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East News

N.Y. Passes AIA-Backed Scoring Bill

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The New York State Legislature has approved a bill (S.5618D/A.4754D) that will regulate the use of credit-based insurance scores in a fair and reasonable manner, according to the American Insurance Association.

"Insurance scores are an accurate and efficient predictor of risk. The use of insurance scores allows more companies to write more policies and creates a better market for consumers," said Gary Henning, AIA assistant vice president, northeast region. "This bill allows insurers to continue using insurance scores while establishing new consumer protections."

AIA worked with the bill's sponsors, Assemblyman Peter Rivera (D) and Senator James Seward (R) to craft a bill that balances insurers' need to use insurance scores in order to predict risk with important consumer protections. This bill is based on the National Conference of Insurance Legislators (NCOIL) model legislation.

AIA opposed earlier proposals that would have banned the use of insurance scores in New York, pointing out that the New York auto insurance market is already troubled by fraud, abuse and over utilization of medical services and taking away an important tool used by insurers would make the market even more difficult.

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