



EXHIBIT 6
DATE 1-28-05
HB 41

January 28, 2005

TO: Representative Jim Keane and Members of the House Business and Labor Committee

FROM: Al Ward, Associate State Director, AARP Montana

RE: Support of HB 41

Mr. Chairman and members of the Committee, for the record my name is Al Ward, Associate State Director for AARP Montana. AARP is a non-profit, non-partisan organization with 143,000 members in this state.

We support HB 41 because it provides essential protections for consumers against inappropriate uses of credit scoring. A person's credit score is based on information that is in their credit report. However, studies have shown that as many as 29% of credit reports have serious errors. This bill gives insureds that have an erroneous credit score the ability to correct the mistake and receive credit for the increased payment to their premium.

While AARP has been actively encouraging seniors to maintain their good credit history, many cannot because they do little to affect their credit. Often, seniors already own their homes and cars and may rely more on cash than credit cards. Unfortunately, without this legislation, someone can be cancelled from their insurance policy due to inactivity on their credit report, which lowers a credit score. HB 41 ensures that these individuals with little or no recent credit history are not adversely affected.

We believe allowing credit scores to be used as the sole factor to increase insurance rates creates greater risk for consumers. People, especially on low and fixed incomes, who have auto insurance premiums increase because of a poor credit score are forced to reduce their amount of coverage. More drivers with less insurance negatively impact everyone, even those fortunate enough to have good credit.

We thank Rep. Wilson and the State Auditor's Office for bringing forward this important legislation.