

January 31, 2018

Leslie W. Ledogar, Regulatory Specialist  
DOI Docket No. 3690-2017  
Delaware Department of Insurance  
841 Silver Lake Drive  
Dover, DE 19904

**Re: Department of Insurance Use of Credit Information Reg. [21 DE Reg. 546 (January 1, 2018)]**

Dear Ms. Ledogar:

The Governor's Advisory Council for Exceptional Citizens (GACEC) has reviewed the Department of Insurance proposal to repeal Regulation 906, Use of Credit Information which covers the use of credit information by insurance companies. The repeal is due to the enactment of House Substitute No. 1 for House Bill No. 80 (18 Del. Code §8301 et seq.). The regulation would be repealed on May 1, 2018, the effective date of the new statute. Council **endorses** the proposed repeal since it will not adversely affect the rights of consumers and may reduce denials based on inappropriate factors.

Repeal of Regulation 906 does not adversely affect the rights of consumers. The new statute is broader in its protections of consumers and insureds overall. The new statute broadly states that its purpose is to protect consumers in the use of credit information for personal insurance by insurers. Section 8304(a)(1) prohibits an insurer from using "income, gender, sexual orientation, gender identity, education, address, zip code, race, ethnic group, religion, marital status, or nationality of the consumer to calculate an insurance score. The new statute incorporates and expands upon the "extraordinary personal circumstance" from regulation 906 7.3. The statute creates an "Extraordinary Life Circumstances" section that allows an applicant for insurance or an insured to request from an insurer that uses credit information a reasonable exception to the insurer's rates, rating classifications, tier placement, or information that has been influenced by, *inter alia*, a catastrophic event; serious illness or injury to the insured or an immediate family member; death of a spouse, parent, or child; divorce; identity theft; unemployment for more than three (3) months through no fault of the applicant or insured; military deployment overseas, and other events as determined by the insurer (18 *Del. C.* §8305).

Thank you for your consideration of our endorsement. Please contact me or Wendy Strauss at the GACEC office if you have any questions.

Sincerely,

Terri A. Hancharick  
Vice Chairperson

TAH:kpc