



**Property Casualty Insurers
Association of America**

Shaping the Future of American Insurance

ALEX M. HAGELI
DIRECTOR, PERSONAL LINES

September 22, 2009

The Honorable Michael McRaith
Chair, Property and Casualty Insurance (C) Committee
The Honorable Kim Holland
Chair, Market Regulation and Consumer Affairs (D) Committee
National Association of Insurance Commissioners
2301 McGee Street
Kansas City, MO 64108

RE: Regulation of Credit-Based Insurance Score Providers as Advisory Organizations

Dear Director McRaith and Commissioner Holland:

Thank you for the opportunity to submit input regarding the concept of regulating entities that provide credit-based insurance scores as advisory organizations. As previously referenced, the Property Casualty Insurers Association of America (PCI) is a national property casualty trade association comprised of more than 1,000 member companies, representing the broadest cross-section of insurers of any national trade association. PCI members write 39.6 percent of all personal lines insurance sold in the United States.

PCI strongly opposes efforts to regulate providers of credit-based insurance scores as advisory organizations for two very important reasons. First and foremost, as discussed in comments submitted by vendors FICO and Reed Elsevier, such entities simply do not constitute advisory organizations as that term is currently defined by the NAIC Model (or even the Illinois or Oklahoma laws included as examples in the materials distributed with the proposals). Such vendors merely provide to their insurer clients a score that is derived from credit information. It is the insurers themselves that make their own determinations regarding how and to what extent (or even if) they will use that information.

Secondly, insurer use of insurance scores is already heavily regulated at both the federal and state levels, while the calculation of such scores is further regulated at the state level. In the absence of any specifically identified concern that cannot be addressed within the existing (and quite comprehensive) regulatory framework, we fail to see either the need for or any benefit to adding yet another layer of regulation onto either the use or calculation of an insurance score.

PCI appreciates the opportunity to submit comments on this proposal. Thank you for your consideration.

Sincerely,

Alex M. Hageli