



Consumer Data Industry Association
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CDIAONLINE.ORG

January 27, 2026

Representative John Hunt
Chair
House Commerce & Consumer Affairs Committee
New Hampshire House of Representatives
33 N State St
Concord, NH 03301

RE: Opposition to HB 1582: Prohibiting the use of credit information in underwriting and rating personal automobile and homeowners insurance policies and prohibiting certain surveillance practices by insurers.

Chair Hunt, Vice Chair Potucek, and Members of the Committee:

On behalf of the Consumer Data Industry Association (CDIA), I write to oppose HB 1582, which would revise existing New Hampshire law to prohibit the use of a consumer's credit history or consumer report for underwriting homeowners or automobile insurance products in the state. Even if HB 1582 is framed as a pro-consumer measure, it opens the door to expensive and unintended consequences by removing a reliable predictor of risk insurers depend on, which could increase the cost of insurance for all consumers.

CDIA, founded in 1906, is the trade organization representing the consumer reporting industry, including agencies like the three nationwide credit bureaus, regional and specialized credit bureaus, background check companies and others. CDIA exists to promote responsible data practices to benefit consumers and to help businesses, governments and volunteer organizations avoid fraud and manage risk.

Credit reports are reliable and predictive of credit risk¹ and, when used as a factor for insurance decisions, credit information is a racially neutral,² predictive indicator of insurance risk.³ By removing the consideration of accurate information, this legislation is removing important indicators of risk which could lead to higher insurance costs for New Hampshire consumers.

On the other hand, credit information is just one of several factors that go into making a risk-based underwriting or rating decision. Other considerations include driving record (prior accidents, moving violations), where a car is garaged and the age and type of car. Most states, including New Hampshire, already prohibit insurers from using credit as the sole criterion in pricing decisions.

In any case, existing consumer safeguards balance insurers' need to use actuarially sound variables while preserving consumer rights and protections. For example, insurers' use of credit-based insurance scores is subject to the protections of the Fair Credit Reporting Act, both federal and state anti-discrimination laws, state insurance rating laws and state insurance scoring laws and regulations. All these measures prohibit

¹ "Available evidence indicates that the information that credit-reporting agencies maintain on the credit related experiences of consumers, and the credit history scoring models derived from these experiences, have substantially improved the overall quality of credit decisions and have reduced the costs of such decisionmaking." *Credit Reporting Accuracy and Access to Credit, Federal Reserve Bulletin, Summer 2004, 320*; See also, *An Overview of Consumer Data and Consumer Reporting, Federal Reserve Bulletin, Feb. 2003, 70* (citations omitted).

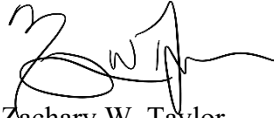
² See, e.g., Fed. Trade Comm., *Credit-Based Insurance Scores: Impacts on Consumers of Automobile Insurance*, 2007

³ See, e.g., Morris, Darcy Steeg, Daniel Schwarcz, Joshua C. Teitelbaum, *Do Credit-Based Insurance Scores Proxy for Income in Proxy for Income in Predicting Auto Claim Risk?*, Georgetown Univ. Law Ctr., April 25, 2017.

insurers from discriminating on the basis of race, religion or national origin and include strong penalties for any violations.

As HB 1582 is unlikely to achieve its aims and instead could raise costs by prohibiting the use of reliable factors insurers use to accurately evaluate and account for risk, we respectfully request the committee to reject this proposal with an “Inexpedient to Legislate” recommendation. Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Zachary W. Taylor', with a stylized flourish extending to the right.

Zachary W. Taylor
Director, Government Relations
Consumer Data Industry Association