

Fairness in Auto Insurance Rating

Oregonians head to work daily, pick up their kids from school, and go to the grocery store or a health care appointment. If they are driving, they are required by Oregon law to have automobile liability insurance coverage (auto insurance).

Many factors can be used by auto insurance companies when deciding a driver's monthly insurance rate. What's troubling is many companies use a person's credit score in addition to other factors (like a person's driving behavior) to make this decision.



There is no direct link between your credit score and safe driving.

- **Credit history is a proxy for race.** Because of generations of predatory lending, economic discrimination, and racism, communities of color are more likely to have lower credit scores, credit errors, or no credit history.
- **Credit is only part of the story.** Credit scores reflect on-time credit card and loan payments, but NOT all on-time payments people make. Insurance companies make decisions based on an unreliable, frequently inaccurate understanding of a person's positive financial activity.
- **Poor credit disproportionately impacts auto insurance rates.** On average, an Oregonian with poor credit will pay roughly \$1,288 more for auto insurance annually than someone with excellent credit. Moreover, they will pay \$762 more than a driver with excellent credit and a driving while intoxicated (DWI) conviction.*

HB 2920 addresses these problems by setting the factors that auto insurance companies **CAN USE** and **NOT USE** to determine insurance rates:

Auto insurance CAN consider factors like:



History of safe driving



Number of miles an applicant drives, years of driving experience



Other information Oregon Department of Consumer and Business Services (DCBS) determines

Auto insurance CAN NOT consider factors, including:



CREDIT HISTORY OR SCORE



Education



Previous accidents/claims *(where the insured was NOT at fault)*



Marital status



Sex or gender



Occupation



Whether the insured owns or rents a home

Pass HB 2920 and end racial disparities in auto insurance rates.

SDTA

STOP THE DEBT TRAP ALLIANCE

The Stop the Debt Trap Alliance (SDTA) is a coalition of organizations dedicated to preserving and expanding consumer justice in Oregon. Our 2023 Legislative Agenda promotes solutions to address inequitable consumer practices and modernize outdated laws.

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