



# OKPOLICY.ORG

## Oklahoma Policy Institute

### 2017 POLICY PRIORITY: PROTECT OKLAHOMANS FROM HIKES IN AUTO INSURANCE RATES BASED ON THEIR CREDIT SCORE

#### Background

In Oklahoma, insurance companies have been using credit scores to determine customers' auto insurance rate. This puts an unfair burden on many Oklahomans who have good driving records but poor credit because of medical debt or other emergencies. It means that a driver with no accidents on his record but a low credit score may see higher insurance rates than a driver with a good credit score and multiple DUIs.

This practice of hiking auto insurance rates on Oklahomans with low credit scores likely contributes to Oklahoma having the highest rate of uninsured drivers in the nation. These high uninsured rates increase the cost of auto insurance for all drivers — Oklahomans are paying 2.5 times the national average for uninsured motorist coverage. Consequently, all Oklahomans benefit when we find ways to lower our uninsured driver rate.



#### The Solution

Other states have passed legislation or issued regulations that prohibit insurance companies from using credit scores when determining auto insurance rates while encouraging them to use pricing models that rely on driving records. In Oklahoma, this step towards common sense regulation will require action by the Legislature.

#### What You Should Do

**Contact your state Representative and Senator and urge them to ban the use of credit score when determining auto insurance rates.**

You can look up your Senator and Representative at <http://okpolicy.org/find-your-legislator/>, call the House switchboard at 405-521-2711, and call the Senate switchboard at 405-524-0126.