

More than 50 Consumer, Civil Rights, Community Groups Call On Federal Insurance Office to Review Affordability of Auto Insurance in Low-Wealth Communities and Communities of Color

Consumer Federation of America

Groups Say Basic Auto Insurance Should Not Cost More Than Two Percent of Income for Low- and Moderate-Income Americans.

The Federal Insurance Office (FIO) must establish a strong affordability standard for low- and moderate-income Americans, according to nearly 50 organizations from 23 states and DC that jointly submitted comments to FIO Monday. The groups called on FIO to move forward with its proposal to collect data directly from insurance companies and review the cost of basic liability auto insurance for tens of millions of financially strained drivers.

“Unaffordable auto insurance leaves many Americans in the predicament of either not driving, which dramatically restricts their economic opportunities, or driving without insurance, which not only is illegal but puts them and other drivers at risk,” the groups wrote.

The letter is available here: <http://bit.ly/1JzOMZs>

Consumer groups around the country and, most recently, Consumer Reports magazine, have reported on the high cost of auto insurance for many Americans and the burden caused by such an expensive product that is also required in every state except New Hampshire.

In July, FIO issued a request for comments on its proposal to create an affordability index that deemed auto insurance affordable if it cost less than two percent of the household income of low- and moderate-income drivers and other underserved Americans available here: <http://1drv.ms/1J8jZR2>). The proposal

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Source:

<https://uphelp.org/more-than-50-consumer-civil-rights-community-groups-call-on-federal-insurance-office-to-review-affordability-of-auto-insurance-in-low-wealth-communities-and-communities-of-color/> Date: March 7, 2026

aims to address a central requirement of the part of the Dodd-Frank financial reform law that created FIO in 2010. Consumer, civil rights, and community groups that jointly submitted a letter to FIO, offered support for the two percent index but cautioned that the way FIO determined both the income levels and the price of insurance would determine the validity and utility of the index.

The groups explained:

Premiums in any given area, even when limited only to those offered to good drivers, can vary widely around a range of factors including annual miles driven, occupation, credit score, level of education, marital status, homeownership, history of prior insurance coverage and others. Further, because premiums for good drivers of lower socio-economic status tend to be higher than those offered to high wealth drivers, using an overall average premium would falsely lower the market's average price by including premiums that are not actually available to lower-income drivers due to the various factors considered by insurers.

In their letter, the groups provided guidelines that FIO should use to determine the average income of "Affected Persons" - identified in Dodd-Frank as low- and moderate-income, minority and those in underserved communities. The groups also offered suggested parameters for the consumer profiles that should be used by FIO to determine the actual cost of basic auto insurance faced by low- and moderate-income drivers and others in underserved communities.

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It was signed by the following organizations:

National groups:

Americans for Financial Reform

Consumer Action

Consumer Federation of America

Consumers Union

NAACP

National Association of Consumer Advocates

National Consumer Law Center on behalf of its low-income clients)

National Council of La Raza

U.S. PIRG

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State groups:

Alaska Public Interest Research Group, AK
Center for Economic Integrity, AZ
California Reinvestment Coalition, CA
Consumer Federation of California, CA
Consumers for Auto Reliability and Safety, CA
Public Advocates, CA
Delaware Community Reinvestment Action Council, DE
Consumer Federation of the Southeast, FL
Florida Alliance for Consumer Protection, FL
Georgia Watch, GA
Citizen Action/Illinois, IL
Health & Disability Advocates, IL
NAACP Chicago Southside Branch), IL
Open Communities, IL
Project IRENE, IL
Woodstock Institute, IL
Indiana Association for Community Economic Development, IN
Kentucky Equal Justice Center, KY
Consumer Assistance Council, Inc. of Cape Cod and the Islands of Massachusetts, MA
Massachusetts Consumers Council, MA
Maryland Consumer Rights Coalition, MD
Vehicles for Change, MD
Maine Center for Economic Policy, ME
Three Rivers Community Action, MN
Coalition for a Prosperous Mississippi, MS
Rural Dynamics, Inc., MT
North Carolina Consumers Council, NC
Reinvestment Partners, NC
New Jersey Citizen Action, NJ
New York Public Interest Research Group (NYPIRG), NY

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Western New York Law Center, NY
NHS of Greater Cleveland, OH
Policy Matters Ohio, OH
Oregon Consumer League, OR
The One Less Foundation, PA
Fair Credit Foundation, UT
Virginia Citizens Consumer Council, VA
Virginia Poverty Law Center, VA

Additional comments in support of the FIO proposal were filed by New Yorkers for Responsible Lending and are available here: <http://bit.ly/1NVzH7B>
Washington, D.C.

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