Congress of the United States

Washington, DC 20515

August 3, 2026

Tom Wilson
Chief Executive Officer
Allstate
3100 Sanders Road
Northbrook, IL 60062

Dear Mr. Wilson:

We write requesting information on Allstate's use of credit-based insurance scores in homeowners insurance underwriting and pricing. Property and casualty insurance products price the risk of financial loss due to damage to a property and its contents; and unlike debt, these products do not hinge on a consumer's ability to repay or carry the risk of defaulting on a loan.[1] Despite this, recent reporting indicates that Americans with weaker credit histories pay significantly more for homeowners insurance, all other characteristics of the policyholder and property held equal.[2] This is particularly concerning at a time when rising insurance costs are putting homeownership out of reach for millions of Americans. Between 2019 and 2025, premiums for homeowners insurance—which homeowners are required to purchase to obtain a mortgage—rose 70 percent nationally.[3] As one of the largest providers of insurance to American families, Allstate helps shape market rates for insurance premiums across the country. We seek additional information about your use of consumer credit profiles to make underwriting, pricing, and claims decisions for insurance policies, and the extent to which you may be unnecessarily increasing costs on working Americans to line your own pockets.

Recent research found that homeowners with lower credit scores pay 24 percent more—an average of $550 per year—for identical homeowners insurance coverage than homeowners with higher credit scores.[4] Some estimates are even higher: a 2025 study found that insurance

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[1] Consumer Federation of America and Climate & Community Institute, "Penalized: The Hidden Cost of Credit Score in Homeowners Insurance Premiums," Moira Birss et al., August 2025, https://climateandcommunity.org/wp-content/uploads/2025/08/Penalized-Final.pdf; Americans for Financial Reform, "4 Reasons Why We Should Ban the Use of Credit Scores in Property Insurance," Annie Norman and Caroline Nagy, April 9, 2026, https://ourfinancialsecurity.org/news/4-reasons-why-we-should-ban-the-use-of-credit-scores-in-property-insurance/; Federal Reserve System, "Pricing Protection: Credit Scores, Disaster Risk, and Home Insurance Affordability," Joshua A. Blonz, Mallick Hossain, and Joakim Weill, January 2, 2026, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=5026600.

[2] The New York Times, "The Hidden Factor Behind Your Home Insurance Cost: Your Credit History," Claire Brown and Mira Rojanasakul, March 9, 2026, https://www.nytimes.com/interactive/2026/03/09/climate/home-insurance-credit-scores.html.

[3] Federal Reserve Bank of Dallas, "Home insurance premiums influence mortgage delinquencies, relocations," Shan Ge, Stephanie Johnson, and Nitzan Tzur-Ilan, March 24, 2026, https://www.dallasfed.org/research/economics/2026/0324.

[4] National Bureau of Economic Research, "Pricing Protection: Credit Scores, Disaster Risk, and Home Insurance Affordability," Joshua Blonz et al., February 2026, https://www.nber.org/papers/w34848.

companies charged homeowners an average of $1,996 dollars per year more for having a low credit score.[5]

Insurers have cited increasing climate-related disasters—along with rising building and reinsurance costs—as the key sources behind rising homeowners insurance premiums.[6] Yet recent research shows that credit scores impact homeowners insurance premiums as much, if not more than, disaster risk in many parts of the country. In fact, according to a recent report, “for most people, it’s now just as expensive to have a credit score of ‘fair’ as it is to live in an area likely to experience a disaster like a hurricane or wildfire.”[7] As the Consumer Federation of America noted, “the insurance industry says that increasing climate risk is driving premiums, but, actually, they slice and dice the market to make folks with low credit scores living in lower risk communities subsidize the price of the higher credit score customers the insurance companies prefer.”[8]

Insurers should not charge consumers higher premiums simply because of their personal credit history, which could have been impacted by job loss, a surprise medical bill, predatory lending, or simply inaccurate information, rather than an actual risk associated with a home.[9] Moreover, insurance companies do not need to predict a consumer’s likelihood of repayment when determining premiums: insurance companies can simply cancel coverage if the consumer does not pay their insurance premium, unlike a credit product.[10] Using credit history also disproportionately penalizes lower-income individuals and people of color who tend to have lower credit scores on average.[11] As a result, the use of credit-based insurance scores in determining premiums can exacerbate historic inequities in access to homeownership.

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[5] Consumer Federation of America and Climate & Community Institute, “Penalized: The Hidden Cost of Credit Score in Homeowners Insurance Premiums,” Moira Birss et al., August 2025, https://consumerfed.org/wp-content/uploads/2025/08/Penalized-Final.pdf.

[6] Testimony of Robert M. Gordon, Senior Vice President, Policy Research & International, American Property Casualty Insurance Association (APCIA), “Examining Insurance Markets and the Role of Mitigation Policies,” May 1, 2025, https://www.banking.senate.gov/imo/media/doc/gordon_testimony_5-1-25.pdf; Housingwire, “Why U.S. home insurance costs have leapt in the past decade,” January 12, 2026, https://www.housingwire.com/articles/why-u-s-home-insurance-costs-have-leapt-in-the-past-decade/.

[7] The New York Times, “The Hidden Factor Behind Your Home Insurance Cost: Your Credit History,” Claire Brown and Mira Rojanasakul, March 9, 2026, https://www.nytimes.com/interactive/2026/03/09/climate/home-insurance-credit-scores.html.

