

As premiums rise, consumers need answers - some states are on the case

Bach Talk



As auto and home insurance premiums continue to rise across the United States, insurance oversight agencies are reporting a marked increase in consumer complaints and inquiries that seek to understand the reasons for increased pricing and what they can do to qualify for lower rates. On today's meeting of the [NAIC's Transparency and Readability of Consumer Information Working Group](#), two states shared how many calls and emails they're getting from consumers who want to understand why their premiums went up but can't get their insurer to give them a clear explanation. In most cases, the consumer hadn't filed any claims, nor had their situation changed.

The State of Washington recently took decisive action to respond to this trend by promulgating [new rules](#) requiring insurers to give consumers a reasonably clear explanation when their premium increases. The rules take effect in June, 2024. See: [premium-change-transparency-r2022-01-general-facts](#). California's Insurance Commissioner has also acted to require insurers to tell consumers what their risk score is, (if the insurer is using a risk scoring tool or program) and explain how their score impacts the premium

they're being charged. See:

<https://www.insurance.ca.gov/0400-news/0100-press-releases/2022/release076-2022.cfm>

Earlier this year the National Conference of Insurance Legislators approved a model state law requiring insurers to explain premium increases See: [NCOIL-Insurance-Underwriting-Transparency-Model-Final-3-12-23](#)

In our view, the key to these efforts actually benefitting consumers is giving consumers an explanation of what steps they can take to reduce risk/improve their risk profile and qualify for better rates, and an appeal process for challenging and fixing incorrect information about their driving or claim history or property conditions.