

40-5107. Adverse action; notice to consumer, contents. (a) If an insurer takes an adverse action based upon credit information, the insurer shall provide written notification to the consumer a notice that:

(1) An adverse action has been taken, in accordance with the requirements of the federal fair credit reporting act as set forth in, 15 U.S.C. § 1681m(a); and

(2) explains the reason for such adverse action.

(b) Each reason must be provided in sufficiently clear and specific language so that a person can identify the basis for the insurer's decision to take such adverse action. An insurer shall provide a procedure whereby a consumer may review an adverse action based on credit information. Such procedure shall be consistent with the provisions of K.S.A. 40-2,112, and amendments thereto. The insurer and the insurer's agent shall be immune from any action arising from information provided to the insured through such process. The insurer shall not be found in violation of rate filings by adjusting an insured's rate in such a manner.

(c) The use of generalized terms such as "poor credit history," "poor credit rating," or "poor insurance score" shall be deemed not to comply with requirements of this section.

History: L. 2003, ch. 88, § 8; July 1.