

To Our Valued Clients & Business Partners -

### **Emergency Order Impacts all Washington State Insurance Policy Holders!**

On March 23<sup>rd</sup>, our Washington State Insurance Commissioner (OIC), issued a 120-day, temporary emergency order, prohibiting **all insurance** companies from using credit scoring as a rating factor for insurance premiums. Beginning June 20<sup>th</sup>, to continue doing business Washington State, the order mandates all insurance companies to file a neutral rating in place of an individually tiered score by May 6<sup>th</sup>. Our carriers are working as quickly as possible to meet this demand, to remain in compliance and to reduce the anticipated impact to you, our valued clients and business partners.

### **How will this order impact you?**

Credit scores are one factor of many, insurance carriers use to formulate their “insurance score,” which correlates with forecasting claims and subsequently how they establish premium rates.

- If your rates remain the same and/or decrease, then this order is a non-issue for you.
- **If your rates increase**, then clients with average to excellent credit scores will see an increase in premium, some anticipated to be as high as 80%
- Clients purchasing or refinancing a home may experience delays in acquiring insurance in Washington State. Delays will be due to insurance companies either i) awaiting OIC approval and/or ii) OIC processing delays because of the high volume of insurance company requests
- Service levels will be impacted state-wide, as our industry will be inundated by clients requesting more information, quotes, policy changes, and other solutions to help offset the impact of any significant rate increases

### **What is Rice Insurance doing?**

As an insurance broker, we do not set rates, but we do advocate for our clients. There are ways we can help you navigate this order and save. Additional staff will be hired, and our processes adjusted to ensure we can assist as many clients per day as possible. We are working closely with our appointed insurance companies to understand the specific impact to our mutual clients and will continue to share updates as more information becomes available.

### **What can you do?**

Our recommendation is to remain with your current carrier, if possible, rather than switching, especially if this is temporary. Moving for a slightly lower premium, until a longer-term decision is reached for the state, can create a long-term impact. If the credit ban is still in place at your next renewal and you have experienced a significant financial burden as a result, we can assist you with reviewing alternate options that may be available.

Make your voice heard. Tell Commissioner Kreidler how this emergency credit ban impacts you and share your story with your elected State Representative and State Senators:

- Commissioner’s office: p# 800.562.6900 or <https://www.insurance.wa.gov/ask-mike>
- Find your WA State Representatives or Senators: <https://app.leg.wa.gov/districtfinder/>

We appreciate your business and partnership, and we are committed to working together to navigate this unprecedented impact to our industry and all of us living in Washington State.