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**Public Hearing before the House Committee on Business and Labor**

**February 22<sup>nd</sup>, 2023**

*In support of HB 2920*

Chair Holvey, Vice-Chairs Elmer and Sosa and Members of the Committee:

On behalf of the Oregon Law Center, please accept this testimony in strong support of HB 2920, which directs insurers to consider only specified information in determining rates for motor vehicle liability insurance policy.

The Oregon Law Center (OLC) is a state-wide non-profit law firm whose mission is to achieve justice for low-income communities of Oregon by providing a full range of the highest quality civil legal services. OLC is committed to efforts designed to remove systemic barriers to economic security and people's ability to take care of themselves and their families. HB 2920 will help ensure that all Oregonians are able to access a level playing field when it comes to insuring their autos.

Many individuals depend on a car to go to work, take their children to school, go grocery shopping, and go to the doctor. In rural communities, having a car and being able to drive becomes even more important as there may not be a robust public transportation system or be completely absent. If operating a motor vehicle, Oregon law requires individuals to have auto insurance. Currently, auto insurance agencies can use factors such as sex or gender, occupation, marital status, and credit history and scores to determine the cost of auto premiums.

This sort of rating system can lead to discriminatory practices. One example is the use of credit scores for auto insurance rating. There is no direct link between your credit score and safe driving, yet that is still a factor that auto insurance companies consider. Credit history and scores bring with them a slew of issues that include but are not limited to redlining, predatory lending and economic discrimination. The use of credit scores and history have a disproportionate impact on Black and Latine consumers, who are more likely to have lower credit scores, errors on scores, and lack enough credit to generate a score.

HB 2920 prohibits the use of factors such as gender and credit scores in determining auto insurance rates. HB 2920 also sets the factors that an auto insurance agency may consider, including: history of safe driving, number of miles insured drives, and years of driving experience, among others.

This is an equity and racial justice issue, and we appreciate this committee for your work and attention to this important matter. We respectfully urge your support of HB 2920. Thank you for your time.