



February 11, 2016

Office of Senator Huggins
Office of Senator Giessel
State Capitol Room 518
Juneau, AK 99801

Sent Via Email: Senator.Charlie.Huggins@akleg.gov
Senator.Cathy.Giessel@akleg.gov

Senators:

Please accept this letter as written support of SB 127 "SUPPORT USE OF CREDIT SCORE" for the reasons outlined below.

NAMIC (National Association of Mutual Insurance Companies) has articulated the situation very well, and I have attached a copy of their letter. The current approved method is cumbersome and unfairly burdensome on the states consumers. Alaskan consumers deserve the full benefit of credit based insurance scoring as part of their rating upon renewal of their insurance policy.

After in-depth discussions with the independent agency force that represents our product to insureds, the feedback was a resounding frustration with the 2 year strip out of credit and the requirement of re-authorizing its use by way of new signatures and paperwork. Based on that feedback, we made a business decision to not use credit in our underwriting process, thereby removing that frustration for the consumer. However, our decision has created its own disadvantages for Alaskan insurance consumers. The lack of utilization of all available tools to underwrite our risks resulted in limiting the products and pricing tiers we offer our insureds in Alaska.

We believe that a change to the use of renewal credit based insurance scoring would benefit the consumer, especially in our business model. The likely benefit to consumers is illustrated in the attached letter from NAMIC.

Thank you for your time and consideration in reviewing our point of view prior to the progression of SB 127.

Sincerely,

Stacey M. Matteson
Vice President and General Manager

Cc: Christian Rataj, Esq. NAMIC State Government Affairs
Lori Wing-Heir, Director Alaska Division of Insurance

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