

Frequently Asked Questions

Washington State credit rating Ban

Overview

The Office of the Insurance Commissioner (OIC) issued an emergency order that prohibits insurers from using credit scoring to determine rates, premiums, or eligibility for coverage for new business and renewal business.

Is the increase/decrease in my renewal amount correct? Yes, as a result of the OIC's order banning the use of credit scores, customers may see significant increases or decreases in their premium. If you would like a full policy review to confirm that everything is correct about your current policy, please contact us.

What is causing my renewal to increase/decrease? The OIC ordered insurance companies to stop using credit scores by June 20, and were not allowed to mitigate or spread out the impact of these changes. As a result, most customers will experience a change in their premium. We encourage our customers to take advantage of a full policy review so that we can confirm that all your information is up to date and correct.

Why was the order issued? The OIC's position is that the use of credit scores is unfairly discriminatory and that the economic impact of the coronavirus pandemic has had a disproportionate negative economic impact on communities of color. As a result, they issued an emergency order requiring insurance companies to remove credit scoring from their rating plans.

Is this happening across all of Washington? All personal lines insurers in the state of Washington are impacted by these changes.

What options do I have to change/reduce my premiums? We would be happy to review your policy coverage with you to ensure you are receiving all eligible discounts and that the information used to determine your premium is still correct.

Is this a permanent change? The OIC would like this to be a permanent change, but the ban is currently scheduled to last for three years.

My renewal does not happen until later this year/next year. Can I take advantage of these changes now? While some customers will see rate decreases because of this order, many will see increases in premium. We can review with you what your rates would be if you were to move into the new rating plan. Please note: the availability of some billing options may also change.

Is there any way that I can choose to have credit-based insurance scoring put back in place for my policy? No, the OIC has prohibited all insurers from using credit scoring in their rating effective June 20, 2021.

Can I get advance notification if my premium is going to change significantly so I can plan for the financial impacts? Your renewal notice will go out at least 30 days prior to your effective date with your renewal premium.

Can I get a better rate with a different insurance company? All insurers are required to comply with the OIC's order. If you would like to discuss another carrier after reviewing your coverage and discount options as an Independent agency; Schmidt Insurance Services works with multiple companies and we would be happy to run quotes with other providers.

Who can I reach out to let know I am unhappy with this change? If you would like to complain to someone about your rates going up, you may want to contact your state legislators. You can find information at www.leg.wa.gov.

Please don't hesitate to call us with your questions.