

county housing and redevelopment authority, administers a loan or grant program with state or federal funds, the authority may make a grant or loan from these funds to a public officer of the authority who applies, if the public officer first discloses, as part of the official minutes of a meeting of the authority, that the public officer has applied for the funds and the public officer abstains from voting on the public officer's application.

Presented to the governor April 30, 2002

Signed by the governor May 1, 2002, 2:37 p.m.

### CHAPTER 357—S.F.No. 2363

*An act relating to insurance; limiting the use of credit information; regulating trade practices; amending Minnesota Statutes 2000, section 72A.20, by adding a subdivision; repealing 2002 H.F. 2988, sections 30, 34, if enacted.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2000, section 72A.20, is amended by adding a subdivision to read:

Subd. 36. LIMITATIONS ON THE USE OF CREDIT INFORMATION. (a) No insurer or group of affiliated insurers may reject, cancel, or nonrenew a policy of private passenger motor vehicle insurance as defined under section 65B.01 or a policy of homeowner's insurance as defined under section 65A.27, for any person in whole or in part on the basis of credit information, including a credit reporting product known as a "credit score" or "insurance score," without consideration and inclusion of any other applicable underwriting factor.

(b) If credit information, credit scoring, or insurance scoring is to be used in underwriting, the insurer must disclose to the consumer that credit information will be obtained and used as part of the insurance underwriting process.

(c) Insurance inquiries and nonconsumer-initiated inquiries must not be used as part of the credit scoring or insurance scoring process.

(d) If a credit score, insurance score, or other credit information relating to a consumer, with respect to the types of insurance referred to in paragraph (a), is adversely impacted or cannot be generated because of the absence of a credit history, the insurer must exclude the use of credit as a factor in the decision to reject, cancel, or nonrenew.

(e) Insurers must upon request of the applicant or policyholder provide reasonable underwriting exceptions based upon prior credit histories for persons whose credit information is unduly influenced by expenses related to a catastrophic injury or illness, temporary loss of employment, or the death of an immediate family member. The

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insurer may require reasonable documentation of these events prior to granting an exception.

(f) A credit scoring or insurance scoring methodology must not be used by an insurer if the credit scoring or insurance scoring methodology incorporates the gender, race, nationality, or religion of an insured or applicant.

(g) Insurers that employ a credit scoring or insurance scoring system in underwriting of coverage described in paragraph (a) must have on file with the commissioner:

(1) the insurer's credit scoring or insurance scoring methodology; and

(2) information that supports the insurer's use of a credit score or insurance score as an underwriting criterion.

(h) Insurers described in paragraph (g) shall file the required information with the commissioner within 120 days of the effective date of this section, or prior to implementation of a credit scoring or insurance scoring system by the insurer, if that date is later.

(i) Information provided by, or on behalf of, an insurer to the commissioner under this subdivision is trade secret information under section 13.37.

## Sec. 2. **REPEALER.**

Sections 30 and 34 of 2002 H.F. 2988, if enacted, are repealed effective retroactive to their date of enactment, notwithstanding Minnesota Statutes, section 645.26, subdivision 3.

Presented to the governor April 30, 2002

Signed by the governor May 1, 2002, 2:37 p.m.

## • CHAPTER 358—S.F.No. 3168

*An act relating to municipalities; providing for a bidding exception for certain water tank service contracts; authorizing an agreement for the city of Walker to maintain and operate the state's water tower at Ah-Gwah-Ching; amending Minnesota Statutes 2000, section 471.345, by adding a subdivision.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2000, section 471.345, is amended by adding a subdivision to read:

Subd. 5b. **WATER TANK SERVICE CONTRACTS.** A municipality may, by direct negotiation or through the solicitation of requests for proposals, enter into a multiyear professional service contract for the engineering, repair, and maintenance of

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