

**The Center for Economic Justice
Consumer Federation of America
Florida Consumer Action Network**

NEWS

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Consumer Groups Praises Insurance Commissioner Action to Protect Consumers from Unfair Credit Scoring Practices

Several consumer groups today praised the action by Florida Insurance Commissioner Kevin McCarty to prohibit insurers from using credit scoring in insurance rating if those practices unfairly discriminate against consumers because of their race, color, religion, marital status, income or gender.

The Consumer Federation of America, the Center for Economic Justice and the Florida Consumer Action Network joined in support the Office of Insurance Regulation's (OIR) action to place limits on insurers' use of consumer credit information for insurance underwriting and rating.

The consumer groups noted that the industry has challenged the OIR regulation. Consumer Federation of America Insurance Director J. Robert Hunter stated, "It is not surprising that the insurers are resisting applying this test of fairness since credit scoring will surely fail. It is a good day in Florida for racial, income and other classes that have long been unfairly discriminated against by this practice."

"Studies by the Texas and Missouri Departments of Insurance have shown that insurance credit scoring is a proxy for race and income. If insurers are prohibited from directly using race and income to determine insurance rates, insurers should not be allowed to use race and income indirectly via credit scoring," said Birny Birnbaum, Executive Director of the Center for Economic Justice.

Bill Newton, Executive Director of the Florida Consumer Action Network said, “Commissioner McCarty has been a national leader on marketplace protections for insurance consumers and with this latest action, he continues to keep Florida at the vanguard of insurance consumer protection.”

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The Consumer Federation of America is a non-profit association of 300 organizations that, since 1968, has sought to advance the consumer interest through research, advocacy and education. www.consumerfed.org

The Center for Economic Justice is a Texas nonprofit corporation dedicated to protecting the interests of minority and low-income consumers on insurance, credit and utility matters. Web Site: www.cej-online.org

The Florida Consumer Action Network is a grassroots organization which empowers citizens to influence public policy by organizing and educating in areas where consumer voices are underrepresented. www.fcan.org