



November 12, 2021

Mr. David Forte  
P.O. Box 40260  
Olympia, WA 98504-0260  
[rulescoordinator@oic.wa.gov](mailto:rulescoordinator@oic.wa.gov)

Dear Mr. Forte:

On behalf of the Professional Insurance Agents WA/AK (PIA), I am writing to express opposition to the OIC's proposed rule that would prohibit the use of credit scores in personal lines of property and casualty insurance. The PIA is a professional association of licensed insurance producers in Washington state. Our members are located throughout Washington, literally "Main Street" members of the business community in every city and town across this state. Our members take great pride in their professionalism, and in the fact that they use their expertise, and their authority as a licensed insurance producers, to assist each customer to find necessary insurance products that meet that customer's coverage needs, and they do so with an eye toward finding the right coverage a price that fits the budget as well.

PIA members do business with many insurers, and most of those insurers have used credit-based insurance scoring for two decades or more. This has benefited most insurance consumers, because most of them have favorable credit scores. The OIC's proposed rule would ban the insurers that PIA members rely upon from using a consumer's good credit as a factor in determining the rates that they pay. The PIA believes that the proposed rule would damage many insurance consumers, who will see significant rate increases if the proposed rule is adopted. This isn't just a wild hunch. It's exactly what happened starting only a few months ago when Insurance Commissioner Kreidler issued emergency rules which also banned insurers from using credit. According to media accounts and the direct reports coming from PIA members throughout Washington, droves of insurance consumers were damaged as a direct 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. PIA members reported that double digit premium increases were not uncommon, and that many consumers received increases in excess of 50%--all as a direct result of the OIC's Emergency Rules. There's every reason to expect that the same thing will happen on a larger scale if the permanent rule that the OIC has proposed is adopted.

PIA members know that many policyholders live on fixed personal budgets. If premiums go up as a result of the OIC's proposed rule, our members are concerned that many consumers may ask 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 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 insurance consumers. That would be a very sad consequence of the proposed rule.

The proposed rule has also imposed a universal strain on PIA members and the staff in their offices. When the Emergency Rule was issued earlier this year, PIA members and their staff were forced to field an avalanche of calls from confused and irritated customers. 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 our members and their staff from their normal work. They spent countless hours answering 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 PIA members' offices 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 off-handedly suggested that consumers should "shop around". Advising consumers that our members have diligently served for decades to "shop around" essentially asks these consumers to leave the high quality service that they have received for many years, and start over with some other company. This is not a reasonable response to a premium increase that the OIC's emergency rules triggered. The PIA and its members are 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.

Insurance consumers rightly look to our members—all licensed insurance professionals—for information. It was hard to provide satisfying answers about the OIC's Emergency Rules, and the adverse impacts that so many of consumers experienced. The PIA believes 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 Thurston County Superior Court overturned the OIC's Emergency Rules, and we are now aware that some insurers intend to restore the good credit discounts that many insurance consumers built over so many years. That's great news! But all of that good news would be made meaningless 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, the PIA WA/AK is opposed to the OIC's Proposed Rule that would prohibit the use of credit history in personal lines of property and casualty insurance. On behalf of the PIA WA/AK and its members, I request the OIC to withdraw this rulemaking, and to not move forward with its adoption.

Thank you,

A handwritten signature in cursive script that reads "Clark Sitzes".

Clark Sitzes  
Executive Vice President  
Professional Insurance Agents of Washington