



March 24, 2025

Chair Kaohly Vang Her
Co-Chair Tim O'Driscoll
House Commerce Finance and Policy Committee
Capitol 120

Re: Supporting low-cost auto insurance for low-income Minnesotans (HF2215)

Dear Chair Her, co-Chair O'Driscoll, and Committee members,

The Minnesota Council on Latino Affairs is a state agency that advises and informs the state legislature and government on issues relevant to our diverse Latine communities.

The Council wishes to express its support to HF2215 (Rep. Hollins). This proposal would offer affordable auto insurance to low-income good drivers, reducing uninsured driving.

Access to affordable auto insurance is a critical need for many hardworking families who rely on their vehicles for employment, education, and essential services. The high cost of auto insurance makes it difficult for low-income individuals to maintain legally required coverage. This proposal would benefit low-income residents, including low-income Latinos and other underserved communities, who often face financial and systemic barriers to obtaining affordable coverage¹.

This bill would have a significant beneficial impact for low-income Latino communities in Minnesota. As one of the fastest growing and youngest populations in Minnesota, Latinos play crucial roles in the state's economic competitiveness and socioeconomic prosperity as workers, entrepreneurs, consumers, taxpayers, and community members. However, the high cost of car insurance prevents many Latino Minnesotans from fully participating in these roles, thereby hindering the community's growth, development, and long-term social integration. When it comes to decisions regarding whether to work and which jobs to accept, transportation is a key factor. The inability to obtain an affordable auto insurance, therefore, constrains upward economic mobility and widens existing achievement and opportunity gaps that disproportionately affect Latino Minnesotans.

Allowing all residents to obtain a low-cost car insurance would also improve the safety of our roads. Under this legislation, low-income good drivers would be able to purchase auto insurance like everyone else. This would increase the number of drivers on the road who understand and abide by the traffic laws, making the roads safer for everyone.

¹ "Consumer Report research has shown that auto insurance prices sometimes depend far less on how customers drive than on factors—such as credit history—that reflect their socioeconomic status. This practice appears to magnify the economic effects of systemic racism, requiring some economically disadvantaged individuals to pay more than their well-off counterparts with similar driving records". Consumer Reports. Effects of Varying Education Levels and Job Status on Online Auto Insurance Price Quotes. January 2021. p.3. <https://advocacy.consumerreports.org/wp-content/uploads/2021/01/Auto-Insurance-White-Paper-Report-FINAL1.26C.pdf>



Programs like this have been successfully implemented in other states, reducing the number of uninsured drivers while promoting economic stability and road safety. Ensuring that low-income Latino families and other underserved communities have access to affordable insurance would create a more equitable and inclusive Minnesota.

I urge you to support legislation that makes auto insurance more affordable and accessible for low-income Minnesotans. Thank you for your time and commitment to addressing this critical issue.

Respectfully,

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