Every Midwestern state requires drivers to have auto liability insurance. The rate that individuals pay for this insurance is based on a host of factors — some connected to their driving habits and history, others unrelated. For example, some states may have higher-than-average litigation or medical care costs; their residents pay higher premiums as a result, the Insurance Information Institute notes.

Within a state, too, premiums can vary considerably from one driver to the next. That is because, in setting rates, auto insurers use a mix of “driving factors” and “non-driving factors.” The former includes an individual’s driving record, the type of car being insured and the number of miles driven; the latter includes age, gender, marital status, credit history and where the driver lives.

In a 2016 study examining auto insurance rates in 15 U.S. cities, the Consumer Federation of America concluded that, in most states, “auto insurance premiums are driven in large measure by economic factors that are unrelated to driving safety” — namely, education level, occupation, homeownership status, prior purchase of insurance and marital status.

Earlier this year, the Minnesota Commerce Department announced that an auto insurer had violated a state law which forbids homeownership from being used as a factor in setting rates. As a result of this violation, the company had to refund customers a total of $315,000 and pay a $75,000 penalty.

Minnesota also is among the Midwestern states (along with Illinois, SB 2208 in 2016, and Ohio, SB 64 in 2015) where legislation has been considered in recent years to prohibit the use of credit scores in setting auto insurance rates. Most recently, earlier this year, a bill was introduced in Michigan (HB 4617) to ban the use of various “non-driving factors,” including credit history, education levels, occupation, and place of residence or work.

To date, three states outside of the Midwest — California, Hawaii and Massachusetts — have the most aggressive policies in place to limit the use of non-driving factors. All three, for example, ban the use of credit scores. Under Hawaii statute, insurers also cannot consider age, gender, marital status and length of driving experience. Massachusetts has similar restrictions; in addition, auto insurance rates cannot be based on factors such as an individual’s occupation, income and education levels, and homeownership status.

In California, companies must use three “mandatory rating factors” in setting auto insurance rates: 1) a driver’s safety record, 2) number of miles driven, and 3) driving experience. Sixteen “secondary” factors (including where the driver lives, as well as his or her academic standing and marital status) also can be considered. However, the mandatory rating factors must be weighed more heavily.