



OFFICE OF
INSURANCE COMMISSIONER

January 22, 2021

Daniel Holst, Executive Vice President
Independent Insurance Agents and Brokers of Washington
11911 Northeast 1st Street
Suite B 103
Bellevue, Washington 98005

Dear Mr. Holst,

I am writing to express my extreme displeasure with the misleading information the Independent Insurance Agents and Brokers of Washington (IIABW) distributed in its online newsletter on Jan. 15, 2021 after a public hearing a day earlier on my proposal ([SB 5010](#)) to prohibit the use of credit scores for property and casualty insurance policies in Washington.

The information attributed to your lobbyist, Mr. Bill Stauffacher, implied the national Fair Credit Reporting Act has loopholes that allow use of credit scores as a means to underwrite premiums. Your newsletter noted: *"...a state ban will not stop GEICO and other national direct marketing companies from using federally protected loopholes in the Fair Credit Reporting Act to continue to use credit."*

A leading national consumer advocate on insurance, Birny Birnbaum of the Center for Economic Justice, wrote to me about the misinformation:

"There are no 'federal loopholes' because the regulation of insurance is delegated to the states via the McCarran Ferguson Act. The IIABW's claims are troubling. If, after two decades of use of insurance credit scoring, the agents' association doesn't understand how or why credit is used, it's unclear how consumers – or the Legislature – can expect to get accurate information from these agents.

"The fact that the agents' association has such a massive misunderstanding of how the use of consumer credit information is regulated speaks volumes about how impossible it is for consumers to be treated fairly."

I also asked my Legal Affairs staff and an assistant attorney general to review the newsletter. They confirmed Mr. Birnbaum's note to me.

The IIABW's lack of verifying the information before it was sent to members of your association is more than troubling. If my office distributed false or inaccurate information the credibility of my office

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would be called into question – and rightly so. That is why I insist that safeguards are built into our processes to ensure the information we present is accurate and based on a commitment to truth.

I sincerely hope you will send corrected, accurate information to your membership as soon as possible. My bill has been thoroughly researched and vetted. Nothing in federal law would prevent it from being fully implemented if the state Legislature adopts it.

Sincerely,

A handwritten signature in black ink that reads "Mike Kreidler". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Mike Kreidler
Insurance Commissioner

Sent electronically to DHolst@wainsurance.org