



February 15, 2021

TO: House Committee on Business & Labor
FR: Charlie Fisher, State Director, Oregon State Public Interest Research Group (OSPIRG)
RE: HB 2043

OSPIRG is a statewide, citizen-based, public interest group with thousands of members around Oregon.

OSPIRG supports HB 2043.

Auto insurance rates should be based on a person's driving history, not unrelated factors like credit score. Using credit score to determine auto insurance rates is essentially a proxy for income, meaning low-income Oregonians who disproportionately have low or no credit, and who are already struggling to make ends meet, may end up paying higher rates than higher-income Oregonians with identical driving records. Putting this fact into especially clear relief is an analysis from Consumer Reports finding that a poor credit score could have a bigger impact on a driver's rates than a drunk driving conviction.¹

Credit reports are also often rife with errors. A review by U.S. PIRG of credit reports from adults in 30 states found that 25% contained serious errors that could result in the denial of credit, such as false delinquencies or accounts that did not belong to the consumer.² In other words, through no fault of their own, a driver with a clean record could pay higher rates simply because credit bureaus have faulty information about them.

Oregon can join other states like Michigan, Hawaii, and Massachusetts in making the process of setting auto insurance rates more fair for Oregonians

I urge you to support HB 2043.

¹ Consumer Reports Shines Light on Car Insurance Quote Secrecy, Prices Are Rife With Inequities and Unfair Practices: <https://www.consumerreports.org/media-room/press-releases/2015/07/my-entry>

² Mistakes Do Happen: <https://uspirg.org/reports/usp/mistakes-do-happen>