

**Credit Based Insurance Scores:
A Roundtable Discussion**

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Roundtable Discussion Items

- Benefits of insurance scoring
- Effects of the economic environment on insurance scoring
- Role of state and federal regulation
- Race/income bias of insurance scoring
- Consumer education
- Practical implications of insurance scoring

**BENEFITS OF
INSURANCE SCORING**

Benefits of Insurance Scoring

Do you agree or disagree with this statement: Overall, the use of credit based insurance scoring has had a positive impact on the property and casualty insurance industry?

1. Agree
2. Disagree
3. Neither agree or disagree

EFFECTS OF ECONOMIC ENVIRONMENT ON INSURANCE SCORING

Effects of Economic Environment

- On a scale of 1 – 5, with 1 being no impact and 5 being very significant, how significant do you think the impact of the economic downturn has been on credit based insurance scores?

ROLE OF STATE AND FEDERAL REGULATION

Role of State and Federal Regulation

Where should the primary responsibility for regulating credit based insurance scores lie?

1. State insurance departments
2. Federal government insurance oversight
3. Federal Trade Commission
4. All of the above
5. None of the above

RACE/INCOME BIAS OF INSURANCE SCORING

Race/Income Bias

True or False: The Federal Trade Commission Study settled the issue of the race and income bias.

1. True
2. False

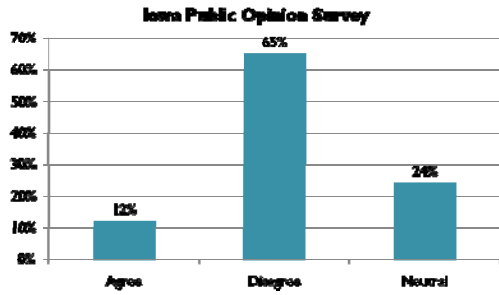
CONSUMER EDUCATION

Consumer Education

People with poor credit scores should pay higher auto insurance rates.

1. Agree
2. Disagree
3. Neutral

People with poor credit scores should pay higher auto insurance rates.



Source: Richards, Randy L, Thomas J. Quinlan, Jr. and Patrick F. O'Leary. *Use of Credit Scores by the Insurance Industry: Iowa Consumers' Perspective*. St. Ambrose University, December, 2009.

PRACTICAL IMPLICATIONS

Role of State and Federal Regulation

So far in 2010, there have been 30 insurance score related bills introduced around the country. Will the number of bills introduced in 2011 be:

1. Less than 30
2. 30
3. More than 30

Practical Implications

Currently, there are three states (California, Hawaii, Maryland and Massachusetts) that ban in some way the use of credit based insurance scores. By the end of 2015, the number of states that have some kind of ban on the use of credit scores will be:

1. Less than 4
2. 4
3. More than 4
