

**ACLU OF RI POSITION: SUPPORT**

**TESTIMONY ON 25-H 5104 and 25-H 5416,  
RELATING TO INSURANCE – CASUALTY INSURANCE RATING  
March 25, 2025**

As a measure to curb both systemic discrimination and economic inequity, the ACLU of Rhode Island supports legislation which would prohibit the use of certain demographic information in setting car insurance rates. Not only would these bills ensure that individuals are not being charged more for their insurance based on external biases, but making car insurance more financially accessible to all individuals in Rhode Island can only lead to safer roads and more economic mobility for all communities.

An investigation conducted in California on car insurance rates in 2019 found that “discriminatory pricing practices could lead to marginalized groups paying [car insurance] rates that are up to 26% higher than their privileged counterparts,” a disparity which could “equate to several hundred dollars in additional insurance premiums annually.”<sup>1</sup> For individuals who are already experiencing economic difficulties or who have historically faced wage discrimination and thus experience profound wage gaps in their incomes, these sums are not insignificant, and the lessening of this disparity could make a measurable impact on an individual’s livelihood.

Ensuring that no one is forced to pay more for a necessary coverage based solely on factors that may be immutable, such as race, or factors which are subject to inappropriate external bias, like the zip code of one’s residence, is not only good policy but can serve as an excellent first step to addressing the way that unintentionally discriminatory practices have exacerbated or maintained equity gaps.

We urge favorable action on addressing this issue. Thank you for your consideration.

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<sup>1</sup> <https://www.cnbc.com/2019/12/24/california-tries-to-curb-discrimination-in-auto-insurance-pricing.html>