



OFFICE OF
INSURANCE COMMISSIONER

July 14, 2020

Dear Insurance Industry Executives;

I am writing to ask for your support in my legislative effort in Washington state to eliminate the use of credit scoring to determine what someone pays for insurance. My reasoning is straightforward: The use of credit scoring is unfair and has a disproportionate economic impact on low-income individuals and communities of color here and throughout the rest of our nation.

Leaders – public and private – must now take action to honor the commitments many have expressed recently to end the structural inequities that have existed for too long in our society.

Many leaders in the insurance industry have publicly pledged to eliminate inequity. My proposal offers an opportunity to convert these pledges into action. Your voice would be welcome in my effort in Washington.

My legislation would amend two laws in Washington to eliminate the use of credit scoring in auto insurance, life insurance, renter's insurance and homeowner's insurance.

This is a continuing effort I am making in Washington. Our Legislature approved some limited consumer protections for credit scoring over a decade ago. The time has come for further action.

The use of credit scoring remains controversial because of its disparate impact on low-income individuals and people of color. These are the same people who are also the most economically impacted by the COVID-19 crisis.

They will be unable to escape this impact without your help.

I believe the industry can adapt, especially since there are many other factors used to determine insurance rates for consumers.

I understand my proposal may be controversial. But in my 40-plus years of public service, I have learned that nothing worthwhile is easily achieved. I will vigorously argue for my legislation and have lined up significant support for it.

I am willing at any time to have a personal conversation with you about my proposal and your perspectives.

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Now is the time for action to honor public commitments. Martin Luther King, Jr. once said: "The time is always right to do what is right."

I believe you share this perspective. I look forward to hearing from you.

Sincerely,

A handwritten signature in black ink that reads "Mike Kreidler". The signature is fluid and cursive, with the first name "Mike" and last name "Kreidler" clearly distinguishable.

Mike Kreidler,
Insurance Commissioner

SENT ELECTRONICALLY

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Industry statements about racial equity, June & July 2020

*“Overcoming today’s agonizing rupture and advancing promise for all will require engagement by each of us – a resolve to face the pain, anxiety and frustration experienced by Black Americans and others subjected to prejudice. We must move forward with moral purpose, making contributions with our own abilities and sustained commitment” – **American College of Life Insurers***

*“Systemic racism is pervasive and we must not be complicit by inaction or silence. For our society to eliminate the inequities in America, each of us needs to have the will to change, the heart to trust and the energy to lead. We are focused on improving equity for all. We’re committed to long-term change. This is just the beginning” – **Allstate Insurance Co.***

*“We celebrate the strength, freedom and legacy of the African American community. We embrace our responsibility to be part of the solution by fostering greater levels of change and equality. We must push ourselves to influence change” – **State Farm***

*“If we want to be civil and lift up citizens; We need to be civil citizens” – **Pemco***

*“We stand in solidarity with our Black colleagues and all communities of color”— **Progressive***

*“Solving racial injustice in the short run will be incredibly difficult, talking about it openly may be awkward, but silence is not an option because so many in our nation feel the pain from the upheaval our country is experiencing right now. Words are meaningless without action.” – **USAA Insurance***

*“These times are a stark reminder that our society still suffers from far too many cases of distrust, hatred and racism. This is not the world we should accept as a society. We must push ourselves to influence change and create compassion” – **State Farm***

*“At its heart, that’s what our “On Your Side” slogan means. It means holding one another accountable when we see injustice. And it means listening to one another—not just to hear or be heard, but to understand and be understood” – **Nationwide***

*“We agree that Black lives matter and express our disdain for systemic racism, as well as our support for all those who are peacefully advocating for racial justice” – **Farmers Boards of Governors***