

Public Perceptions Regarding the Fairness of Insurance Rating Factors

Insurance companies use statistically predictive rating variables to assess risk and price policies. These variables, ranging from individual characteristics to property-related aspects, enable insurers to accurately align premiums with risk and offer coverage to higher-risk consumers.

This report seeks to measure consumer opinion on the fairness of predictive rating variables across socio-economic factors, focusing on homeowners and personal auto insurance.

Key findings:

- Consumers generally believe that most personal insurance rating factors are fair.
- Of the 19 homeowners factors on the survey, all were assessed as fair by the majority.
- Of the 14 personal auto factors, 11 were assessed as fair and 3 as unfair by the majority.
- Fairness assessments were higher for factors specific to the property or vehicle than for those specific to the individual insured.
- Consumer attitudes toward rating variables differed across demographic groups.
- Nearly half of the consumers reported that paying for insurance was an issue for them.
- Most consumers do not have issues finding the insurance they want.

Fairness of Personal Auto Factors: Top 3 and Lowest 3

