

40-5115. Credit information; use by insurers; extraordinary life circumstances; limitations. (a) (1) Notwithstanding any other law, rule or regulation, an insurer that uses credit information shall, upon written request from an applicant for insurance coverage or an insured, provide reasonable exceptions to the insurer's rates, rating classifications, company or tier placement, or underwriting rules or guidelines for a consumer who has experienced and whose credit information has been directly influenced by an extraordinary life circumstance.

(2) As used in this section "extraordinary life circumstance" means:

- (A) Catastrophic event, as declared by the federal or any state government;
- (B) serious illness or injury to the consumer or such consumer's immediate family member;
- (C) the death of a spouse, child or parent of the insured;
- (D) divorce or involuntary interruption of legally-owed alimony or support payments;
- (E) identity theft;
- (F) temporary loss of employment for a period of three months or more, if it results from involuntary termination;
- (G) overseas military deployment; or
- (H) other events as determined by the insurer.

(b) If a consumer submits a request for an exception under subsection (a), an insurer may, in its sole discretion:

(1) Require the consumer to provide reasonable written and independently verifiable documentation of the event;

(2) require the consumer to demonstrate that the event had a direct and meaningful impact on the consumer's credit information; and

(3) require such request be made no more than 60 days from the date of the application for insurance or the policy renewal.

(c) An insurer shall not be deemed to be out of compliance with any law, rule or regulation relating to underwriting, rating or rate filing as a result of granting an exception under this section. Nothing in this section shall be construed to provide a consumer or other insured with a cause of action that does not exist in the absence of this section.

(d) The insurer shall provide notice to consumers that reasonable exceptions are available and information about how the consumer may inquire further.

(e) (1) Within 30 days of the insurer's receipt of sufficient documentation of an extraordinary life circumstance as the insurer may request under subsection (b), the insurer shall inform the consumer of the outcome of their request for a reasonable exception.

(2) The insurer may grant an exception despite the consumer not providing the initial request for an exception in writing or grant an exception where the consumer asks for consideration of repeated circumstances or the insurer has considered this circumstance previously.

(3) The insurer shall inform the consumer of the outcome of their request in writing.

(f) This section shall be part of and supplemental to the Kansas insurance score act.

History: L. 2010, ch. 108, § 5; July 1.