

February 22, 2023

House Business and Labor Committee
Opposition to HB 2920

Mr. Chairman and Members:

I don't normally give my opinion on legislative topics, but I am going to make an exception this time. In my humble opinion you would be making a mistake if you try to follow in the footsteps of what Washington State has done and try to remove credit from the insurance rate algorithm. I must tell you I have come full circle on this issue as I have been in the insurance industry for almost 47 years. When credit first started being involved in rating, I thought the sky would fall for my customers, it didn't.

Things to consider.

1. How many of you would agree to cover a home or auto with your own dollars from your own pocket without any qualifications from the person you are going to insure?
2. Washington has earned the reputation with insurance companies as being a state that is difficult to do business in for insurance. Part of this has been the Insurance commissioner's stance on credit for insurance rating. Some companies won't enter the state, some want to get out of it and some just push out a higher rate than needed because the state operates at a different level than many states regarding insurance and they can't afford to lose money for too long. We are licensed in Oregon and Washington.
 - a. How does this hurt the consumer?
 - i. Higher rates than Oregon typically.
 - ii. Fewer options to choose from (Less free trade) for the consumer.
 - iii. Consumers have gotten lost in the no credit, now credit rerating by insurance companies.
3. If Oregon has always been a state that is good to do business in for insurance companies which impact the consumer in a positive way, meaning the companies need to compete to get the business, why would you want to change that?
4. Would you pass a law telling banks or credit unions they can no longer use credit to determine eligibility for a loan? The only difference between the banks giving a loan and insurance companies offering insurance is the bank can repossess what they have loaned money on, and insurance companies just may have to buy or replace what they have agreed to insure. Who really runs the bigger risk?
5. Personally, if you pass this bill, I want to thank you. I will get a raise because those that have worked so hard to make sure their credit is good will be paying more. That is most of our book of business. I'll get to blame that raise on the legislature's mandate to the insurance companies.
 - a. I have been very poor and made decent money in my life. My rule has always been don't spend more than you make whether I was poor or had money because I knew credit was important to getting home loans etc., and a sign of being a responsible adult.
 - b. This isn't a race issue, not a gender issue, not rich man poor man or women. It does require some self-discipline.
6. Would you be helping the 10% at the detriment of the 90% who would be punished for their self-discipline? Seems contrary to common sense doesn't it.

Good luck in your decision and I am truly hoping you don't grant me my raise. I'll earn it another way.

Thanks

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