

Abel Insurance Agency

Risk Management & Consulting Services

February 12, 2021

Regarding HB 2043

Hearing Date 2/15/2021

Attn: House Committee on Business and Labor

Dear Chair and Members of the Committee:

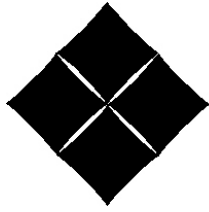
My name is Wendy Abel-Hatzel with Abel Insurance Agency. Our Agency has served the residents of Oregon communities along the coast since 1940 with locations in Curry, Coos, Lane and Lincoln County.

I am opposed to HB 2043 due to the hardship the projected increased rate impact will have on citizens in the rural communities that our agency serves. Statistics has been used in all avenues of the insurance industry since the foundation of insurance. Underwriting is by its very nature, discriminatory and includes the statistics for rate establishment. Insurance scores were developed by statisticians as a tool to help predict future claim activity. They are used by most insurance companies today in varying ways but are not the SOLE factor for establishing rates or eligibility.

As an example, one of the Carriers our agency represents uses the score as a consistent, accurate and unbiased source of information to better calculate a customer's premium and give them the best rate for the coverage they need. We have clients that have seen a financial savings by moving their insurance to a Carrier that utilizes an insurance score. Some carriers will use the score for the first named insured so we recommend that the person in the household with the highest score be listed first and will present both options to our clients for their review. Please keep in mind that this score is an inquiry only and will not affect an applicant's credit history or his/her ability to obtain credit for future purchases or loans.

There is a difference between an insurance score and a financial credit score.

Insurance scores represent a statistical analysis of a consumer's likelihood of filing insurance claims, while financial credit scores are used to determine the likelihood that a consumer will



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be able to repay loans. The national credit history file information that is used in insurance scoring comes from many sources and includes items such as outstanding debt, length of credit history, types of credit in use, new applications for credit, late payments, collections and bankruptcies.

Lack of credit history will not prevent consideration by an insurance carrier.

Insurance scores do not use information such as income, race/ethnicity, religion, gender, marital status, address or disability.

For these reasons, I ask the committee to vote NO on HB 2043.

Thank you for the consideration

Wendy Abel-Hatzel

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