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February 22nd, 2023

House Business and Labor Committee  
900 Court St. NE,  
Salem, OR 97301

Re: House Bill 2920

Chair and Members of the Committee,

I am writing you today to voice my concern regarding House Bill 2920. House Bill 2920 seeks to direct Insurers to remove using credit history to determine eligibility, rates or premiums for motor vehicle liability insurance. It becomes operative on January 1, 2024. It would take effect on 91st day following adjournment sine die.

As an industry veteran, I cannot see past the damage this would do to our rates as an Oregon Population. One of the ways that Insurance carriers currently determine rates is by using credit history (usually represented with a number of different factors- claim history, payment history, limits carried on policy- as an “insurance score”) on an individual basis to determine if a policyholder is a good, or profitable risk. The removal of this rating method is detrimental to *every consumers* insurance rate in our state.

It is no secret that insurance companies are in business to make money. Through actuarial evidence and data, insurers have become reasonably accurate and fair in my view of determining if a new client would be profitable. In a capitalistic, competitive economy- Insurers must be aware of their filed rates and how it places them in the field of competition. That alone is enough motivation to keep rates competitive. I am currently going through a “book roll” with one of our failed carriers, Oregon Mutual. They were unable to turn a profit on their personal lines book of business and have discontinued their product offerings as a result. Insurers can and do fail.

I believe that passage of House Bill 2920 will restrict Insurance Carriers in our state from offering the best terms and rates to folks who have been responsible with their finances and would earn a better rate through their good credit history. I also believe that passage of this bill would have a detrimental effect on those with poor credit history, as their rates would increase due to lack of underwriting information (The less information a carrier has, the higher the rate). This perpetuates the cycle of poverty that many cite as reasons this bill should be passed!

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In conclusion, this is an anti consumer bill that will cause all rates to increase. The insurance market is driven by competition and I would not be surprised if Insurance carriers leave Oregon as a result. **Please vote NO for HB2920**

Sincerely,

A handwritten signature in blue ink, appearing to read "AP", is written over a large, light blue oval background.

Alex Patterson  
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