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**REGARDING
Assembly Bill 194
Commerce and Labor Committee
March 5, 2003**

Greetings, Chairman Goldwater,
Assemblywoman Sheila Leslie and the committee at large.

I am honored to testify before this committee and urge you to pass a regulation that prohibits any insurance company, doing business in Nevada, from using an individual's credit rating to establish the liability insurance premium rate.

The following is a case in point:

In June 2000, we had **good credit** with a two-income household, both employed by the State of Nevada. Within the previous two years, we had built a new home in Carson City and were living within our means.

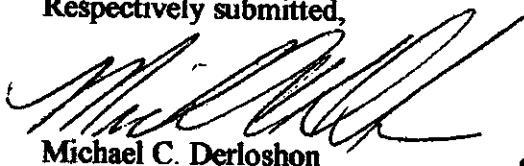
In July 2000, I had a major heart attack resulting in open-heart surgery to replace a heart valve. Three days later I had an amputation of my lower left leg.

The State's long-term disability insurance company successfully refused to pay any claim. Because I had been a State employee, I did not have enough quarters to qualify for social security disability and therefore did not qualify for assistance. The end result was that, **through no fault of our own**, we lost more than 50% of our household income, could not afford our contractual obligations and our credit rating was destroyed.

Three points:

1. I am sure that there are a number of residents of this state whose credit ratings have gone from good to less than desirable over the past few years because of loss of employment or similar situations.
2. Insurers for auto, household or renters should not benefit from the misfortunes that could plague our society.
3. We are not **CREDIT WORTHY**. Over the past two to three years, neither of us has incurred any tickets, accidents or other claims to cause our premiums to increase. We should not be penalized simply because our credit rating has declined. I would argue that our risk factor to any insurance company has not increased.

Respectively submitted,


Michael C. Derloshon

ASSEMBLY COMMERCE & LABOR
DATE: 3/5/03 ROOM: 4100 EXHIBIT H
SUBMITTED BY: M. DERLOSHON