

Lauren Rasmussen

From: Brenda <brenda@randallmossins.com>
Sent: Thursday, February 04, 2016 8:14 AM
To: Sen. Charlie Huggins
Subject: Support for Senate Bill 127

I would be in TOTAL support of passing this bill if it will enable insurance companies to include credit scoring at policy renewal without prior permission from insured.

I would repeat this 100 times if I could!

Brenda Pearce

Randall Moss Insurance

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Lauren Rasmussen

From: Heal, Cindi <CindiHeal@allstate.com>
Sent: Wednesday, February 10, 2016 9:23 PM
To: Sen. Charlie Huggins
Subject: Thank you for sponsoring the Insurance Credit Use Bill

Senator Huggins--Thank you for sponsoring the Insurance Credit Bill. As a consumer I applaud you understanding the validity and importance of Insurance rating factors being much more complex than many people think they are. Ironically my clients who benefit from the use of credit understand instantly that they deserve a reward for being the "best risk" an Insurer can have.

I wish things could have been handled with the last version of the bill....hopefully this one will be a win for us all!

I know you have likely gotten several emails about the Insurance credit bill. I hope things have been going well for you. My parents moved from Huntington Park in Anchorage to Palmer shortly after I graduated and I purchased my Dad's Allstate Agency almost 20 years ago.

I feel like over the last several years I've become the local guru and constant proponent of the ways we use credit and it is a benefit to all consumers on a permanent basis; except that the way we can use credit is currently broken. At Allstate we are always a step ahead in being compliant. I know other companies have found ways around removing credit from the strategy used to determine a rate (which is a lot more than a credit indicator.) We built a model at Allstate that takes into account whether or not you have prior insurance, how long that insurance has been in force with no lapses, the prior liability limits that you carried, your driving record and a long list of other components.

When we were first given the green light to use this system we had no idea someone would change the rules on us and NOT REWARD our best customers who are Alaska's best citizens and constituents by requiring that we remove the credit component from their rates.

The removal of credit created a formula that will just be an example...I am unsure if anyone will have described it this way or not; but it is the way I easily have conversations before we order Loss Information history, credit and driving records at my agency.

We will order reports and initially we set up a better rated policy for our best customers who had lower premiums that reflected in part their good driving habits. Responsible drivers are responsible in many ways. Our rating plan was meant to reward drivers life long; not to dangle a lower rate for just one six month period and then have to take a large rate increase so you could help subsidize the cost of someone who wasn't such a good insurance citizen. Initially we used 1-5 as the lowest rated tier. 1 being the best score when we combine 33 rating factors (or so) that created an incredible actuarial picture that is a pretty good predictor of what our experience will be with a given household based on the insurance score makeup (one component is credit.) By requiring us to remove credit at the first renewal we were forced to take away the good "score" of 1 that gave the consumer who had diligently earned a better rate than some others to be put in a "land of in-between" averaging the score of all the people in the rating group they were in.

Long story short; the people who the best score (the lowest score in Allstate's case) are paying higher rates and subsidizing the rates of people who are not the best risk and do not deserve the best rate.

It is an incredible and rewarding feeling to let someone know that when we know they have a positive score they deserve the best rate. People who are good credit citizens are elated every time; they understand that their diligence pays off in every aspect of life. We use credit scoring for auto and home policies. It makes sense that the person who saves and owns a home and can maintain the property is a better homeowner's risk for an insurance company than the person who just barely makes it choose not to save for necessary home repairs that create fewer homeowners losses.

It became a necessary but terrible feeling to call my very best clients who I have known since I was a kid; helping them at my Dad's first office in Anchorage that because of one decision we had to charge them more and no longer charge them fairly for their individual loss experience.

It came up at one point when the bill was blocked that using credit was "discriminatory." Insurance is discriminatory. We base our rates on each individual's experience. The person who has no insurance, causes an accident and gets a DUI should always pay more. The person who takes care of the "insurance house" just like they should everything else; in a responsible manner.

Things were fair and appropriate when we filed our rates and rating plan with the division of insurance fully disclosing the fact finding mission we had gone on as a company to come up with a more equitable and fair way to charge consumers. The better the risk; the better the rate.

