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**DC Department of Insurance, Securities and Banking Reveals Findings of Study on Potential Racial Bias in Auto Insurance Premiums**

(**WASHINGTON, DC) –** The DC Department of Insurance, Securities and Banking (DISB) has released the findings of a comprehensive [review examining potential unintentional bias in private passenger auto insurance premiums](https://disb.dc.gov/page/evaluating-unintentional-bias-private-passenger-automobile-insurance) paid by Black and Hispanic drivers in Washington, DC. The study, directed by DISB Commissioner Karima Woods, represents the department’s ongoing commitment to financial equity and inclusion and to removing barriers for consumers.

The examination reveals significant differences in auto insurance premiums based on inferred race. Black drivers pay, on average, 1.46 times more than white drivers, equating to an average annual premium gap of $326. Hispanic drivers pay 1.20 times more than white drivers, and API (Asian-Pacific Islander) drivers pay the same as white drivers. However, DISB also found that Black and Hispanic drivers incurred claims with an even higher difference than white drivers. This points to a need for further study to understand why the differences exist and what steps the District can take to reduce those differences.

According to Commissioner Woods, “This investigation is a key step toward understanding and addressing financial barriers that could unfairly have an impact on certain racial groups. Our goal is to ensure that DC residents are treated equitably, regardless of race, and that insurance premiums reflect actual driving risk.”

DISB’s study highlights that while Black drivers filed more claims and incurred higher losses on average than white, Hispanic, and API drivers, these differences may reflect broader systemic factors rather than inherent driving risk. Additionally, certain underwriting factors, including credit scores and homeownership, appear correlated with race and may indirectly affect premium disparities.

To pursue greater equity, DISB is exploring further measures, including additional studies into claim differences among racial groups and reviewing rating criteria that disproportionately affect Black and Hispanic drivers. The department proposes to develop a "balancing test" to evaluate whether certain factors should continue to be allowed in determining premiums.

DISB’s analysis involved extensive dialogue with industry and consumer representatives, public hearings, and partnerships with external experts. The report and more materials, including stakeholder feedback, are available [here](https://disb.dc.gov/page/evaluating-unintentional-bias-private-passenger-automobile-insurance).

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**About DISB**  
The mission of the Department of Insurance, Securities and Banking (DISB) is three-fold: (1) cultivate a regulatory environment that protects consumers and attracts and retains financial services firms to the District; (2) empower and educate residents on financial matters; and (3) provide financing for District small businesses.

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