

Alaska Independent Insurance Agents & Brokers, Inc.

The Honorable Charlie Huggins
Chairman, Senate Rules Committee
Room 103
State Capitol Building
Juneau, AK 99801-1182

February 16, 2016

RE: **SB127 – Use of Credit History upon Policy Renewal**

Dear Senator Huggins:

The Alaska Independent Insurance Agents & Brokers Association (AIIAB) supports the consideration and passage of SB127 – An Act Relating to Actions by Insurers based on Credit History or Insurance Score.


While AS 21.36.460(d) currently provides that an insured may 'waive' the prohibition against use of credit score upon renewal, in actual practice, the public is often confused with the waiver option resulting in the potential loss of the benefits that would otherwise be available.

Additionally, the current waiver option in Alaska statute is unique when compared with other states that allow use of credit score in determining rates casting the Alaska insurance market as an outlier with respect to market efficiency. Due to our modest population, Alaska is an already small market, relatively speaking, which presents challenges when attempting to attract additional insurers to our state.

Enacting SB127 will prevent the unnecessary churning that Division Director Lori Wing-Heier testified to, should result in benefits for Alaskan consumers and will provide a more efficient market for insurers doing business in Alaska.

Thank you for your public service and for your consideration of this matter.

Sincerely,


Nancy Boeshart
President

cc: *Lori Wing-Heier, Division of Insurance*



Independent Insurance Agent

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