

From: Allen Wilson
Sent: Wednesday, July 07, 2004 12:23 PM
To: FACTAscoringstudy
Cc:
Subject: FACTA Scores Study

I read an article in "The Dallas Morning News" about the credit score study, and I would like to offer my comments and experience related to insurance premiums.

My stance is that credit scores might be a valid factor when insurance is extended for the first time to a new customer. After some short period of time, perhaps by the second renewal, the actual record and circumstances of the customer should override any credit scoring concerns.

This year, for the first time (to my knowledge, any way), I have seen an increase in my insurance rates that is solely attributable to "adverse" credit scores. My homeowners insurance premium is increasing approximately 18% over last year. Included in the latest renewal packet from the insurer was a statement that changes in my credit score had affected the premium. When I discussed this with my agent, he told me that the coverages and the basic rates were identical to last year's policy; therefore, the entire increase is based on the credit score.

My homeowners insurance has been purchased from the same insurer for almost 10 years. I have never had a claim. This is why I feel that it is a very shaky argument to infer that the insurer's risk is suddenly greater because of a change in my credit score.

For my auto insurance, the renewal packet also contained disclosures about the use of credit scores, but I am unable to ascertain from the language if my premium has actually been affected. In this case, the policy has been in force for so many years that I can not even remember when it started. I believe that it has been at least 15 years. We receive "Superior Driver" discounts. This is again where the actual driving record of a long-term customer should be the determining factor, not a credit score.

Thank you for the opportunity to provide my comments. Good luck in your endeavor.

Allen Wilson
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