

**Testimony Submitted by
Angela Donley, Policy Analyst
Oregon Consumer Justice
To the House Committee on Commerce and Consumer Protection**

February 17, 2025

Regarding: Support for HB 3423

Chair Sosa Vice-Chair Chaichi, Vice-Chair Osborne, and Members of the Committee,

For the record, my name is Angela Donley. I appreciate the opportunity to provide testimony on behalf of Oregon Consumer Justice today in support of HB 3423.

Oregon Consumer Justice (OCJ) envisions a vibrant future where all Oregonians live with dignity and abundance and experience health, joy, and economic opportunity. We work collaboratively across policy and advocacy, community engagement, and the law, to realize a more just and equitable Oregon where people come first. For too long, flawed systems and policies have stood in the way of this reality, with communities of color most often experiencing significant harm. Informed by consumer insights, OCJ works to make financial and business transactions reliably safe and supports Oregonians in knowing and exercising their consumer rights.

It is imperative that the insurance market be fair and equitable for all consumers. This is particularly true when it comes to mandated coverage, like automobile liability insurance, which Oregon law requires all car owners to purchase and maintain. Oregonians depend on their cars to get to work, access education or health care, and support their ability to meet their basic needs. Auto insurance in Oregon is expensive for consumers and it's rarely made clear how premium rates are set. Currently, insurance companies use a variety of socioeconomic factors to unfairly discriminate against consumers and serve as a pretense to charge them higher premiums. These factors include their sex or gender, marital status, and credit history.

While research shows no direct link between your credit score and safe driving¹, poor credit disproportionately impacts auto insurance rates. On average, an Oregonian with poor credit will pay roughly \$1,288 more annually for auto insurance than someone with excellent credit. Moreover, they will pay \$762 more annually than a driver who has *both* excellent credit *and* a driving while intoxicated (DWI) conviction.² Generations of predatory lending, economic discrimination, and racism, have resulted in communities of color and low-income women being more likely to have lower credit scores, credit errors, or no credit history.

HB 3423 will prohibit unfair discrimination against consumers purchasing automobile liability insurance by eliminating the consideration of a person's sex or gender, marital status, or credit history or score in setting their insurance rates.

We urge your support for HB 3423 to move Oregon towards a more fair and equitable auto insurance marketplace.

Thank you for your consideration and your service in building the future that Oregonians deserve.

¹ Autobody News Staff. [New Study Shows Disproportionate Effect of Credit Scores on Auto Insurance Rates](#). August 2, 2023.

²Consumer Report. [The Secret Score Behind Your Rates](#). July 30, 2015