TRAVIS NELSON
STATE REPRESENTATIVE
HOUSE DISTRICT 44
NORTH/NORTHEAST PORTLAND

HOUSE OF REPRESENTATIVES
Testimony in Support of House Bill 2920

February 22, 2023

Chair Holvey, Vice-Chairs Elmer and Sosa, and members of the committee,

I am Travis Nelson, State Representative for House District 44 - North and Northeast Portland. I am a Registered Nurse and the first openly LGBTQ+ Black legislator in the 164-year history of our great state. Committee members, I am here today in support of House Bill 2920. This bill would limit the factors that auto insurance companies can use when determining rate eligibility and pricing. It would prevent auto insurance companies from using a variety of factors that are unrelated to an individual's driving record. Primarily, this bill would mean that auto insurance companies are no longer be able to use credit history and credit score to determine pricing.

Credit history has a disproportionate impact on insurance rates, just as it does home and car loans. To my knowledge, there is no reason for credit history to be a key metric in determining if a person is eligible for car insurance and how much they will pay. A credit score is meant to determine how likely a person is to pay back a loan in a timely manner. It has nothing to do at all with a person's driving history and behavior, or the likelihood of them filing an auto insurance claim. To me, it is common sense to remove credit score from the equation when a person is seeking auto insurance in addition to the other factors unrelated to driving record that are listed in the bill.

According to the Department of Consumer and Business Services, one in five consumers have an error in the credit report, which leads to a faulty number, and one in five Oregonians are impacted by their credit because of a limited credit history. Non-white Oregonians feel this impact the most, and we have seen that, historically, the Black and Latinx communities are more likely to have lower credit rates, errors on their reports, and a lack of enough credit to generate a score at all. This is due to the acts of redlining, predatory lending, and economic discrimination, all of which are historically rooted in systemic racism and discrimination. Non-White folks also are more likely to have a distinct lack of access to banking services and reliable credit reports and institutions compared to their white neighbors. Due to all these factors, people who are not white often have disproportionately lower credit scores or are "credit invisible", and therefore pay significantly more for auto insurance.

It is time we stop this discriminatory, racist practice of using credit history to determine auto insurance eligibility and rates. It only perpetuates the cycle of poverty and puts a further financial burden on struggling individuals and families who are disproportionately Black and Brown. Colleagues, IT IS EXPENSIVE TO BE POOR. It is imperative that we tackle institutionalized racism in all its forms, and removing credit history along with other factors that are unrelated to an individual's driving record from auto insurance determining factors is a crucial step. I urge you to pass this bill out of committee.

Thank you,

State Representative Travis Nelson
House District 44, North/NE Portland