

Submitter: Caleb Runyan

On Behalf Of:

Committee: House Committee On Business and Labor

Measure: HB2920

Caleb Runyan, Pacific Rim Agency

Chair Holvey, Vice Chairs Elmer & Sosa, members of the committee:

I am writing today to ask you to please oppose House Bill 2920. Further limiting the data used by insurers to set auto insurance rates will negatively impact Oregon drivers.

Using predictive factors allows insurers to accurately underwrite risks, which translates to equitable rates, more choices, and market stability for consumers. If enacted, HB 2920 would significantly disrupt the auto insurance market – impacting Oregonians at a time they can least afford it. With less basis to set rates based on risk, the average Oregon policyholder will pay more for auto coverage.

Additionally, current law already provides strong protections on the use of credit data. ORS 746.600-746.668 limits the use of credit history information by the insurance industry for personal insurance products. This includes the following key concepts:

? Insurers may use credit information to decline coverage in the initial underwriting decision only if used in combination with other substantive underwriting factors.

? Insurers may not cancel or fail to renew a policy that has been in effect for at least 60 days, in whole or in part, on the basis of the insured's insurance score or credit history.

? Insurers may not use an insurance score or credit history to change rates on a policy at renewal unless the consumer requests it.

? Insurers may not change the rate of an existing policy when the marital status of the policyholder changes because of divorce or the death of a spouse.

? Insurers must file all scoring models with the director of the Department of Consumer and Business Services.

Prohibiting insurers from using credit information when setting rates would do more harm than good, and would likely result in the majority of Oregonians seeing increased auto insurance rates. We all know now would be the worst time to enact such a change on Oregonians. Please vote no on HB 2920.