[8] Consumer Federation of America, “Home Insurers Care More about Consumers’ Credit Score than Disaster Risk, New Research Shows,” press release, August 12, 2025, https://consumerfed.org/press_release/home-insurers-care-more-about-consumers-credit-score-than-disaster-risk-new-research-shows/.

[9] Propublica, “Lawmakers Demand Answers About Growing Number of Unfixed Mistakes on Credit Reports,”Joel Jacobs, May 4, 2026, https://www.propublica.org/article/credit-report-mistakes-lawmakers-letter; Letter from Senators Warnock and Warren to Acting Director Russ Vought, July 14, 2025, https://www.warnock.senate.gov/wp-content/uploads/2025/07/Letter-to-CFPB-Regarding-the-Medical-Debt-Rule.pdf.

[10] Americans for Financial Reform, “4 Reasons Why We Should Ban the Use of Credit Scores in Property Insurance,” Annie Norman and Caroline Nagy, April 9, 2026, https://ourfinancialsecurity.org/news/4-reasons-why-we-should-ban-the-use-of-credit-scores-in-property-insurance/.

[11] The New York Times, “The Hidden Factor Behind Your Home Insurance Cost: Your Credit History,” Claire Brown and Mira Rojanasakul, March 9, 2026, https://www.nytimes.com/interactive/2026/03/09/climate/home-insurance-credit-scores.html.

In light of these concerns, some states have prohibited or limited the usage of credit scores or histories when offering or pricing homeowners insurance products.[12] Unfortunately, in the states that allow credit scores to be used in pricing and underwriting of homeowners insurance, the average additional costs for consumers with lower credit scores can vary from a few percentage points more to well over double the cost.[13]

In order to gain a better understanding of how Allstate uses credit-based scoring when offering or pricing homeowners insurance policies, we ask that you respond to the following questions by August 17, 2026.

1. Do you use credit scores and/or credit history when underwriting or pricing homeowners insurance policies in states where it is allowed? If so, please describe how. Provide copies of your underwriting guidelines and rating model as they relate to credit scores and/or credit history.
2. What specific factors from a consumer's credit profiles are considered in your underwriting or pricing models and standards?
3. How much weight does your company assign to a current or prospective policyholder's credit scores and credit history relative to other factors, such as property location, age, condition, and disaster risk? With this response, provide a table of the rate relativities associated with each possible score used in your model broken down by coverage if the credit-based insurance score relativities vary by coverage.
4. How often does your company deny coverage or place homeowners in higher-risk tiers based in whole or in part on credit-based information? Additionally, how often does your company place customers in affiliated insurers other than the standard or preferred company to which the applicant would have been written if they had a good or better credit history?
5. In states where credit scores are prohibited, how has your company adjusted its underwriting or pricing models? Additionally, has your company found that policyholders in these states – who would have had a lower credit-based insurance score factor into their underwriting – are more likely to file more claims and have a higher total cost associated with their claims?
6. Based on your company's current pricing policies, assuming two identical homes in the same state with the same climate risk and identical loss history, what would be the additional cost charged to a consumer whose credit-based insurance score is in the 50th percentile of your credit model versus a consumer with a credit-based insurance score in the 90th percentile, assuming that the highest percentile represents the best possible credit-based insurance score?
7. If the average additional cost for the lower credit-based insurance score policyholder, as defined in question 6 and your company's response, is not consistent across the states where your company uses credit-based insurance scores in pricing, please describe the reasons for this discrepancy.

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[12] *Id.*

[13] Consumer Federation of America and Climate & Community Institute, "Penalized: The Hidden Cost of Credit Score in Homeowners Insurance Premiums," Moira Birss et al., August 2025, https://consumerfed.org/wp-content/uploads/2025/08/Penalized-Final.pdf.

8. How does your company address potential disparate impacts of credit-based insurance scoring and negative impacts on low-income policyholders or people and communities of color?
9. What disclosures do you give applicants and policyholders about any adverse actions, pricing decisions or other outcomes based on credit history in determining their insurance rates? Provide copies.
10. Describe your company's claims handling process. How, if at all, does Allstate take credit-based insurance scores into account when assessing claims and investigating fraud?
11. Does your company pay out claims at a lower rate to homeowners insurance policyholders with lower credit-based insurance scores?
12. Will your company consider reducing the use of credit-based insurance scores when making underwriting or pricing decisions? If so, how? If not, why not?

Sincerely,

Elizabeth Warren
Ranking Member
Committee on Banking,
Housing, and Urban Affairs

Ayanna Pressley
Member of Congress

Richard Blumenthal
United States Senator

Tammy Duckworth
United States Senator

Adam B. Schiff
United States Senator

Ron Wyden
United States Senator

Ruben Gallego
United States Senator

Chris Van Hollen
United States Senator

Nikema Williams
Member of Congress

Rashida Tlaib
Member of Congress

James P. McGovern
Member of Congress

Bonnie Watson Coleman
Member of Congress

Ilhan Omar
Member of Congress

Shri Thanedar
Member of Congress

Pramila Jayapal
Member of Congress

Alexandria Ocasio-Cortez
Member of Congress

Al Green
Member of Congress

Sylvia R. Garcia
Member of Congress

André Carson
Member of Congress

Sean Casten
Member of Congress