Rating Automobile Insurance

Presentation to National Council of Insurance Legislators
April 15, 2021
Looking for Rate Disparities: Illinois

Chicago

- Other neighborhoods: 53.8%
- Minority neighborhoods: 55.0%

Rest of Illinois

- Other neighborhoods: 58.5%
- Minority neighborhoods: 57.2%

Analysis Shows No Indication of Overcharging

Source: APCIA.
Looking for Rate Disparities: MO and TX

**Missouri**
- Other neighborhoods: 62.6%
- Minority neighborhoods: 66.0%

**Texas**
- Other neighborhoods: 66.0%
- Minority neighborhoods: 70.2%

**Analysis Shows No Indication of Overcharging**

Source: APCIA.
No evidence was found that would indicate that higher rated territories are charged more relative to risk than lower-rated territories.

It will merely be noted here that ProPublica got the analysis entirely wrong.
California Analysis
Using corrected model

“For [redacted], while the underserved are charged 25 percent more than the non-underserved, they also experience losses 40 percent more than the non-underserved.”

“For [redacted]’s book of business, while the underserved are charged 25 percent more than the non-underserved, the underserved also experience losses 27 percent more than the non-underserved.”

Source: California Department of Insurance.
Thank you for your time!
Questions?