

January 28, 2026

Chairman John Hunt
Committee on Commerce and Consumer Affairs
New Hampshire House of Representatives
1 Granite Place, Room 229
Concord, NH 03301

Chairman Hunt, members of the Committee:

The National Association of Mutual Insurance Companies (NAMIC) appreciates the opportunity to testify in opposition of HB 1582.

NAMIC is the foremost trade association representing the property/casualty insurance industry. Serving more than 1,300 member companies - including local and regional insurers as well as some of the nation's largest carriers - NAMIC members collectively write \$467 billion in annual premiums, representing 61% of the homeowners' and 53% of the automobile insurance markets. For more than 130 years, NAMIC has been the leading voice advancing public policy solutions and regulatory frameworks that promote a strong, competitive market and protect our members and their policyholders.

Risk-based pricing and consumer fairness

Insurance is based on matching rate to risk. That is the core principle of underwriting and ratemaking. HB 1582 would eliminate the use of credit-based information in underwriting and rating personal auto and homeowners' insurance, even though this is one of the most rigorously studied and predictive tools available to match rate to risk.

Insurance is forward-looking: the actual cost of a policy is unknown when it is sold, so insurers must rely on actuarial science and multiple predictive factors to estimate future losses and then set premiums accordingly. Underwriting freedom is essential to this process; insurers need the ability to decide which risks to accept and how to classify them based on objective, predictive information.

No single data point determines a customer's premium. Credit-based insurance scores are used along with driving records, claims history, vehicle or home characteristics, territory, mileage, and many other factors to place each policyholder in an appropriate risk pool.

When policymakers restrict underwriting freedom by banning a proven factor, they force insurers to ignore credible information about risk, resulting in less precise pricing and more cross-subsidies, where safer, lower risk policyholders end up paying more so that riskier policyholders can pay less. This would push New



Hampshire towards one-size-fits-all insurance rates, which is neither scientifically sound nor fair to consumers.

New Hampshire's current law already prohibits rates that are excessive, inadequate, or unfairly discriminatory; this bill bans a lawful, objective factor that regulators across the country have overseen successfully for decades.

Preserving underwriting freedom within strong regulatory guardrails like the ones New Hampshire currently has in place, allows insurers to compete, innovate, and tailor products while ensuring that similarly-situated consumers are treated alike and that the market remains stable and affordable over time.

Evidence that credit-based insurance scores benefit most consumers

Multiple state and federal analyses have found that credit-based insurance scores are highly predictive of loss and generally benefit a majority of policyholders by reducing or not increasing their premiums. For example, the Arkansas Insurance Department reported that policies where credit-based insurance scores lowered premiums outnumbered those with increases by approximately 2.76 to 1, indicating that most consumers pay less when credit-based insurance scoring is available.¹

Studies in Texas², Vermont³, Nevada⁴, and by the Federal Trade Commission⁵ similarly found that credit-based insurance scoring provides additional predictive power beyond traditional rating variables and is not merely a proxy for race or income.

Market and affordability concerns

In a competitive market, insurers use every lawful predictive tool to sharpen pricing, expand availability, and offer discounts; eliminating access to credit information makes it harder for insurers to identify and reward lower risk drivers and homeowners with better rates.

¹ Report to the legislature, "Use and Impact in Personal Lines Premiums Pursuant to Ark. Code An. Sec.23-67-415" (2017): <https://insurance.arkansas.gov/uploads/resource/documents/2017credit.pdf>

² Texas Department of Insurance, "Supplemental Report to the 79th Legislature: Use of Credit Information by Insurers in Texas: The Multivariate Analysis" (2005): <https://www.tdi.texas.gov/reports/documents/credit05sup.pdf> / <https://www.tdi.texas.gov/reports/credit3.html>

³ Vermont Department of Financial Regulation, "Study of Credit-Based Insurance Scoring" (2016). <https://legislature.vermont.gov/assets/Legislative-Reports/Credit-based-Insurance-Scoring-Report-12-15-16.pdf>

⁴ "Report on the Use of Consumer Credit and Loss Underwriting Systems," Nevada Dept. of Business & Industry, Division of Insurance (2005).

⁵ Federal Trade Commission: Report to Congress on Impacts on Consumers of Automobile Insurance (2007): https://www.ftc.gov/sites/default/files/documents/reports/credit-based-insurance-scores-impacts-consumers-automobile-insurance-report-congress-federal-trade/p044804facta_report_credit-based_insurance_scores.pdf



HB 1582 would place New Hampshire among a small group of states with outright bans and could make the state less attractive for capital and new product offerings compared to neighboring jurisdictions that allow CBIS with guardrails.

Over time, the loss of a key risk factor can contribute to higher average premiums, fewer product options, and potential adverse selection, particularly in segments already facing pressure from inflation and catastrophe losses.

Conclusion

In closing, NAMIC would like to reiterate that New Hampshire's insurance market and business community is strong, due in large part to the good regulation and legislation that has been enacted here. HB 1582 would take steps towards eroding that strong foundation, and we oppose the bill.

Thank you for your consideration.

Sincerely,

Sean McLaughlin

Sean McLaughlin
National Association of Mutual Insurance Companies
Regional Vice President, State Affairs - Northeast
smclaughlin@namic