

104TH CONGRESS
1ST SESSION

H. R. 113

To require automobile insurance insurers to provide rate setting information
and for other purposes

IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 1995

Mr. MFUME introduced the following bill; which was referred to the Committee
on Commerce

A BILL

To require automobile insurance insurers to provide rate
setting information and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Automobile Insurance
5 Information Act of 1995”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds that the current practice among
8 automobile insurance insurers engaged in interstate com-
9 merce of calculating exposure to loss costs used—

1 (1) to determine premium rates and other
2 charges incidental to the purchase of automobile in-
3 surance, and

4 (2) to determine the geographical areas and
5 classification rating factors to determine where and
6 whom such insurers will insure,
7 adversely affects interstate commerce, insurer insolvency,
8 and the affordability of insurance, thereby impairing the
9 economic welfare of large number of consumers of auto-
10 mobile insurance who rely on such insurance for protec-
11 tion.

12 **SEC. 3. INFORMATION.**

13 (a) FACTORS AFFECTING RATES.—The Secretary of
14 Commerce shall, by contract or directly, require each auto-
15 mobile insurance insurer who is engaged in interstate com-
16 merce to provide to the Secretary in writing information
17 on—

18 (1) the means and methods employed by the in-
19 surer to determine insurance rates which relate to
20 demographic factors such as population density,
21 roads per square mile, frequency of accidents, claim
22 severity, health costs, auto theft rates, and auto re-
23 pair costs, and

24 (2) classification factors used by the insurer in
25 rate determinations, including race, sex, gender,

1 marital status, type of automobile to be insured, use
2 of such automobile, and the place in which such
3 automobile will be used.

4 (b) PUBLICATION.—The Secretary of Commerce shall
5 provide for the publication of the information provided
6 under subsection (a).

7 (c) RECOMMENDATIONS AND REPORT.—On the basis
8 of the information submitted to the Secretary under sub-
9 section (a), the Secretary of Commerce shall make rec-
10 ommendations on making automobile insurance more af-
11 fordable and shall report such recommendations and such
12 information to the House of Representatives and the Sen-
13 ate.

14 (d) CONTRACT AUTHORITY.—The authority of the
15 Secretary of Commerce to enter into contracts to imple-
16 ment subsection (a) shall be effective for any fiscal year
17 only to such extent or in such amounts as are provided
18 in appropriations Acts.

19 **SEC. 4. AFFECT OF LEGISLATION.**

20 Section 3 shall not be deemed to affect the respon-
21 sibility and authority of the States to regulate the business
22 of insurance or any regulation or order of any State agen-
23 cy concerning or applicable to the business of insurance

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- 1 if such regulation or order does not prevent compliance
- 2 with section 3.

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