



September 16, 2020

**Special Committee on Race and Insurance**  
**National Association of Insurance Commissioners**  
**1100 Walnut Street Suite 1500**  
**Kansas City, MO 64106**

RE: Root Comments to NAIC Special Committee on Race and Insurance

Dear Committee Members:

As the country grapples with how to confront systemic racism, Root Insurance applauds the NAIC for confronting this issue and bringing together regulators, insurance companies, and consumer advocates to address necessary questions facing our industry and country.

A strong, healthy, and well-regulated system of insurance is essential to grow the economy, manage risk, and help millions of Americans achieve their dreams. But for too long, the insurance industry has relied on the use of credit scores for auto insurance underwriting – a method that unfairly embeds bias into the system.

For auto insurance, this means people with low credit scores – even if they are the safest drivers on the road – are penalized. This practice disproportionately impacts historically under-resourced communities, immigrants, and those struggling to make ends meet. As the NAIC focuses on fairness and rejecting systemic racism, the use of credit scores in insurance underwriting must be confronted.

In August, Root Insurance became the first major auto insurance company to commit to removing credit scoring from its underwriting process, an important step toward creating a more fair, equitable, and accessible system. While auto insurance providers, including Root, have historically relied on credit-based models to determine what people should pay, we are confident that technological developments have reached a point where the industry no longer needs to rely on credit-based scoring to determine a customer's insurance risk.

As our industry looks toward the future, we commend NAIC for forming the Special Committee on Race and Insurance and recommend that the Special Committee form a working group dedicated to tackling the issue of credit score discrimination. This working group should bring together industry, regulator, and consumer stakeholders to develop guidelines and recommendations on removing bias and discrimination from insurance pricing practices.

We acknowledge that the Special Committee's work is vital and strongly believe that this is a critical moment where we must work together as an industry to achieve lasting change. Thank you for your leadership. Root Insurance stands ready to work with the NAIC to build a more fair, equitable, and accessible system.

Sincerely,

A handwritten signature in black ink, appearing to read "Alex Timm".

Alex Timm  
CEO  
Root Insurance Co.

