



Hello,

I am the owner of Eastside Insurance Services—an independent insurance agency located in Issaquah, Washington. I have worked hard to develop a solid book of business. Many of the policyholders that are served by my agency have been with us for many years. My customers rightly expect me to provide them with professional advice, as a licensed insurance producer, to assist them to find necessary insurance products that meet his or her coverage needs, at a price that works within a family budget as well.

My office actively does business with smaller, local, and regional insurers, and most of them have used credit-based insurance scoring for nearly 20 years. This has benefited most of my customers because most of them have favorable credit scores. The OIC's proposed rule would ban the insurers that serve my customers from using their good credit as a factor in determining the rates that they pay. The proposed rule would damage many of my customers, who will see significant rate increases if the proposed rule is adopted. Many of my customers experienced this directly, starting only a few months ago, when Insurance Commissioner Kreidler issued emergency rules which also banned insurers from using credit. Many saw their premium rates dramatically increase for auto and homeowner's insurance policies. This had nothing to do with any claim activity. The premium increases came as a direct result of the OIC's Emergency Rules. I briefly reviewed the impact that the OIC's emergency rules had on the premium rates charged to the policyholders served by my agency. My review showed that 54% of my customers were hit with double-digit percentage premium increases for their homeowner's coverage, and 42% of my customers were hit with double-digit percentage premium increases for their auto coverage. The same thing will happen if the permanent rule that the OIC has proposed is adopted.

I am further concerned that many of the policyholders served by my agency will be damaged because they live on fixed personal budgets. Increased premiums resulting from the OIC's proposed rule will cause many of my customers to reduce policy limits or increase their deductibles in an effort to keep coverage at a cost that fits their budget. Some may cancel or decline umbrella coverage in an effort to save money. This means diminished protection and reduced coverage for these consumers.

The proposed rule has also imposed a strain on my office. When the emergency rules were adopted, we fielded hundreds of calls from confused and irritated customers. That is likely to continue if the OIC's permanent rule is adopted. The proposed rule also puts my agency at a great risk for losing long-term customers. Shortly after the premium increases related to the OIC's emergency rules showed up in consumer mailboxes a few months ago, the OIC's response was simply that consumers should "shop around". I am deeply concerned that the permanent rules will cause these premium increases to continue, and the OIC's response will once again be for policyholders served by my agency for decades to "shop around". This suggestion directly threatens my agency. The OIC should not be suggesting that my customers' response to premium increases that are triggered by this rule is to disconnect from the quality service that my agency provides.

I am also concerned that the OIC's proposed rule will damage the smaller, regional insurers that my agency works with. They could easily lose business to large national insurers; not because of anything that they did, but purely because the Proposed Rule puts these smaller companies at a competitive disadvantage to the national carriers. This could reduce the market choices available to my customers, and damage the competitive market that currently exists.

I am aware that the Court overturned the OIC's Emergency Rules a few weeks ago. We are now hearing that some insurers intend to restore the good credit discounts that many of my customers have earned. That's great news for now, but all of that is put at risk if the OIC adopts the proposed Permanent Rule. For the reasons outlined in this letter, I am opposed to the OIC's Proposed Rule that would prohibit the use of credit history in personal lines of property and casualty insurance. Please withdraw this rulemaking.

Thank you,

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