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FLOOR DEBATE

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decisions affecting whether they were renewed or whether their rates went up because of something that seemed very irrelevant to them, and that was their credit information. So what we're passing out to you is some information that give you some background on really why credit scores are used. There is a handout there on attachments and it shows you some charts that they have very much clarified and scientifically identified the fact that, just like age, a 16-year-old young male has more automobile accidents than the rest of the population. Now does that mean every 16-year-old does? No. Does it mean that every male does? No. But, in fact, they know that the occurrence rate is increased in that age bracket. They have also identified the fact that people's use of credit often shows their willingness to take risks, necessarily or unnecessarily. So I've passed out some charts to you that show some of the data, just a very small portion of the data, that has been scientifically researched across the country. I've also showed you an answer sheet from Fair, Isaac. This is one of the suppliers who actually have developed a model. They're one of three major suppliers out there that have calculated models. Some of the insurance companies themselves have designed models, because what they're trying to do is they're trying to find a way to identify risk. Why? Because if they can identify those who are at most risk, they can make sure that they're not unnecessarily raising rates on everyone else and, in fact, they have found that by using risk factors such as this, that are more...I want to say more accurate, because they really are more accurate, they have been able actually to lower the rates for about four-fifths of the population. Now, this bill is about property casualty only. It's not about commercial risks. This is strictly you, your constituents who want to buy homeowner's insurance or automobile insurance. That's what LB 487 is about. The model that is before you was a long work in progress and it was developed by insurance companies, consumer groups, the Center for Economic Justice was there involved in this, the agents were involved in there, legislators were involved in this, and they came up with what I think is an excellent compromise and so I have introduced it here to the body. What does it do? Well, there's kind of a bullet sheet and it gives you a long list of bans. There are eight things that are banned, a long list, and even within there some things that are