

March 24, 2025

The Honorable Kaohly Vang Her
Co-Chair, Commerce Finance and Policy Committee
658 Cedar Street
St. Paul, MN 55155

The Honorable Tim O'Driscoll
Co-Chair, Commerce Finance and Policy Committee
658 Cedar Street
St. Paul, MN 55155

Co-Chair Her and Co-Chair O'Driscoll,

We're reaching out on behalf of the Minnesota Lifeline Coalition to thank you for prioritizing **House File 2215, the Minnesota Lifeline Affordable Auto Insurance bill**, for a hearing in the House Commerce Committee. House File 2215 establishes a low-cost auto insurance program for low- to middle-income safe drivers in Minnesota. The program is modelled on similar programs in other states designed to ensure access to affordable insurance for drivers with good driving records who can't afford insurance in the commercial market.

You can be charged with a crime if you can't afford auto insurance, which makes it categorically different than any other financial product. Because auto insurance is the only legally mandated financial product, we believe the government has a unique responsibility to ensure that auto insurance is priced fairly and affordably.

Auto insurance rates went up 58% in Minnesota in 2024ⁱ, the single largest increase in the country. Minnesota families who were already struggling to make ends meet are increasingly finding it impossible to pay their auto insurance premiums and continue meeting their basic needs. Most of these families cannot get to work and take care of their families without driving, so they face a terrible choice: drive without insurance and risk high fines, license suspension, vehicle impoundment, and even arrest for driving to work or the grocery store, or stop driving, and give up the income that supports their family. Creating access to an affordable auto insurance policy helps make it possible for people to maintain their employment and support their families even if they don't earn a high income.

Spikes in auto insurance rates are setting off a vicious cycle. Analysis by the Insurance Research Council shows that rising auto insurance rates across the country are pushing up the rate of uninsured drivers, as people who were already struggling to keep up with high rates are priced out of the market by rising premiumsⁱⁱ. Higher uninsured motorist rates drive up premiums for insured drivers, who are more likely to be involved in an accident with an uninsured driver and make a claim on their own insurance. Those premium increases force even more drivers out of the market, pushing uninsured motorist rates even higher.

The Lifeline program moves this cycle in the opposite direction: By providing an affordable option for lower income safe drivers, the Lifeline program makes it possible for drivers priced out of the

commercial market to comply with the law, meet their responsibility to other drivers by carrying full liability insurance, and avoid the severe legal consequences of driving uninsured. This benefits all drivers on the road by keeping uninsured driving rates low, which keeps premiums down for everyone.

The undersigned groups represent communities who struggle to afford the high cost of auto insurance. We represent youth, immigrants and refugees, communities of color, and low-income neighborhoods where people are disproportionately impacted by industry rating practices that penalize safe drivers for non-driving factors like credit score, education level, occupation, and zip code.

Drivers in our communities want to comply with the law. We're asking our legislators to create access to an affordable auto insurance option so members of our communities can drive to work, medical appointments, the grocery store, and our kids' schools. Thank you for scheduling House File 2215 for a hearing so that you and your colleagues on the Commerce Committee can learn more about how the Lifeline program can help low- to middle-income safe drivers afford insurance and drive lawfully.

Sincerely,



ⁱ "Insurify Projects Car Insurance Costs Will Increase Another 5% in 2025, After Soaring 42% Since 2022." Cassie Sheets. January 26, 2025. Viewed March 23, 2025 at: <https://insurify.com/car-insurance/report/>

ⁱⁱ "Report Reveals Rise In Uninsured and Underinsured Drivers Across the US." Timothy Alexander. Viewed March 23, 2025 at: <https://www.msn.com/en-us/money/insurance/report-reveals-rise-in-uninsured-and-underinsured-drivers-across-the-us/ar-AA1zCv6E>