

SB 487 STAFF MEASURE SUMMARY

Senate Committee On Business and General Government

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Sub-Referral To: Senate Committee On Judiciary

Meeting Dates: 2/26

WHAT THE MEASURE DOES:

Prohibits insurer from using consumer credit history or insurance score to decline coverage of, rerate, or otherwise determine eligibility for motor vehicle insurance. Becomes operative January 1, 2020. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Current statute requires every person that operates a motor vehicle to be insured under a motor vehicle insurance policy that meets specified requirements. Premium rates for those policies are determined by a number of factors including the consumer's driving record and demographics. Insurers may use a consumer's credit history and insurance score to decline coverage under limited circumstances. Insurers are not allowed to cancel or nonrenew personal insurance that has been in effect for at least 60 days if the decision is based on the consumer's credit history or insurance score. Most Oregon households are car-dependent. According to a 2018 report from the Oregon Department of Transportation, 82 percent of weekday trips in Oregon are made using a car, and cars account for 94 percent of all miles travelled.

Senate Bill 487 prohibits insurers from using a consumer's credit history or insurance score to decline coverage of, rerate, or otherwise determine eligibility for automobile insurance.