

Contact: Nicole Ganley

Phone: 916-616-5855

Email: Nicole.ganley@apci.org

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Insurers Encourage Consumers with Financial Difficulties to Talk to their Agent or Company

SACRAMENTO, CA -Mark Sektan, vice president for state affairs of the American Property Casualty Insurance Association (APCIA), released the following statement regarding Washington Insurance Commissioner Mike Kreidler's call for a ban on the use of credit information in insurance scoring.

"Insurers are committed to eliminating inequity. Improving the availability and affordability of insurance is a priority issue for the industry. That is why insurers encourage consumers who are experiencing financial difficulties as a result of the COVID-19 pandemic to talk with their insurance company or agent, lenders, and other creditors to see if accommodations can be made or if any assistance is available.

"Nearly half of the states have adopted the National Council of Insurance Legislators' Credit-Based Insurance Scoring Model Act, which includes extraordinary life circumstance exceptions to an insurer's use of credit information. This protects consumers who have medical bankruptcies and other unforeseen circumstances. In addition, the federal CARES Act provides numerous protections to consumers who have been negatively impacted by COVID 19.

"Rather than calling for a legislative ban on the use of credit-based insurance scores, Commissioner Kreidler should consider adopting the NCOIL model law. The fairest way to determine what people pay for auto insurance is to use a variety of factors that provide insurers with a more complete picture of a consumer's potential for filing a claim or having a loss. Credit-based insurance scores provide most consumers with savings. The NCOIL model law can provide important additional consumer protections."

The American Property Casualty Insurance Association (APCIA) is the primary national trade association for home, auto, and business insurers. APCIA promotes and protects the viability of private

competition for the benefit of consumers and insurers, with a legacy dating back 150 years. APCA members represent all sizes, structures, and regions—protecting families, communities, and businesses in the U.S. and across the globe.

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