

Check it Out: Insurance Rates are Changing



One of our goals as your insurance team is to keep you informed of important happenings in the industry that affect your coverages and premiums. This summer is bringing a change that we expect to impact most of our clients. We want to make sure you understand what is taking place in the coming months, and our plan for working with you on these changes.

During the most recent legislative session, Washington State Insurance Commissioner Kriedler lobbied to ban the use of credit scores in insurance premium calculations. For many years, credit had been considered along with claims history, age of homes or drivers, and the types of cars people drive. He felt that because of the pandemic, many people saw their credit scores drop and as a result, their auto and home premiums increased. **The state legislature declined to support this ban, but Commissioner Kriedler moved the issue forward by way of an emergency order issued after the end of the annual legislative session. The emergency order bans the use of credit to determine premiums for three years – and is effective June 20, 2021.**

To make this happen, each of the insurance companies in Washington had to redesign how they determine rates for their policyholders. The OIC (Office of the Insurance Commissioner) required insurance carriers to submit their new plans for review by May 6th and once approved those would be the rates as of June 20th. While the OIC has reviewed and approved these changes, we as agents have only seen bits and pieces of the new rating models. Based on the glimpses we've had of what is to come, we anticipate that policy holders with strong credit scores will see a premium increase while those with lower credit scores are likely to see their premiums decrease.

Those of you with renewals in early August will be the first to see the impacts of this ruling (insurance companies often work 30-45 days in advance of renewals which is why policies renewing in July won't see an immediate change). Since we'll have about a month from receiving your renewal information to the date of the renewal itself, that lead time will help us review those changes with you, discuss options we can offer, and make sure that you are in the best position possible for the year (or so) ahead.

As we work on the renewal information with you, we'll want to ensure that you are receiving all the discounts you should be earning! Companies are often adding in new discounts for their clients, and we want to make sure we're taking advantage of all of them that apply. If you're an AAA or AARP member, a UW alumnus, limiting your mileage, or participation in a telematics program, we may be able to offset some of those premium increases.

We've always been big fans of that multi-policy discount our companies offer – and going forward that may be one of the most effective ways to manage the premium. As we look at various companies for home or auto, we'll want to keep the big picture in mind. If you end up losing the account credit on both policies, it may not save the premium dollars initially expected.

For the next year or so as your policies renew, please be sure to open those renewal envelopes or emails as they come in. And be assured we are reviewing all renewals as they process so we can have a productive conversation (or two!) going forward. And, of course, you are welcome to share your feedback on how this change impacted you with the Office of the Insurance Commissioner. Log onto www.insurance.wa.gov and follow the instructions there to provide your thoughts.

As these changes roll out, we are always happy to discuss any questions or concerns. This is a big shift in the way insurance companies operate in the state and we're available to share our insights on the situation and ease your mind as best we can.

Save the Date...

**McDonald McGarry's
Shredding Event
September 18th
10am-1pm**



**We're bringing back our popular
Shredding Event and Food Drive this year!**

**Mark your calendars, start gathering your paperwork,
and stay tuned. We'll be in touch with more details soon!**

Our Doors are Open!



It's been a full year since we've welcomed clients to the office to make payments and answer policy questions. But we're so happy to be able to make a pot of coffee and open our doors again to our clients. Would you prefer to come by with your questions or concerns? Come on in!

We're glad to see you.