

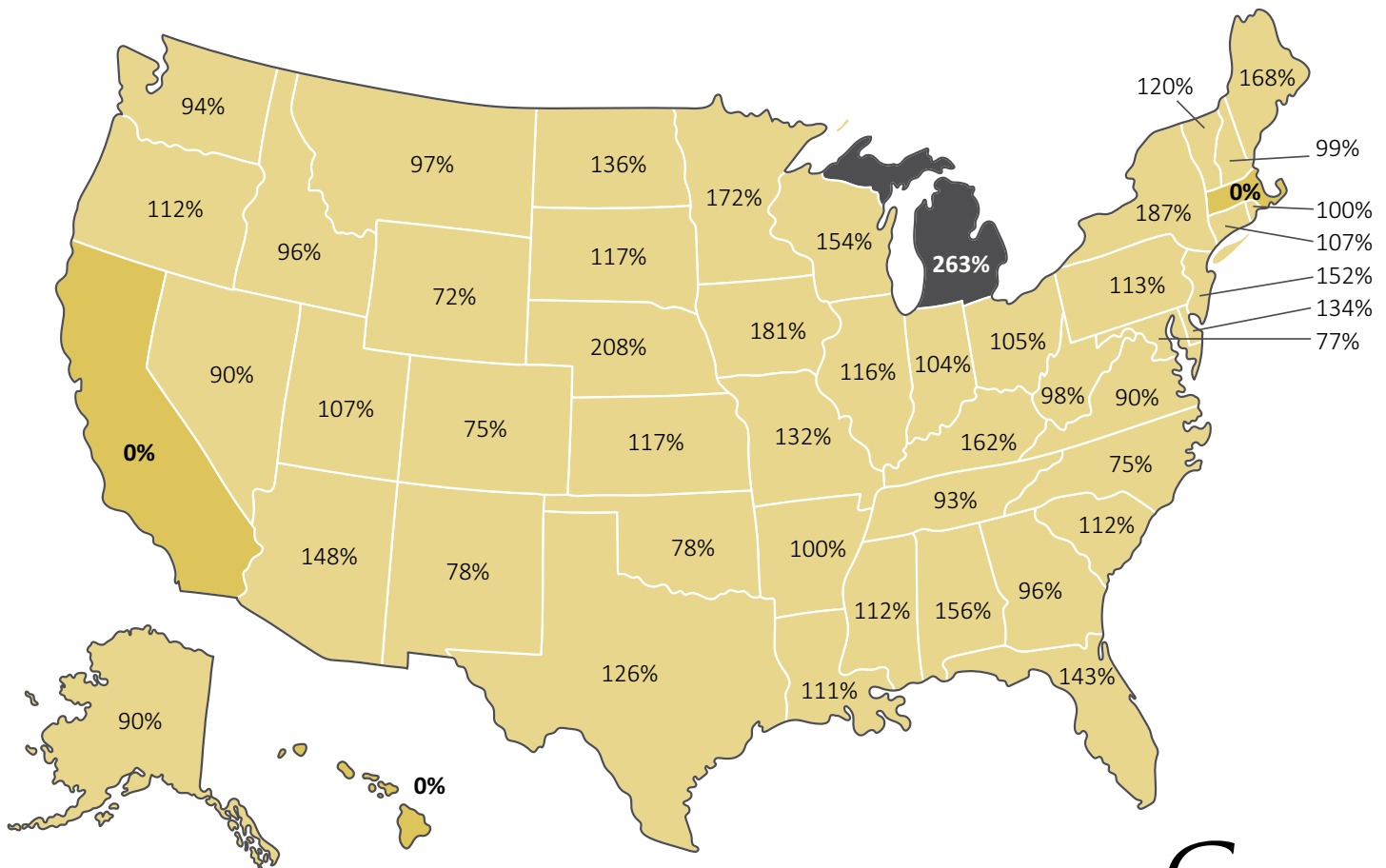
Michigan Worst in the Country for Penalizing Drivers for Poor Credit

Most people think their driving records and their annual mileage determine how much they are charged for their auto insurance premiums. After all, those are the best indications of whether you might get into an accident, right?

But a new report from the Consumer Federation of America (CFA) confirms what we've known in Michigan for years—that auto insurers discriminate against drivers based on their credit information, a practice that disproportionately hurts low-income consumers and people of color.

In fact, the report found that Michigan is the worst state in the country for penalizing drivers based on their credit information. **On average, safe Michigan drivers with poor credit pay a whopping 263% more than safe drivers with excellent credit.**

Premium Increase for Safe Drivers with Poor Credit Compared to Safe Drivers with Excellent Credit, by State

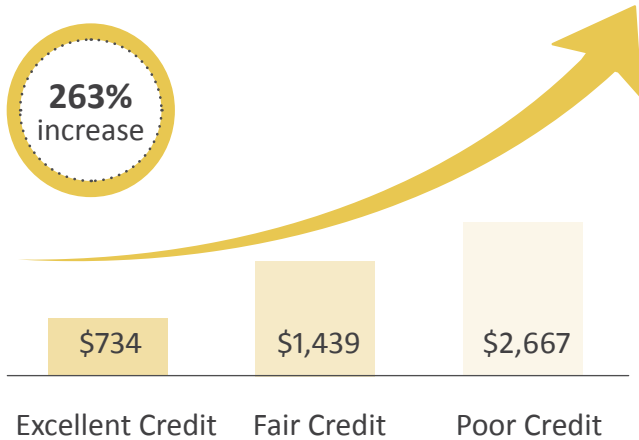




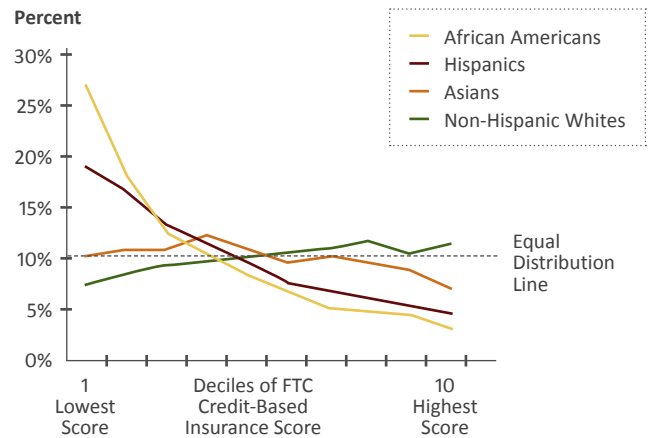
Modern Day Redlining

When credit information is used to construct credit-based insurance scores for underwriting and rating auto insurance, the result is higher auto insurance premiums for drivers of color.

Average Auto Insurance Premiums in Michigan by Credit Information



How Credit Scores Impact Auto Insurance Premiums, By Race and Ethnicity



Decisive Reforms Are Needed

- Michigan lawmakers should prohibit the use of credit information in setting auto insurance rates or determining eligibility for a policy.
- The Michigan Department of Insurance and Financial Services should devote more resources to analyzing insurer rate and rule filings and reject company plans that unfairly discriminate based on their use of credit-based insurance scores.
- Michigan should enact reforms to combat unfair discrimination and bias in insurance and in information, data models, and algorithms that insurers use.



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