When credit was "stripped" (removed) from my own auto policy my rate went up \$350 each six months....yes; credit is that big of a predictor. My home insurance went up by \$225 per year.

I thank you for your support. Call me any time at my office or on my cell 907-230-1026 if you ever need anything.

Respectfully, Cindi Heal-Harsh, Palmer Alaska

(the place we love to call home and truly wish it would snow on the ground....not just the mountains!)

*Make your appointment today! **SHOW YOUR LOVE** for your family by protecting them with life insurance. We will have Allstate guest Karen Hutton here from February 14th -2 1st reserve your spot to learn more about life insurance and protecting your assets today. She has been working with me in this area for more than 20 years; we can accommodate appointments at our office or your chosen meeting place.*



Cynthia Heal-Harsh

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I can help protect the things that matter most.



cindiheal@allstate.com

T: F:

We started a new program for you, our valued customers. Each time you have that you recommend that your friends and family call or stop in for a quote if they mention your name we will mail you a \$10 gift card. The best thank you we can have from a satisfied client is a recommendation to a friend or family member.

T: F:

Lauren Rasmussen

From: CASE, JEFF (Alaska EA) <JEFFCASE@allstate.com>
Sent: Wednesday, February 10, 2016 1:34 AM
To: Sen. Charlie Huggins
Subject: SB 127

Dear Senator Huggins,

I am an insurance agent and I own Case Financial a small business located in South Anchorage. I am writing to ask you to support SB 127, the bill to reform the use of credit history as a rating factor in setting insurance premiums in Alaska.

I started up my business a little over two years ago and I am in a critical phase with my business, as you may know the first couple of years are crucial for a small start up family business like mine. Current law has recently impacted my business in a very significant way. I have received many calls from some of my best clients confused and upset with me that their premiums are increasing after only being with me a short time.

Current law in Alaska makes the renewal process cumbersome, expensive and penalizes people with good credit. A person with good credit may qualify for a lower premium initially however the current law requires the insurer to disregard that rating factor at renewal which results in increased premiums. Alaska is unique in that no other state has this requirement to disregard good credit as a rating factor at renewal, driving up premiums and penalizing this segment of my business. Bottom-line it means our fellow Alaskan pay higher rates or they are forced to keep shopping to keep their insurance rates low. This process of insurance hopping is costly, it takes time away from family or other more important things in life and it drives up costs for small businesses like mine. Most Alaskan's are confused by this law, when I explain the issue it's perceived as deceptive. It hurts the insurance industry, it also hurts small family businesses like mine and more importantly it hurts your constituents. If one of my clients with exceptional or great credit likes working with me they should be able to stay with me and still get the low premiums they have earned by establishing great credit. SB 127 will fix this issue.

SB 127 also includes provisions and language protecting every Alaskan who might suffer an extraordinary life event. Life happens and most of us have experienced life events we did not foresee, impacting our credit history but when things get tough we should all have the same protections. This overhaul to current law requires all insurers to provide reasonable exceptions for persons experiencing extraordinary life events such as the death of a spouse, identity theft, oversees deployment, involuntary unemployment or divorce. With difficulties in our economy looming this bill will have great benefit and protections for anyone affected by one of these extraordinary situations.

I want to thank you for your service and representation in Juneau. This is an extraordinary and unprecedented time in our great state's history. My family and I appreciate the incredible task you have ahead of you this legislative session. I really hope that you will please see the merit of this bill and the benefit it's passing will have to a great many Alaskans. Thank you again for your time and consideration

Respectfully,

Jeff Case

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Protect what is most important, please ask me for a life insurance quote.

Lauren Rasmussen

From: Rodriguez, Kay <kay@allstate.com>
Sent: Wednesday, February 10, 2016 11:36 AM
To: Sen. Charlie Huggins
Subject: SB 127

Dear Senator Huggins,

I am writing you in support of SB 127. The bill would reform the use of credit scores in Alaska when determining insurance rates.

