
Issue No. 18 – May 2011

BULLETIN

TO ALL PROPERTY AND CASUALTY INSURANCE COMPANIES, AGENTS AND BROKERS

CREDIT INFORMATION PROHIBITED IN PERSONAL PROPERTY INSURANCE AND PRIVATE PASSENGER AUTOMOBILE INSURANCE

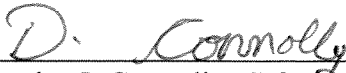
Pursuant to the provisions of the *Insurance Companies Act* insurance companies are prohibited from using credit information

- (i) to decline to issue, terminate or refuse to issue a contract of personal insurance or a contract of automobile insurance for a private passenger vehicle, or refuse to provide or continue a coverage or an endorsement with respect to these contracts; and
- (ii) in its risk classification system for personal insurance or automobile insurance for private passenger vehicles.

The prohibition for personal insurance came into effect on May 2, 2011. A copy of Newfoundland and Labrador Regulation 46/11 is attached.

The prohibition for automobile insurance for private passenger vehicles comes into effect on June 1, 2011. Copies of Ministerial approvals of credit information being added as a prohibited ground and a prohibited element are attached.

Please direct any questions you may have to Superintendent of Insurance at (709) 729-4909.


Douglas J. Connolly, C.G.A.
Superintendent of Insurance

Att. (5 pages)

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Important Information

(Includes details about the availability of printed and electronic versions of the Statutes.)

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**NEWFOUNDLAND AND LABRADOR
REGULATION 46/11**

Insurance Prohibited Underwriting Regulations
under the
Insurance Companies Act
(O.C. 2011-126)

(Filed May 10, 2011)

Under the authority of section 107 of the *Insurance Companies Act* , the Lieutenant-Governor in Council makes the following regulations.

Dated at St. John's , May 2, 2011.

Robert Thompson
Clerk of the Executive Council

REGULATIONS

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Short title

1. These regulations may be cited as the *Insurance Prohibited Underwriting Regulations*.

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Definitions

2. In these regulations

- (a) "Act" means the *Insurance Companies Act*;
- (b) "credit information" means information about a person's creditworthiness, and includes
 - (i) a person's credit score,
 - (ii) a person's credit based insurance score,
 - (iii) a person's credit rating, and
 - (iv) information about or derived in whole or in part from a person's
 - (A) occupation,
 - (B) previous places of residence,
 - (C) number of dependents,
 - (D) educational or professional qualifications,
 - (E) current or previous places of employment,
 - (F) estimated income,
 - (G) outstanding debt obligations,
 - (H) past debt payment history,
 - (I) cost of living obligations, or
 - (J) assets; and
- (c) "personal insurance" means a contract of
 - (i) fire insurance,
 - (ii) property insurance, or
 - (iii) both fire insurance and property insurance,

the premiums for which would be reported as "Property-Personal" in the Provincial and Territorial Exhibit of Premiums Written in the Annual Return P&C-1 or P&C-2 or that would be reported as "Property-Personal" in those exhibits where the insurance company is not required to use the Annual Return P&C-1 or P&C-2, but which is not considered to be a class of insurance for the purpose of the Act.

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Prohibited use of credit information

3. For the purpose of section 95.2 of the Act, an insurer shall not use credit information to decline to issue, terminate or refuse to renew a contract of personal insurance or refuse to provide or continue coverage or an endorsement with respect to that contract.

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Prohibited use of credit information, risk classification system

4. For the purpose of section 95.3 of the Act, an insurer shall not use credit information in its personal insurance risk classification system.

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Minister's determination

5. Where a question arises as to whether a contract of fire insurance or a contract of property insurance is personal insurance, the minister may determine the question and that determination is final and effective for the purpose of this regulation.

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PROHIBITED GROUND

under the

AUTOMOBILE INSURANCE PROHIBITED UNDERWRITING REGULATIONS

1. Pursuant to paragraph 3. (1) (c) of the *Automobile Insurance Prohibited Underwriting Regulations*, I hereby approve **credit information** as a prohibited ground for private passenger automobiles with effect from June 1, 2011.
2. For the purposes of section 1,
 - (a) "credit information" means information about a person's creditworthiness, and includes
 - (i) a person's credit score,
 - (ii) a person's credit based insurance score,
 - (iii) a person's credit rating, and
 - (iv) information about or derived in whole or in part from a person's
 - (A) occupation,
 - (B) previous places of residence,
 - (C) number of dependents,
 - (D) educational or professional qualifications,
 - (E) current or previous places of employment,
 - (F) estimated income,
 - (G) outstanding debt obligations,
 - (H) past debt payment history,
 - (I) cost of living obligations, or
 - (J) assets: and
 - (b) "private passenger automobile" refers to vehicles used for the purposes listed under the heading "Type of Use-Private Passenger" in the automobile insurance statistical plan prepared under section 82 of the *Insurance Companies Act*.



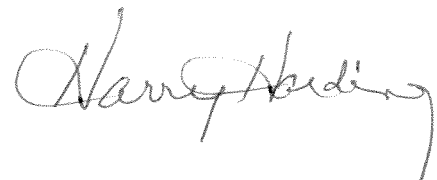
Harry Harding, MHA
Minister of Government Services

PROHIBITED ELEMENT

under the

AUTOMOBILE INSURANCE PROHIBITED UNDERWRITING REGULATIONS

1. Pursuant to paragraph 4. (1) (f) of the *Automobile Insurance Prohibited Underwriting Regulations*, I hereby approve **credit information** as a prohibited element in an insurer's risk classification system for private passenger automobiles with effect from June 1, 2011.
2. For the purposes of section 1,
 - (a) "credit information" means information about a person's creditworthiness, and includes
 - (i) a person's credit score,
 - (ii) a person's credit based insurance score,
 - (iii) a person's credit rating, and
 - (iv) information about or derived in whole or in part from a person's
 - (A) occupation,
 - (B) previous places of residence,
 - (C) number of dependents,
 - (D) educational or professional qualifications,
 - (E) current or previous places of employment,
 - (F) estimated income,
 - (G) outstanding debt obligations,
 - (H) past debt payment history,
 - (I) cost of living obligations, or
 - (J) assets; and
 - (b) "private passenger automobile" refers to vehicles used for the purposes listed under the heading "Type of Use-Private Passenger" in the automobile insurance statistical plan prepared under section 82 of the *Insurance Companies Act*.



Harry Harding, MHA
Minister of Government Services