

Dear Mr. Forte,

I am writing to go on record with my thoughts and concerns about the upcoming hearing in regards to a proposed rule to ban credit based insurance scores. As the Chair of the Business, Financial Services, and Trade committee this topic falls under my committee's jurisdiction in the Washington State Senate. It is both important to myself and the residents of Washington State that we make smart decisions that involve the Legislature if we are going to make changes to the statutes that govern our insurance market.

I want to make one thing 100% clear, the Legislature is committed to finding ways to minimize the impacts of higher insurance costs that result when Washington residents have negative impacts to their credit score. We will be hearing a version of this bill in the 2022 legislative session that is similar to the model currently used in Oregon, which I'm confident will be an improvement for Washington consumers over our current system.

What we can least afford is to ping-pong Washington consumers back and forth as the Office of the Insurance Commissioner attempts to make changes in statute that should be done through the legislative process, not through rule making.

I was strongly opposed to the emergency ban on credit based insurance scores put in place by the OIC in the spring of 2021. This led to hundreds of thousands of Washington consumers who have filed few insurance claims in the previous three decades seeing the largest percentage increases of their lives. It was exactly because of this outcome that the Legislature chose to go a different path than a full ban of credit based insurance scores. The Legislature has never viewed this as a zero sum game, meaning that we firmly believe we can help lower the costs of insurance for people with low credit scores while still enabling the millions of Washington consumers who currently receive credit based discounts to keep their discounts.

After this emergency rule was overturned in the courts in October of 2021 we now have insurance companies offering credit based discounts again, which is saving Washington consumers who have a history of filing few to zero insurance claims millions of dollars in our State.

I can't think of anything that would be more unfair to Washington consumers than to have a proposed rule by the OIC reinstate the ban of credit based insurance discounts. The Washington insurance market is trying to normalize and go back to a more functional state after all of the unnecessary disruptions that were created by the OIC in the spring of 2021.

If the OIC were to implement a rule that mimics the emergency ban that was overturned by the courts it would be a direct circumvention of the legislative process, and it would lead to the same harmful market disruptions that we witnessed while the emergency ban was in place during the summer of 2021. I was grateful that you were able to attend the work session in my Senate committee on this topic on September 21<sup>st</sup>, 2021. What we learned during that work session is how devastating the ban on credit based insurance discounts has been for senior citizens in our State. We can't go back down that road again.

The exact quote from Commissioner Kreidler in his Seattle Times Op-Ed on November 22, 2021, was "We stand ready to work with insurers and legislators who are willing to embrace fairness and do right by policyholders. Let's get started." Enacting this proposed rule against the will of the Legislature

would be in direct contradiction to what the Commissioner suggested is the best course of action going forward. I too am ready to work together, which is why this proposed rule needs to be set aside so we can address these concerns through the legal means available to changing insurance statutes in our state, the upcoming 2022 Legislative session.

Best Regards,

Mark Mullet

Senator for the 5<sup>th</sup> Legislative District

Chair of the Senate Business, Financial Institutions, and Trade Committee