We know that someone with good credit has a much better loss history. As such, they should be able to enjoy better rates not only when the insurance policy is first written but at all subsequent renewals. Removing the impact of credit at renewal is doing a disservice to those insured's that have a good credit score. The bill also allows each insured that has experienced an extraordinary life event that might impact their credit score to make sure that their insurance premiums will not be impacted.

I sincerely appreciate your taking time to read this email and hope you are in support of SB 127.

Sincerely,

Kay Rodriguez
Exclusive Agent
Allstate Insurance
Off: 907-562-0003
Fax: 907-561-1830

If you receive a survey from Allstate regarding this agency, I would appreciate if you would take time to fill it out! My goal is to have you 100% satisfied with my office. If you are not 100% satisfied please let me know how I can fix it.

Check our my website! www.allstate.com/kay

Lauren Rasmussen

From: Kelly Snodgrass <snodgrassak@gmail.com>
Sent: Wednesday, February 10, 2016 3:53 PM
To: Sen. Charlie Huggins
Subject: SB 127 Insurance and Credit

Dear Senator Huggins:

Thank you for sponsoring the bill, as a courtesy I'm copying you on a request for support I've made to some of your colleagues:

I'm an Anchorage resident, long time Alaskan and owner of two Insurance Agencies in Anchorage that serve over 5000 individuals. I'd like to ask for your support on SB 127, a bill that reforms the use of credit history for insurance in Alaska.

Alaska law permits the use of credit history by insurers but the current law has some negative consequences for many of my clients. In most cases my new clients are benefiting by the use of their good credit to bring down rates initially; then, according to current law, we are to disregard their good credit which results in a price increase. This is an irritant for the insured, the insurers and the agencies who provide service. Some consumers choose to hop around at each renewal in order to avoid this penalty.

This bill includes language that fixes and improves other aspects of credit use as well. I believe that this bill is good for the consumer and as a small business owner in Alaska I thank you in advance for your attention in reviewing the legislation. Thank you for your time, please feel free to contact me in you have any questions

Kelly Snodgrass

Snodgrass & Associates, LLC

2820 Boniface Parkway and 1301 E Dowling Rd

Anchorage, Alaska [\(907\) 346-4006](tel:(907)346-4006)

Lauren Rasmussen

From: Tebow, Stan <StanTebow@allstate.com>
Sent: Monday, February 08, 2016 8:08 PM
To: Sen. Charlie Huggins
Subject: SB 127

Follow Up Flag: Follow up
Flag Status: Completed

Dear Senator Huggins,

I own the largest Allstate agency in the state of Alaska with two offices in Anchorage and one office in Palmer. We represent roughly 10,000 policy holders in our great state. I am writing you today to ask you to support SB127, the bill to reform the use of credit history in Alaska.

While current Alaska law allows the use of credit history by insurers, the process is cumbersome, expensive, and penalizes people with good credit. A person with good credit may qualify for a lower premium when applying for an insurance policy but the current law requires the insurer to disregard that factor at renewal, which results in increased premiums for the customer. No other state has the requirement to disregard good credit rating factors and raise premiums on drivers after credit has been used to initially rate their plan. This burdensome regulatory requirement serves as a hidden tax on Alaska drivers with good credit history. It means an Alaskan driver may have to pay higher rates or keep switching insurers to try to avoid the increase. The fiscal incentive to change insurers hurts both the consumers and the insurance agents. If a consumer with good credit likes their agent, they should be able to stay with them and still receive the low premiums they deserve by being responsible with their credit. SB127 fixes this problem.

In addition, SB127 includes language that will allow every consumer who has suffered an extraordinary life event that impacted their current credit history to take steps to make sure that their insurance premiums are not impacted by such events. All insurers will be required to provide reasonable exceptions for a person who has been effected by an extraordinary event in life like the death of a spouse, identity theft, overseas deployment, involuntary unemployment, or a divorce. This will be a great relief to people that fall into these life circumstances.

SB 127 will help ensure that drivers' rates are reflective of their risk. Good drivers will not have to pay more, or switch carriers to keep the lower premiums they have earned. The bill is good for consumers and good for Alaskan small businesses like mine.

Thank you for your time and please feel free to contact me if I can provide additional information.

Sincerely,

Stan

Stan Tebow

President

Tebow Financial Group, Inc.

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