

March 26, 2024

Thank you, Commissioner Fowler and Commissioner Humphreys, and the Special Committee on Race and Insurance Life Workstream members, for this opportunity to raise awareness about the underknown challenges people with a criminal record have securing life insurance.

My name is Raymond Robinson, and I have been working in the insurance industry for 26 years. I have learned a lot about the many challenges advisors may face when trying to obtain coverage for their clients in different areas of insurance such as health, disability, long term care (LTC) and the main one, life insurance. Each area presents its own set of circumstances in trying to provide the proper coverage for my clients.

I have been faced with the especially daunting task of finding coverage for people who have been incarcerated. Several times each month either my agents or I encounter obstacles for people with a criminal record seeking life insurance.

Here is just one example from my work that helps illustrate the problem. Our client was charged with a drug offense and served 3 years in prison. Once released he started his own business, acquired 3 car washes, and had no further involvement with the criminal justice system. He applied for \$350,000.00 worth of coverage. The application was declined by the first carrier. The second carrier requested a waiting period of two years before applying. But the third carrier accepted his application with a maximum coverage amount of \$150,000.00 and asked no questions about his felony.

As with that client example, I have found that when working with insurance carriers the degree of actually securing insurance for people with a criminal record varies drastically. There is no consistency in determining who gets coverage or how much. There is a significant risk of unfair discrimination by carriers involving my clients in part because of a lack of knowledge about how to consider a person's prior criminal record. With some carriers a felony may be considered like a misdemeanor and in some cases a misdemeanor may seem like a felony. Some carriers see a criminal record of any kind and decline to even consider my clients' circumstances.

One carrier will consider an applicant to be eligible after 10 years from the conviction date and another carrier within 5 years. Some carriers don't even ask.

Agents have always faced the problem of finding the right carrier that fits the proposed insured's budget as well as any contributing health factors. But for people with a criminal record there are additional challenges. After a lot of searching, I have been fortunate over the years to find carriers and agents who will give my clients with a criminal record a fair review and not reject them just because of their prior record. Yet someone's ability to get insurance should not depend on finding me and my network of carriers and agents.

It is not fair for a proposed insured who has paid for their offense in the judicial system to continue to pay for their offense by not getting fair consideration by the insurance industry. How do we close the gap between those people, mostly people of color, who have paid their dues and now want to provide for their families the same as someone who does not have a criminal record?

We understand that there are some offenses that may be uninsurable. But for most offenses I would urge your committee to provide education and guidance to insurance carriers, perhaps through guidance about underwriting standards that requires each case involving someone with a criminal record to be reviewed individually. Agents could benefit from education so they can better articulate a client's situation to the underwriter. Underwriters need to understand that these types of applications will require a deeper review on an individual basis. And in all instances, there should not be a presumption that the person is too high of a risk just because they have a record.

Thank you for bringing more awareness to the challenges faced by so many people who have been involved in our criminal justice system. Because many of them are also at risk of unfair race discrimination, your assistance raising awareness about the challenges they too often face getting life insurance, as well as other kinds of insurance, is needed and very much appreciated.

Sincerely,

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