



Long Island Housing Services, Inc.

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**A 501 (c) (3),
not-for-profit,
Fair Housing
agency serving
Long Islanders
since 1969.**

Stephen Doody

Deputy Superintendent for Property and Casualty Insurance

New York State Department of Financial Services

One State Street

New York, NY 10004

Re: Proposed rule on car insurance discrimination

Dear Mr. Doody:

For years, car insurance companies have systematically discriminated against New Yorkers of color, lower-income New Yorkers, and women, by overcharging them for car insurance on the basis of their occupations and education levels. People's jobs and educational attainment reflect longstanding racial and gender disparities, including profound wealth inequality and inequitable access to living-wage jobs and education, and have no reasonable relationship with people's actual driving ability or insurance companies' risk of loss. Using this information, therefore, to price car insurance is not only manifestly unfair, but it also means that low-wage workers and people without college degrees pay more for car insurance – irrespective of their actual driving history or ability.

Long Island Housing Services, Inc. appreciates the opportunity to comment on rules proposed by the New York State Department of Financial Services (DFS) to address this particularly pernicious form of race and gender discrimination by New York State's car insurance industry. We are extremely pleased to see New York take action in this area, and thank Governor Andrew M. Cuomo and Superintendent Maria T. Vullo for their leadership. New York will become just the third state in the country to address this discrimination.

With these rules, New York State recognizes, on one hand, that these non-driving related factors should play no part in determining the price of car insurance. On the other hand, the proposal provides for possible exceptions to the rule, if auto insurance companies can meet certain specified criteria. We urge New York to issue final rules without these exceptions, which contradict the underlying public policy rationale for the rule.

*Our mission is the elimination of unlawful housing discrimination
and promotion of decent and affordable housing through advocacy and education.*

Long Island Housing Services functions as the only dedicated fair housing agency serving all of Nassau and Suffolk Counties. Unique in our multifaceted services and unparalleled in our commitment to fair housing advocacy and enforcement, Long Island Housing Services is nationally recognized and is one of the earliest private, Fair Housing nonprofits established in the USA. Our mission is the elimination of unlawful housing discrimination and promotion of decent and affordable housing through advocacy and education.

The proposed rule would benefit our clients on several levels. As a Fair Housing organization, it is central to our mission to overcome disparate impact that prevents protected classes from obtaining decent and affordable housing. The scope of Fair Housing enforcement includes the insurance industry as it impacts the ability to get housing. To allow the auto section of the insurance industry would directly impact our ability to enforce Fair Housing laws and to provide education about impermissible activities. Furthermore, we seek to serve low and moderate income households who have needs as to Fair Housing protection, information as to Tenants' Rights, or to prevent unnecessary foreclosures. These households are often overcoming stresses from several areas of their lives. If we can help to reduce an unnecessary financial burden, it will make it easier for us to provide them services.

New York State requires all drivers to maintain car insurance, and the reality is that many New Yorkers, even in New York City, must rely on cars for their livelihood, to get to school, and for other vital purposes. Neighborhood redlining and disinvestment not only perpetuate the racial wealth gap, but they also lead to lack of access to reliable, affordable public transportation for many people living in communities of color and lower-income neighborhoods – in urban, rural, and suburban communities alike. But car insurance companies' persistent use of people's jobs and education information to price car insurance unfairly burdens New Yorkers of color, women and lower-income New Yorkers.

Given the clear disparate impact of this practice on protected classes, and given that there is no plausible explanation for insurance companies' use of occupation or educational attainment, we urge New York to ban insurers' use of education and occupation data without exception. Keeping the exceptions in the final rule could permit insurers to continue unfairly to discriminate against New Yorkers of color, lower-income New Yorkers, and women.

New York must do all it can to root out institutional discrimination in our financial services system, and a strong final rule, without exceptions, will go a long way to eliminating an especially insidious practice in the pricing of car insurance. New Yorkers should be able to take for granted that they are securing fairly-priced car insurance, and at prices that reflect their actual driving history and other driving-related factors – not their occupations or levels of educational attainment.

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Indeed, occupation and education information are not the only non-driving-related factors that insurance companies use to price car insurance unfairly. New York should require insurance companies, when setting prices, to prioritize a person's actual driving history and other driving-related factors over any other information, and we look forward to working with DFS to end the discriminatory use of other demographic and economic information, such as credit history, marital and homeownership status, zip code, and gender.

Thank you for the opportunity to comment on this important rulemaking. The proposed rule is a key step to removing discriminatory barriers to economic opportunity for so many New Yorkers.

Sincerely,

Michelle Santantonio

Executive Director

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