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**OFFICE OF THE ATTORNEY GENERAL**  
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To: The Honorable Delores G. Kelley  
Chair, Finance Committee

From: Karen S. Straughn  
Consumer Protection Division

Re: Senate Bill 470 – Motor Vehicle and Homeowner's Use of Claim History in Rating Policies (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General submits the following written testimony in support of Senate Bill 470 submitted by Senator Katie Fry Hester. The bill prohibits consideration of a homeowner's loss in the rating of a private passenger auto insurance policy. Similarly, the bill prohibits consideration of an automobile loss in the rating of a homeowner's policy. Driving habits do not factor in any way into whether an individual will sustain a loss to their home and having a loss to their home does not reflect one's driving habits.

There are many factors that may determine whether an individual will sustain a loss to their home. Weather, poor construction, negligence, lack of maintenance, or many other factors can contribute. However, these factors do not necessarily translate to a higher risk of an automobile loss. Just because an individual suffers a loss to their home when lightning strikes, does not necessarily mean that they are not a good driver and any correlation between the two appears to be spurious. Instead, the rates for a private passenger auto policy should be based on the driving history and rating characteristics of the individual and their vehicle and the rates for a homeowner's policy should be based on the claims history and rating characteristics of the home. This is the only way of truly ensuring that the individual is properly rated for the risk they present.

For these reasons, we ask that the Finance Committee return a favorable report on this bill.

cc: The Honorable Katie Fry Hester  
Members, Finance Committee

