



NW Insurance Council



NAMIC
NATIONAL ASSOCIATION OF
MUTUAL INSURANCE COMPANIES



**American Property Casualty
Insurance Association**
INSURING AMERICA apci.org

Contacts:

Nicole Ganley, APCIA
(916) 616-5855
Nicole.ganley@apci.org

Christian Rataj, Esq., NAMIC
(303) 907-0587
crataj@namic.org

Kenton Brine, NWIC
(360) 481-6539
Kenton.brine@nwinsurance.org

FOR IMMEDIATE RELEASE

December 14, 2020

Insurers support changes to help families in economic crisis; oppose Commissioner's ban on credit-based insurance scoring

SEATTLE, WA – Organizations representing auto, home and renters' insurance for consumers today called on Washington legislators to protect access to affordable insurance policies for drivers, homeowners, renters and others by supporting legislation that would allow insurance companies to offer help to insureds during extraordinary events, such as today's pandemic-related economic shutdown.

"Insurers are fully aware of the economic upheaval facing many insurance consumers right now," said Kenton Brine, NW Insurance Council President. "To respond, insurers have refunded or reduced premiums - returning more than \$16 billion to consumers nationwide - and are prepared to offer more assistance, with help from the state Legislature."

Insurers are promoting passage of "Extraordinary Life Circumstances" provisions that are currently in statute in 21 states (and allowed to be included in insurance rate plans in nearly every state – but not in Washington).

"Nearly half of the states have adopted the National Council of Insurance Legislators' Credit-Based Insurance Scoring Model Act, which includes extraordinary life circumstance exceptions to an insurer's use of credit information," said Mark Sektnan, vice president for state affairs of the American Property Casualty Insurance Association (APCIA). "This protects consumers who have medical bankruptcies, job losses, death of a spouse or dependent and other unforeseen circumstances and allows them to access help to protect their auto, home or renters insurance."



NW Insurance Council



NAMIC
NATIONAL ASSOCIATION OF
MUTUAL INSURANCE COMPANIES



**American Property Casualty
Insurance Association**
INSURING AMERICA apci.org

At a news conference in Olympia today, Washington Insurance Commissioner Mike Kreidler renewed his call for a ban on the use of credit information to help insurers underwrite or rate insurance policies – despite numerous studies by state insurance departments, universities and the Federal Trade Commission that show a definitive link between credit-based insurance scores and risk of insurance loss. Kreidler has sought a ban on the proven accurate, objective rating tool since his first term as Insurance Commissioner 20 years ago.

“Rather than calling for a ban on the use of credit-based insurance scores, Commissioner Kreidler should support adopting the Extraordinary Life Circumstances protections for people facing difficult economic times,” said Christian J. Rataj, Western Region Senior Vice President for the National Association of Mutual Insurance Companies (NAMIC). “The fairest way to determine what people pay for auto insurance is to use a variety of factors that provide insurers with a more complete picture of a consumer’s potential for filing a claim or having a loss. Credit-based insurance scores result in reduced prices for insurance for most consumers.”