



Dear Senator,

On behalf of NAIFA-CO, I would like to thank the Senate for considering SB 169 and exploring policies to address inappropriate discrimination in insurance practices. We recognize that this is a very important issue that deserves all our attention. However, we are concerned that SB 169 is oversimplified, overbroad, and has a high potential for a wide range of unintended consequences.

NAIFA represents the interests of more than 20,000 licensed insurance agents and financial advisers across the country. Ninety percent of NAIFA members serve middle-income clients and/or lower-income individuals and families. The NAIFA-CO Chapter has more than 400 members that serve our community.

We welcome the opportunity to work with Colorado policymakers, bring together all parts of the industry to create workable solutions that serves all Coloradans. The bill under current consideration would not be workable and as agents and producers, we are concerned this will result in fewer carriers and more expensive products for all consumers.

Below is a list of other concerns with SB 169:

- SB 169 uses the term “unfair discrimination” repeatedly. This term is both vague and highly subjective.
- The use of external consumer data, algorithms, and predicative models are key elements in many aspects of the modern insurance industry and would likely be severely restricted under SB169.
- SB 169 requires for the insurer to prove a framework that works to eliminate unfair discrimination for, external data, predicative modeling, and algorithms. But without being able to clearly define what constitutes unfair discrimination, this creates an impossible and unworkable standard.
- Restriction of using protected classes data prevents the implementation of mitigating practices such as alternative language preferences.
- The scope of insurance practices is over-broad and would prohibit activities such as marketing to underserved communities to close coverage gaps.
- The uses of sex in insurance underwriting and pricing models is a widely used and highly accept practice that would be restricted under SB169

We thank you for your leadership on this important issue and hope you will vote AGAINST SB 169. And again, NAIFA stands ready to work with Colorado policy makers and the industry to find a better solution.

Sincerely,

R. Allan Jensen
NAIFA-CO Government Relations Chair