

**Clarifying oral remarks (below) and two items (following) presented  
April 30, 2009 in conjunction with NOW's written testimony**

Patrick Butler, Insurance Project Director, National Organization for Women, concluded his testimony:

“This pamphlet describes odometer-mile insurance being made newly available in Texas as of October last year. [**MileMeter pamphlet attached.**] The company could go into all states, and wants to because it's web based. And this article [**National NOW Times article attached**] is something we're telling our members about—action to end group defamation by auto insurers.”

“I'll end by noting that the National Organization for Women . . . opposes attempts to ban or regulate credit score rating, education- and occupation-status rating and the like for auto insurance for this reason: these correlations are all just symptoms of the problem. Claim rates per 100 car years perversely increase apparently with *any* measure of decreasing ability to pay. However, attempting to regulate such symptoms simply delays attention to the cause of the correlations and prolongs their harm. Thank you.”

\* \* \* \*

Insurance Commissioner: “Mr. Butler, at the end you said NOW supports the use of credit scoring, and education and income, but you were somewhat rushed. Could you repeat what the reasons are for that?”

Mr. Butler: “What we're saying is we oppose efforts to regulate credit-score rating without understanding the source of the problem because it delays attention to what might be the real root cause of the problem. That's why I put out two theories [in NOW's written testimony]. The default theory if you don't state a cause, then you actually blame the drivers as being negligent or being bad drivers, high risk drivers. I've seen all sorts of derogatory terms. We have proposed an alternative to that idea, which in our view can't be avoided. When people have reasons to save—and they can even be high income people who have four cars for two drivers—they're going to get rid of some of their surplus cars. So relative to the other folks in the neighborhood, they're going to be [producing] more claims per 100 car years because they simply reduced the cars. . . . If people reduce driving but they reduce the number of cars used in that driving proportionally more, then the average miles per car goes up and so does the cost per car to insurers.”





**MileMeter is good for the environment.**

Insurance by the mile provides an economic incentive to drive