

In some neighborhoods, even the best drivers face steep insurance rates

Residents in Roxbury, Dorchester, and Mattapan can pay up to 200 percent more for car insurance

By Eileen O'Grady Globe Correspondent, Updated March 16, 2020, 6:54 p.m.

Jenn Brandel considers herself to be a very good driver. In fact, she's one of the best in Boston. Last year, she won the "slow and steady driver" award in Boston's Safest Driver Competition hosted by the mayor's office.

From May to July, an app tracked the 47-year-old social worker as she steered her Mazda 3 around the city — to her job in Jamaica Plain, to the grocery store, to her teenager's extracurricular activities. She scored exceptionally in every category, from speed to cellphone distraction.

But when Brandel and her family moved from Roslindale to Mattapan in 2016, their car insurance rates increased from \$1,136 per year to \$1,631. They had moved less than 2 miles, from one side of Mount Hope Cemetery's green expanse to the other. And yet their premium, with the company MAPFRE, increased by more than 40 percent.

"I do feel like I am a good driver," Brandel said. "I wasn't surprised, because I knew the way people think about Mattapan. The argument is, 'Now you live in a neighborhood that has a higher crime rate.'"

In Roxbury, Dorchester, Hyde Park, and Mattapan — all low-income minority neighborhoods — car insurance rates are consistently, and significantly, higher than in other areas of Boston. According to data from the Massachusetts attorney general's office, residents in these parts of the city can pay up to three times the statewide average for car insurance.

Michael Watts, 36, is a lifelong Mattapan resident and an electrician who runs his own company. Back in 2010, he remembers paying \$200 a month to insure his 10-year-old Volkswagen Jetta.

“If I had registered that car in the suburbs, it would have been \$100,” Watts said.

Eventually, the Jetta’s transmission died, and in 2017 he purchased a van to use for work. His premiums are \$550 per month with Safety Insurance. Watts wants to grow his business by purchasing a second van, but says he can’t afford to insure two vehicles, which would cost more than \$1,000 a month.

“I feel pretty helpless, because you can’t do anything other than just move,” he said. “If we just had more transparency to understand what are the factors that go into this.”

In January, City Councilor Andrea Campbell called for a hearing to discuss the high rates, which she says hurt her constituents.

“This presents, I think, a serious economic hardship for residents and families in our community that rely on cars to get to work, to school, and other destinations,” Campbell said. “Especially in areas, including parts of my district, where there is transportation deserts or lack of access to quality and reliable and fast public transit options.”

Disparities in auto insurance rates between minority and white neighborhoods are not unique to Boston.

A 2017 [report](#) from ProPublica and Consumer Reports showed that across the country, minority neighborhoods consistently pay higher premiums than majority-white areas with similar claim payouts. Insurance industry leaders say that’s because these neighborhoods experience more crashes and higher crime rates than their white counterparts.

But some neighborhood leaders say individuals’ driving records should matter more than their neighborhood’s collective record; otherwise, bad drivers penalize good ones.

“When the data is telling you that the people you are charging more are not having more accidents than the people who are not, there is something else at play,” said Fatima Ali-Salaam, chair of the Mattapan Neighborhood Council, who has received complaints about the high rates from constituents in her community.

“It doesn’t make any sense.”

Campbell said her hearing will examine the factors that go into determining insurance costs.

“Are there actually more crashes in Roxbury and Dorchester?” Campbell said. “Or is there an assumption by insurance companies, based on stereotypes, about people of color in low-income communities that try to justify keeping these rates high?”

The answer, according to Paul Tetrault, executive director of Boston’s Insurance Library Association, is mainly the former.

Massachusetts insurance companies are regulated under a state law that makes it illegal for them to make protected classes like race, sex, or religion a factor in determining rates. Rates are based strictly on data from these communities, Tetrault said, and companies must submit their rates to the Massachusetts Division of Insurance for approval.

“It’s a matter of claims history and experience, whether it’s accidents, other losses, theft — things like that are recorded and attributed to the location where a vehicle is garaged,” Tetrault said. “These are standard rating criteria that you’ll find in every state’s laws or regulations. They can’t be excessive, they can’t be inadequate, and they can’t be unfairly discriminatory.”

However, companies are responsible for their own data collection, determining how often they adjust their rates to the most recent data, and how often they file their updated rates to the government for review. According to the state Division of Insurance, there is no government requirement that they must update their rates in accordance with any particular timeline.

What’s more, companies themselves determine how much weight is placed on different rating factors, which may result in factors like ZIP code being weighted more heavily than personal driving record.

The company MAPFRE, which Brandel uses, said it studies “many factors” in determining its rates, and considers a person’s driving record to be an important consideration in assessment of risk, according to a company spokesman. Safety Insurance, which Watts uses, did not respond to request for comment.

Ali-Salaam wishes insurance companies would place more weight on individual factors like driving record.

“Those who follow the driving rules and who take public transportation, they should get credit. They shouldn’t have to bear the burden of those who can’t,” Ali-Salaam said. “Regardless of where you live, you should not be held responsible for someone else screwing up.”

This story was produced in collaboration with the Northeastern University School of Journalism.