

BIG I | ILLINOIS

Tell Your Legislator to Vote No on HB 4611 Protect Drivers from Higher Auto Insurance Costs

Big I Illinois is opposed to [HB 4611](#), which will destabilize the insurance marketplace by reducing a company's ability to accurately predict risk as well as penalize companies for instances of unfair discrimination.

BACKGROUND

HB 4611, an Illinois House bill which would require auto insurance rates to be determined by driving factors, passed out of the Illinois House Insurance Committee on Thursday, April 18th. HB 4611 is supported by the Illinois Secretary of State Alexi Giannoulias. It would eliminate a company's ability to use an individual's credit-based insurance score or credit score as well as gender and age as underwriting factors. The bill will allow the Department of Insurance to levy a fine of \$5,000 per instance of unfair discrimination. The bill does not include rate regulation; however, it does include language which states that rates shall not be excessive, inadequate, or unfairly discriminatory.

Illinois has one of the most competitive auto insurance marketplaces in the country with over 200 auto insurance companies operating in the state. HB 4611 will have an immediate and long-term significant impact on the insurance marketplace. Introducing a \$5,000 per instance of unfair discrimination is an unprecedented penalty that will serve as a deterrent for companies to not only enter but stay in Illinois.

As independent brokers we currently have the luxury of shopping our clients' auto insurance to several different companies. If HB 4611 were enacted, we would likely see billing options change, tighter acceptability standards or carriers that would choose to leave the state altogether.

CALL TO ACTION

The insurance industry in Illinois has been exceptionally strong for decades. Insurers have been attracted to Illinois for a wide range of reasons. A healthy and stable marketplace are the driving factors that draw insurers to the state. Legislation that will destabilize the marketplace and drive up costs to consumers is not the answer.

Illinois consumers have **benefited significantly from the auto insurance market in Illinois**, as Illinois is ranked 31st in affordability while being the 7th largest state in the country. Auto insurance rates in Illinois are 23% lower than the national average. Eliminating an insurance company's ability to use actuarially sound underwriting factors would negatively impact all drivers in the state as well as those in major metropolitan centers. Both high- and low-income individuals may have positive credit-based insurance scores, just as these same demographic groups may have negative credit-based insurance scores.

The best and most fair way to price policies is to use a wide variety of actuarially sound and predictive driving and non-driving rating variables. When insurers can accurately and responsibly underwrite and price policies, consumers benefit with lower rates overall, more choices, and greater market and price stability, which we have seen in Illinois for years.

We urge you to proactively contact your local legislators to Vote NO on HB 4611 and any legislation restricting the use of actuarially sound underwriting practices.