

ACLU OF RI POSITION: SUPPORT

**TESTIMONY ON 26-S 2431 and 26-S 2763,
RELATING TO INSURANCE – CASUALTY INSURANCE RATING
March 31, 2026**

As a measure to curb both systemic discrimination and economic inequity, the ACLU of Rhode Island supports both S-2431 and S-2763, which would prohibit the use of certain demographic information and credit history reports in setting car insurance rates. Not only would this bill 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.”¹ 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.

Additionally, a separate report from the Consumer Financial Protection Bureau noted that approximately 26 million adult Americans are considered “credit invisible,”² meaning they lack sufficient credit history to generate a score or do not have any credit history at all. This disproportionately impacts Black and Latinx consumers and individuals in lower-income neighborhoods. As a result, many people can be charged higher rates of automobile insurance or even denied insurance coverage, all because their financial situation is not reflected in this system, and not because they lack sufficient resources to pay their insurance premiums.

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 or their credit history, 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 therefore urge favorable action on addressing this issue through these bills. Thank you for your consideration.

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

² <https://www.consumerfinance.gov/about-us/blog/who-are-credit-invisible/>