

HOUSE BILL NO. 1228  
AMENDMENT IN THE NATURE OF A SUBSTITUTE  
(Proposed by the House Committee on Labor and Commerce  
on \_\_\_\_\_)  
(Patron Prior to Substitute—Delegate O'Quinn)

*A BILL to amend and reenact § 38.2-508 of the Code of Virginia, relating to motor vehicle insurance; unfair discrimination based on an individual's consumer credit information or credit-based insurance score; report.*

**Be it enacted by the General Assembly of Virginia:**

1. That § 38.2-508 of the Code of Virginia is amended and reenacted as follows:

## § 38.2-508. Unfair discrimination.

No person shall:

1. Unfairly discriminate or permit any unfair discrimination between individuals of the same class and equal expectation of life (i) in the rates charged for any life insurance or annuity contract, or (ii) in the dividends or other benefits payable on the contract, or (iii) in any other of the terms and conditions of the contract;

2. Unfairly discriminate or permit any unfair discrimination between individuals of the same class and of essentially the same hazard (i) in the amount of premium, policy fees, or rates charged for any policy or contract of accident or health insurance, (ii) in the benefits payable under such policy or contract, (iii) in any of the terms or conditions of such policy or contract, or (iv) in any other manner;

21       3. Refuse to insure, refuse to continue to insure, or limit the amount, extent or kind of insurance coverage  
22       available to an individual, or charge an individual a different rate for the same coverage solely because of  
23       blindness, or partial blindness, or mental or physical impairments, unless the refusal, limitation or rate  
24       differential is based on sound actuarial principles. This paragraph shall not be interpreted to modify any other  
25       provision of law relating to the termination, modification, issuance or renewal of any insurance policy or  
26       contract:

27 4. Unfairly discriminate or permit any unfair discrimination between individuals or risks of the same class  
28 and of essentially the same hazards by refusing to issue, refusing to renew, cancelling or limiting the amount  
29 of insurance coverage solely because of the age and location of the individual or risk, unless

<sup>39</sup> The refusal, cancellation or limitation is for a business purpose that is not a mere pretext for unfair discrimination.

31 discrimination; or

32 b. The refusal, cancellation or limitation is required by law or regulatory mandate;

33 5. Make or permit any unfair discrimination between individuals or risks of the same class and of

34 essentially the same hazards by refusing to issue, refusing to renew, cancelling or limiting the amount of

35 insurance coverage on a residential property risk, or the personal property contained in a residential property

36 risk, solely because of the age of the residential property, unless:

37 a. The refusal, cancellation or limitation is for a business purpose that is not a mere pretext for unfair

38 discrimination; or

39 b. The refusal, cancellation or limitation is required by law or regulatory mandate;

40 6. Refuse to issue or renew any individual accident and sickness insurance policy or contract for coverage

41 over and above any lifetime benefit of a group accident and sickness policy or contract solely because an

42 individual is insured under a group accident and sickness insurance policy or contract, provided that medical

43 expenses covered by both individual and group coverage shall be paid first by the group policy or contract to

44 the extent of the group coverage;

45 7. Consider the status of a victim of domestic violence as a criterion in any decision with regard to

46 insurance underwriting, pricing, renewal, scope of coverage, or payment of claims on any and all insurance

47 defined in § 38.2-100 and further classified in Article 2 (§ 38.2-101 et seq.) of Chapter 1 of this title, other

48 than (i) legal services plans as provided for in Chapter 44 (§ 38.2-4400 et seq.) of this title and (ii) the

49 insurance classified in §§ 38.2-110 through 38.2-133. The term "domestic violence" means the occurrence of

50 one or more of the following acts by a current or former family member, household member as defined in

51 § 16.1-228, person against whom the victim obtained a protective order or caretaker:

52 a. Attempting to cause or causing or threatening another person physical harm, severe emotional distress,

53 psychological trauma, rape or sexual assault;

54 b. Engaging in a course of conduct or repeatedly committing acts toward another person, including

55 following the person without proper authority, under circumstances that place the person in reasonable fear of

56 bodily injury or physical harm;

57 c. Subjecting another person to false imprisonment; or

58 d. Attempting to cause or causing damage to property so as to intimidate or attempt to control the

59 behavior of another person.

60 Nothing in this subsection shall prohibit an insurer or insurance professional from asking about a medical

61 condition or from using medical information to underwrite or to carry out its duties under an insurance policy  
62 even if the medical information is related to a medical condition that the insurer or insurance professional  
63 knows or has reason to know resulted from domestic violence, to the extent otherwise permitted under this  
64 section and other applicable law; ~~or~~

65 8. Refuse to insure, refuse to continue to insure, or limit the amount or extent of life insurance, disability  
66 insurance, or long-term care insurance coverage available to an individual or charge an individual a different  
67 rate for the same coverage based solely and without any additional actuarial risks upon the status of such  
68 individual as a living organ donor. For the purposes of this subdivision, "living organ donor" means a living  
69 individual who donates one or more of such individual's human organs, including bone marrow, to be  
70 medically transplanted into the body of another individual; *or*

71 *9. Refuse to insure, refuse to continue to insure, or limit the amount or extent of motor vehicle insurance  
72 coverage, or charge an individual a different rate for the same motor vehicle insurance coverage, solely  
73 because of such individual's consumer credit information or credit-based insurance score.*

74 **2. That the State Corporation Commission's Bureau of Insurance (the Bureau) shall study the use by  
75 insurers of an insured's or applicant's consumer credit information or credit-based insurance score in  
76 connection with underwriting motor vehicle insurance policies. In conducting its study, the Bureau  
77 shall (i) examine §§ 38.2-2212, 38.2-2213, and 38.2-2234 of the Code of Virginia to determine if those  
78 provisions unfairly burden motor vehicle insurance policyholders; (ii) determine whether the use of an  
79 insured's or applicant's consumer credit information or credit-based insurance score, rather than  
80 relying on the insured's or applicant's driving record and other factors proximately related to risks of  
81 operating a motor vehicle, in setting insurance premiums and tier ratings is appropriate; and (iii)  
82 determine whether the use of an insured's or applicant's consumer credit information or credit-based  
83 insurance score in setting insurance premiums and tier ratings discriminates against poorer or younger  
84 people who either have had challenges with credit or have no credit history. The Department of Motor  
85 Vehicles shall assist the Bureau in conducting its study. The Bureau shall submit a report of its findings  
86 and recommendations to the Chairs of the House Committee on Labor and Commerce and the Senate  
87 Committee on Commerce and Labor by October 1, 2026.**