treats no-hit and thin file applicants as having neutral credit.

- The Insurer provides its producers with informational materials pertaining to the Insurer's use of credit history or insurance scores in the underwriting and rating of its policies.

- The Insurer does not deny, cancel, or non-renew personal insurance coverage, calculate an insurance score, determine personal insurance premiums or rates, or place an applicant in a tier based on the type of credit card, charge card, or debit card used by an applicant or based on credit information that the Insurer knows to be in dispute, if it is disputed on the applicant's credit report.

- The Insurer does not deny, cancel, or non-renew personal insurance coverage, determine personal insurance premiums, or place an applicant in a tier based solely on an applicant's credit history being a no-hit or thin file if the Insurer has received accurate and complete information from the applicant.

- The Insurer does not refuse to insure an applicant based solely on the applicant's credit history or insurance score.
- The Insurer does not cancel or non-renew any policy based solely on the insured's credit history or insurance score.
- The Insurer does not use credit history or insurance scores for any arbitrary, capricious, or unfairly discriminatory reason.
- The Insurer does not request or calculate an applicant's credit history or insurance score based on residence, sex, race, color, creed, occupation, income, physical handicap, or disability of an applicant.
- The Insurer does not cancel or refuse to issue or renew any policy solely because the applicant or insured does not have a credit card account.
- The Insurer does not determine any insured's initial or renewal rates for personal insurance, or make a determination on an insured's application for another line of personal insurance, solely based upon credit history or insurance score.
- The Insurer (or third party insurance score provider) shall not use any of the following as a negative factor in any insurance scoring methodology or in reviewing credit history for the purpose of underwriting or rating a policy of personal insurance:
 - Credit inquiries not initiated by the applicant or inquiries requested by the applicant for his or her own credit information;
 - Inquiries relating to insurance coverage;
 - Collection accounts with a medical industry code, if so identified in the credit history; or
 - Multiple lender inquiries from the home mortgage industry made within 30 days of one another, unless only one inquiry is considered.
 - Multiple lender inquiries from the automobile lending industry made within 30 days of one another, unless only one inquiry is considered.
- The Insurer has reviewed and complies with the treatment of inaccurate credit history information as outlined in Sections 5.E., 5.F., and 5.G. of MS Regulation 2003-1.
- The Insurer has reviewed and complies with the notice requirements outlined in Section 7. of Mississippi Regulation 2003-1.

I, _____, as an officer of _____ do
 certify that said Insurer has reviewed and fully complies with Mississippi Insurance
 Regulation No. 2003-1. Dated: _____

Signature: _____