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November 9, 2021

Mr. David Forte
P.O. Box 40260
Olympia, WA 98504-0260

RE: Letter Opposing OIC Proposed Rules Prohibiting the Use of Credit History in Personal Lines of Property and Casualty Insurance (WSR 21-20-126)

Dear Mr. Forte:

I am the owner of High Cascades Insurance—an independent insurance agency that is located in Castle Rock, Washington. I have owned my agency for many years, and 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. They are not only my customers, but they are my neighbors, and many are personal friends. I have taken great pride in using my expertise, and my authority as a licensed insurance producer, to assist each customer to find necessary insurance products that meet his or her coverage needs, at a price that fits the budget as well.

My office actively does business with many 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 rules would ban the insurers that serve my customers from using their good credit as a factor in determining the rates that they pay. In my view, the proposed rule would damage many of my customers, who will see significant rate increases if the proposed rule is adopted. This isn't just conjecture. This is exactly what happened starting only a few months ago when Insurance Commissioner Kreidler issued emergency rules which also banned insurers from using credit. Many of my customers were damaged as a result of the OIC's Emergency Rules. Many suffered almost immediate premium increases in their auto and homeowner's insurance policies, and the increases had nothing to do with any claims filed. An informal review of the adverse premium impact that the OIC's emergency rules imposed on consumers in my book of business showed 73% with double-digit premium increases for homeowners insurance, and 67% with double digit premium increases for auto insurance. The premium increases came as a direct result of the OIC's Emergency Rules. I know that the same thing will happen on a larger scale if the permanent rule that the OIC has proposed is adopted.

I am further concerned that many of policyholders served by my agency will be damaged because they live on fixed personal budgets. If premiums go up as a result of the OIC's proposed rules (and they will), I am afraid that many of my customers will 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

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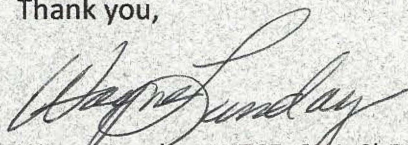
as a result of the cost increases triggered by the OIC's proposed rule. This means less robust coverage for these consumers, with diminished protection as a result. The OIC's proposed rule will mean higher costs and diminished coverage for many consumers that I have worked with for so many years.

The proposed rule has also imposed a strain on me and the staff that are in my office. We were bombarded with calls from confused and irritated customers in the wake of the Emergency Rules that were adopted earlier this year, and this is likely to be repeated again if the OIC's permanent rule is adopted. All of the turmoil resulting from the OIC's emergency rules diverted me and my staff from our normal work. We spent countless hours answers consumers' questions about what was happening with the cost of their auto and homeowner's insurance, and the fact that the OIC's emergency rules triggered it all. The proposed rule also puts my agency at a great risk for lost business. When the OIC's emergency rules resulted in higher premiums for thousands of insurance consumers across the state, the OIC blithely suggested that consumers should "shop around". Advising policyholders that my agency has served for decades to "shop around" basically asks these consumers to leave the high quality service that they have enjoyed from High Cascades Insurance, and start over with some other company. This is not a reasonable response to a premium increase that the OIC's emergency rules triggered. I am greatly worried that if the Permanent rule is adopted, consumers will see another round of premium increases, and the OIC will repeat their previous damaging advice.

My customers look to my agency for information, and it was hard to provide satisfying answers about the OIC's Emergency Rules, and the adverse impacts that so many of my customers experienced. I believe that all of these adverse impacts will continue, and that they will become worse, if the OIC continues to move forward and adopt the permanent rule that has been proposed.

Fortunately, the Courts overturned the OIC's Emergency Rules, and my agency is now aware that some insurers intend to restore the good credit discounts that many of my customers built over so many years. That's great news for so many consumers that my agency serves. But all of that good news would be washed away if the OIC adopts the proposed Permanent Rule, which reflects the same damaging restriction that the Court invalidated only a few weeks ago. For these reasons, 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. Accordingly, I am asking the OIC to withdraw this rulemaking, and to not move forward with its adoption.

Thank you,



Wayne Lunday, LUTCF, CLU, ChFC
Owner, High Cascades Agency
Castle Rock, Washington