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May 4, 2016

To: OIC Rules Coordinator

From: Steven Suchil, Assistant Vice President/Counsel

Subject: R 2015-15, Credit History

Please accept comments from the American Insurance Association (AIA) pertaining to the proposed credit history rule, Insurance Commissioner Matter No. R 2015-15.

Celebrating its 150th year in 2016, AIA is the leading property-casualty insurance trade organization, representing approximately 325 insurers that write more than \$127 billion in premiums each year. AIA member companies offer all types of property - casualty insurance, including personal and commercial auto insurance, commercial property and liability coverage for small businesses, workers' compensation, homeowners' insurance, medical malpractice coverage, and product liability insurance.

The proposal requires each insurer that uses credit history for rating personal lines of property/casualty insurance to update the credit history and resulting insurance score no less often than once every three years. It would also permit insurers writing usage-based insurance to collect data on a policyholder's driving behavior for only a specific period of time and then continue to use the same data for premium calculation at each successive policy renewal.

We recommend that the OIC reconsider the three year credit information update period. Updating this information every three years could result in additional substantial expense for insurers. Generally, credit histories for most people do not change significantly within a three year window. Also, customers with a major financial event, such as declaring major debt/bankruptcy, will often reach out to the insurer for an update.

Thank you for considering our comments on the proposed rules.