

2021 AFFORDABLE AUTO INSURANCE REFORM

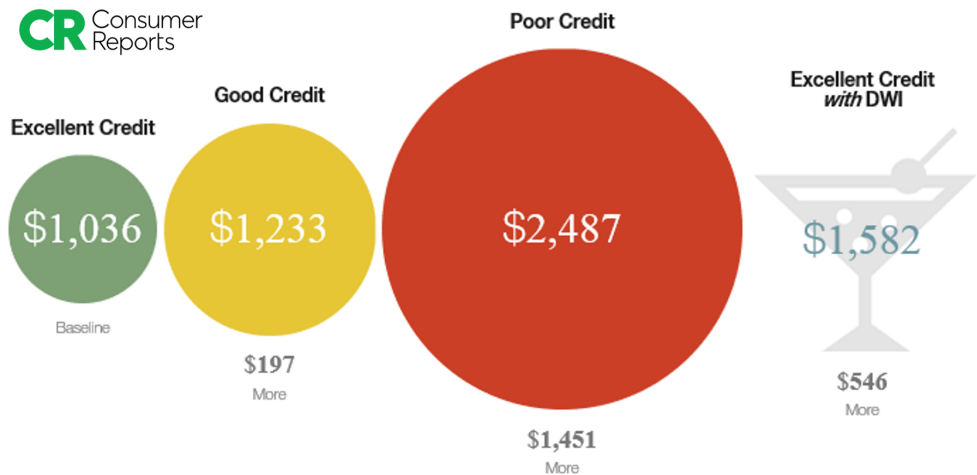
Overview

- Low-income drivers with good driving records often cannot afford auto insurance.
- Unaffordable rates force drivers to choose between missing work and healthcare appointments or risking expensive fines and criminal justice involvement for driving without insurance.
- Auto insurance rates are currently set using socio-economic factors unrelated to driving record, which can result in low-income drivers and drivers of color paying disproportionately higher rates.

Why do some good drivers pay more?

Minnesotans with good driving records and poor credit will pay on average almost \$1000 more for insurance than those with excellent credit and a DWI conviction.

Source: Consumer Reports, ["The Secret Score Behind Your Rates."](#)



Average new-customer premiums for adult single drivers with a clean driving record.

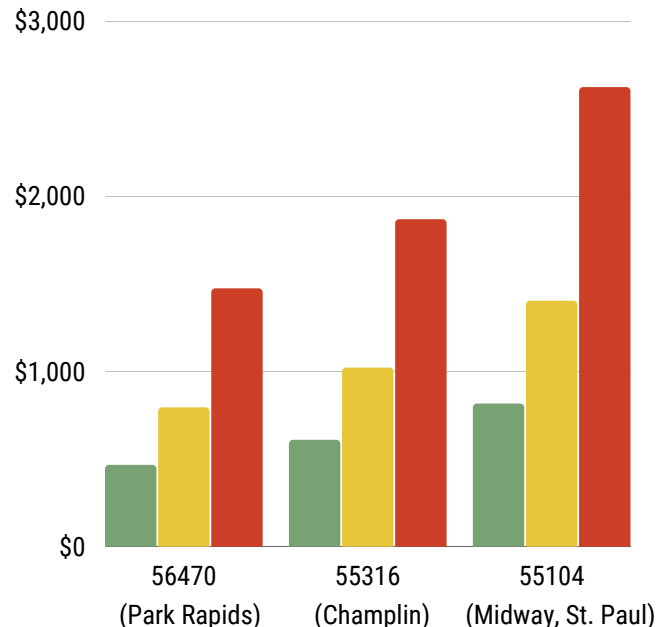
Factors that can make auto insurance more expensive even if you have a good driving record:

- Low credit score
- Low-income zip code
- Low-wage occupation
- Marital status
- Lower level of education

Average premiums for adult single drivers with a clean driving record in a rural, suburban, and urban zip code.

Source: Consumer Federation of America analysis of data from Quadrant Information Services, LLC.

- Excellent credit
- Good credit
- Poor credit



When auto insurance is affordable...

People can travel to work, school, and medical appointments, and can take care of their families.

Employers can hire from a larger pool of qualified employees for jobs that require driving.

Everyone is better protected when all drivers on the road are insured.

When auto insurance is unaffordable...

Low-income drivers are shut out of full participation in the community and are disadvantaged in the job market.

Drivers who can't afford insurance risk a \$300 ticket and involvement in the criminal justice system.

Families have to choose between paying rent and bills or their insurance premiums.

Other states have addressed this issue with strategies like:



A low-income, good-driver risk pool with affordable rates



Prohibiting factors that disproportionately penalize low-income drivers



Reducing minimum coverage requirements to bring down prices for everyone

Learn more:

- Consumer Reports, "[The Truth About Car Insurance](#)"
- Consumer Federation of America, "[Auto Insurance: A National Issue of Economic Justice](#)" and "[Systemic Racism in Auto Insurance Exists and Must Be Addressed](#)"

All drivers benefit when everyone on the road is insured.



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