



NEWS RELEASE

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Privacy Commissioner orders insurance company to stop collecting personal information

VICTORIA — In an order released today, the Office of the Information and Privacy Commissioner ruled that Economical Mutual Insurance Company must stop collecting and using credit scores until it provides customers with appropriate notification as required by the *Personal Information Protection Act* (PIPA).

A man complained that Economical had collected his credit score (a number derived from several items of credit information) without his consent, when it renewed his homeowner's insurance policy. Adjudicator Nitya Iyer found that it was reasonable for Economical to collect the credit score for risk assessment, because a credit score is a valid predictor of future loss. However, Economical did not provide adequate notice to policyholders that it would collect their credit scores for this purpose.

The adjudicator ordered Economical to stop collecting and using the credit scores it had collected contrary to PIPA. She also ordered Economical to review the consents it has been using on its insurance applications and to provide its customers with adequate notice of the purpose for collecting their credit scores.

"Consumers are generally unaware of the use of credit scoring in risk assessment in the insurance industry," said Information and Privacy Commissioner Elizabeth Denham. "This order underscores the need for organizations to obtain informed consent from their customers for the collection of their personal information".

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To read the order, please visit our website at www.oipc.bc.ca

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