[brackets] = necessary state-by-state replacements
* = there are some states where this does not apply

[Choose a title that will work well in your state]

[STOP PROPERTY INSURANCE DISCRIMINATION ACT]
[PROPERTY AND CASUALTY INSURANCE FAIRNESS ACT]

§ 1. Short title.

This Act shall be known and may be cited as the "[Chosen Title] of 202_."

§ 2. Legislative Findings.

(a) [State *except for New Hampshire*] requires people to purchase property and casualty insurance to qualify for a home mortgage, to drive an automobile, or to start a business. There are harsh penalties for failing to obtain and maintain coverage.

(b) Property and casualty insurance companies in [State *except for Massachusetts and California, and for Maryland and Hawaii for certain lines of insurance*] improperly and unfairly use credit-based scores to determine provision and pricing of property and casualty insurance, which negatively affects [State] consumers and leads to disparate racial and economic impact.

(c) In [State], home insurers apply a [XXX] percent penalty for policyholders with low credit scores compared to those with high credit scores, all other characteristics held equal.

[Drafting note: Locate your state's low credit score penalty as a percentage on page 13 here: Consumer Federation of America and Climate & Community Institute. "Penalized: The Hidden Cost of Credit Score in Homeowners Insurance Premiums." 2025. If you would rather not cite the penalty as a percent, you could describe it qualitatively. For more information about the underlying data and analysis, see: Nick Graetz. "Price signals and credit penalties in the home insurance market." 2025. Currently under peer review.]

(d) Property and casualty insurance is not a credit product and insurance companies cancel coverage if a policyholder does not pay their premiums.

(e) Credit-based scores have no connection to the likelihood of an individual policyholder experiencing a weather-related disaster.

(f) Credit-based pricing is unfair to lower income consumers and consumers of color who tend to have lower credit-based scores on average due to a history of community disinvestment, financial discrimination, and systemic racism.

(g) Using credit-based scores to charge higher insurance premiums perpetuates racial and economic discrimination and extracts wealth from households least able to afford it.

§ 3. The insurance law is amended by adding a new section [find the insurance law in your state and add a new section following the last implemented section] to read as follows **:**

(a) No insurer shall refuse to issue or renew a policy or contract of property and casualty insurance based in whole or in part on consumer credit information or any "consumer report" as defined in 15 USC § 1681a(d)(1), or use such factors to determine the terms of the coverage or placement in a particular affiliate within an insurance company group.
(b) Any schedule of rates, rating plan, rating rule, rating manual or any other method of establishing the premium to be paid by a property and casualty insurance policyholder, and modification thereof, based in whole or in part on consumer credit information or any "consumer report" as defined in 15 USC § 1681a(d)(1) shall be deemed unfairly discriminatory and prohibited.
(c) No filing of a rate, rating plan, rating rule, or rate manual applicable to property and casualty insurance shall be approved or allowed to remain in effect by the [State Insurance Commissioner, Director, or Superintendent—the head of the State Insurance Regulatory Agency] if the filing is based, in whole or in part, on consumer credit information or any "consumer report" as defined in 15 USC § 1681a(d)(1).

§ 4. This Act shall take effect immediately.