
Addendum: for use with Iowa Property and Casualty online ExamFX courses and study guides version #21106en/21109en per exam content outline updates effective 1/1/2019.

*The following are **content additions** to supplement your existing text unless otherwise indicated:*

Iowa Laws, Rules, and Regulations Common to All Lines

Use of Credit Information

When utilizing credit information to underwrite or rate risks, an insurer is prohibited from the following:

- Using an insurance score based on the insured's gender, race, ethnicity, religion, income, address, zip code, marital status, or nationality;
- Cancelling, denying or refusing to renew a policy based on the insured's credit information, without any other underwriting factors;
- Basing an insured's renewal rate off of credit information alone;
- Taking adverse action solely based on the insured not having a credit card account;
- Only taking into consideration the absence of credit information when underwriting or rating personal insurance, unless when treating the applicant as if he or she has neutral credit or excludes use of credit information;
- Taking adverse action as a result of credit information, unless it's calculated prior to 90 days of insurance being written or a renewal being issued; and
- Utilizing credit scores, unless they have been recalculated or updated no later than 36 months following the previous obtainment of credit information.

If the insurer receives notice of incomplete or incorrect credit information from the consumer reporting agency or the insured, the insurer must re-underwrite and re-rate the insured **within 30 days** of receiving the notice. If it is determined the insured overpaid the premium, the insurer must refund the amount overpaid.

When using credit information in underwriting or rating, the insurer must disclose on the application that the applicant may obtain the credit information. Upon adverse action against the insured, the insurer must notify the insured and provide an explanation. Insurers must file all credit scoring models or other scoring processes with the Commissioner of Insurance.

Upon written request from an insured, insurers must provide exceptions for extraordinary life circumstances. In response to a request, the insurer may require written verifiable documentation and a description of the significance. Examples of extraordinary life circumstances include, but are not limited to:

- Serious illness or injury;
- Death of a spouse, child, or parent;
- Catastrophic event;
- Identify theft; and
- Military deployment.

Insurance Notices and Documents – Electronic Delivery

Electronic delivery refers to notices or documents sent to an electronic mail address with the consent of two or more parties. Delivery also refers to the posting of that information onto an electronic network or internet site.

Insurers are prohibited from delivering notice of cancellation, nonrenewal, or termination of a policy to an insured through electronic means, unless otherwise given approval by the Commissioner. However, courtesy copies of such notices may be sent as long as the original notice was delivered by postal mail.

Other notices and documents may be sent electronically, as long as the following requirements are met:

- The party has consented to the delivery method;
- Prior to delivery, the party is provided a clear statement stating that they choose to elect paper notices and documents, all or particular transactions, notices of nonrenewal, cancellation or termination, and any other documents relevant to the policy;
- The party is made aware of any hardware or software required to access electronic deliveries;
- The party is alerted of any change in hardware or software requirements;
- The policy does not allow for denial based on failure to obtain electronic consent; and
- Withdrawal from electronic consent does not affect the effectiveness, validity, or enforceability of a notice or document.