

Summary of Education/Occupation Studies

Florida Office of Insurance Regulation, [*The Use of Occupation and Education as Underwriting/Rating Factors for Private Passenger Automobile Insurance*](#), March 2007

Highly critical report of insurers' use of education and occupation data in the underwriting and rating of auto insurance. Reviews US Census Bureau data and finds that "Caucasians and Asians are twice as likely as Hispanics to have management or professional jobs." Also finds that "Caucasian and Asian non-Hispanics are more than twice as likely to have a college degree as Blacks/African Americans." Despite its highly critical tone, does not expressly advocate for a ban.

Maryland Insurance Administration, [*GEICO's Use of Education and Occupation in Underwriting*](#), June 9, 2006

After conducting a targeted market conduct exam of GEICO, the Maryland Insurance Administration found:

- Educational level and occupation are valid predictors of loss;
- The use of these rating factors does not violate state unfair discrimination law; and,
- The use of these rating factors was actuarially reasonable.

Maryland Insurance Administration, [*Use of Occupation and Educational Level as Rating Factors in Private Passenger Motor Vehicle Insurance*](#), December 31, 2019

Includes a comprehensive review of the use of education and occupation in Maryland and other states. Does not find the use of education and occupation as rating factors in auto insurance to be the source of consumer complaints. Does not find the use of educational level and/or occupation to be unfairly discriminatory. Regarding the impact of a potential ban, report notes it "may cause some of these [market] opportunities to disappear and serve to stifle competition."

New Jersey Department of Banking and Insurance, [*The Use of Occupation and Education Factors in Automobile Insurance*](#), April 2008

Includes a review of the regulation of the use of education and occupation in New Jersey and other states. Concludes that insurance regulators across the country have found such factors to be predictive of losses and therefore actuarially justified. Finds that "[a]llowing insurers to use a wider variety of rating factors has contributed to overall improvement in the marketplace for many kinds of drivers and in all regions of the State." Also found no evidence that such factors are proxies for race or income.

Pinnacle Actuarial Resources, Inc., [The Use of Occupation, Education and Gender in Insurance Rating and Underwriting](#), April 5, 2019

APCIA-commissioned study of risk-based pricing reaches the following conclusions:

- Any limitation on an insurer's ability to accurately rate a risk through actuarially sound rating methods would inhibit healthy competition.
- Historically, states that have placed limitations on cost-based pricing have a higher percentage of insureds in the market of last resort.
- Insurance companies that insure select groups would lose their foundation.
- Occupational insurance groups for teachers, "affinity" groups for university alumni, employer "group" insurance initiatives and other occupational groups
- would be affected most significantly.
- A strict application of the disparate impact standard would result in a significant number of rating factors being eliminated from removed from rating plans.