

Credit and Insurance Rates

What are credit scores and credit reports?

As a consumer, you probably understand that paying bills on time has a positive effect on your personal finances and contributes to a good credit score. A credit score is a prediction of your credit behavior and companies use them to make decisions on whether to offer you a mortgage, credit card, auto loan as well as for tenant screening and insurance. Credit scores are also used to determine interest rates and credit limits.

Companies use a mathematical formula—called a scoring model—to create your credit score from the information in your credit report. This information includes: your bill-paying history; your current unpaid debt, the number and type of loans you have; how long you've had your loan accounts open; how much of your available credit you are using; new applications for credit and whether you've had a debt sent to collection, a foreclosure or a bankruptcy and how long ago.

Your credit score is one factor that is considered by insurance companies when determining what your policy rate is going to be. A good credit score can lead to lower insurance rates.

Can you be denied insurance coverage because of your credit history?

An insurer cannot deny you insurance or non-renew your policy solely based on your credit report or score. If you've been denied insurance, appeal. Florida requires insurance companies to identify specific reasons for denial. Ask the insurance company to put the reasons for denial in writing. If the denial was in part based on your credit history the company must provide you with a copy of the credit report or supply you with the name, address and telephone number of the specific credit reporting agency. Once you get your report, examine it for errors or dated information that may be having a negative impact on your credit score. Contact the credit reporting agency that supplied the report and request an investigation. By law, credit reporting agencies must investigate and respond to your request within 30 days.

The [Federal Trade Commission](#) (FTC) provides [sample letters](#) and [information](#) to help you dispute errors on your credit report.

How to get your credit report and credit score

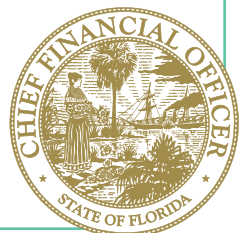
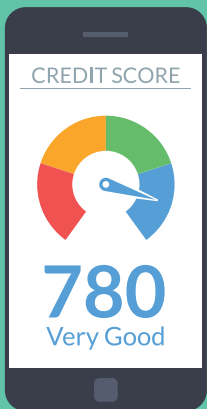
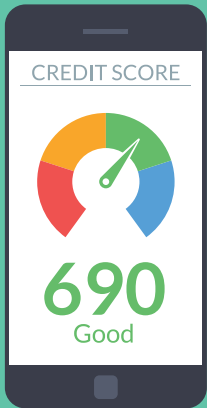
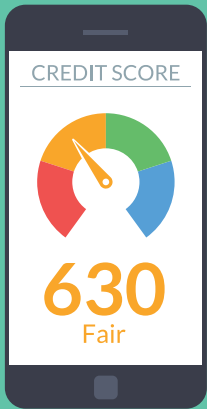
The Federal Fair Credit Reporting Act requires the three nationwide consumer credit reporting companies - Equifax, Experian and TransUnion - to provide you with a free copy of your credit report once a year. (Due to data breaches, you may be able to get your credit report more often.) To obtain your actual credit score, you may have to pay a small fee. Your credit card company may provide your credit score for free. Keep in mind that the score might only be from one credit reporting company.

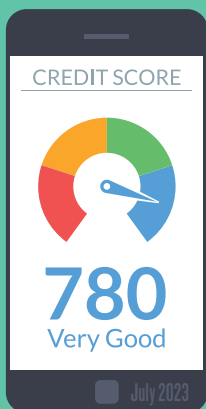
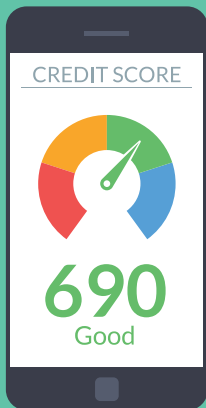
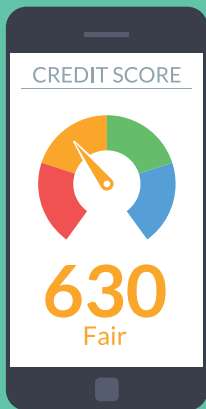
To obtain your credit report visit [AnnualCreditReport.com](#) or call 1-877-322-8228. To ensure no one but you can access your credit information, you will be asked some security questions that only you know. Make sure to have your records on hand. You can also download a request form and mail it to:

[Annual Credit Report Request Service](#)

P.O. Box 105283
Atlanta, GA 30348-5283

Avoid other sites offering free credit reports, they could be scams. [AnnualCreditReport.com](#) is the only federally authorized place to get free credit reports.





Tips to improve your insurance premiums

Every day, consumers with good credit, no prior insurance losses and good driving records are penalized due to errors in their credit report. It is in your best interest to ensure your credit report is complete and accurate.

- Visit AnnualCreditReport.com and stagger your requests for each credit bureau every four months to see your report at least three times a year (you may be able to see your online report with more frequency).
- Pay your bills on time as late payments appear on your credit report for seven years.
- Remove negative information from your report whenever possible by contacting the credit reporting company, in writing, directly.
- Dispute inaccurate information promptly by contacting the credit reporting company, in writing, about the information that is inaccurate. Include copies of documents that support your position.
- Remove your name from credit reporting agency lists that are sold to lenders and insurance companies for junk marketing. If you do not want to receive offers of credit or insurance, you can opt out of receiving this mail for five years or opt out of receiving this mail permanently.
 - To opt out for five years: Call toll-free 1-888-567-8688 or visit OptOutPrescreen.com.
 - To opt out permanently: You may begin the permanent opt-out process online at OptOutPrescreen.com. To complete your request, you must return the signed Permanent Opt-Out Election form, which will be provided after you begin your request online.
- Protect yourself from credit card fraud or identify theft by carefully checking your credit report, accounts and other documents that contain your personal information. Report signs of identity theft immediately at IdentityTheft.gov.

Tips to improve your credit score

- Keep your oldest credit card. Lenders like to see that you have built your credit over time.
- Actively pay off your credit card balances over time to keep them low or pay off your credit card balance at one time, if possible.
- Do not spend more than you are able to repay.
- Don't apply for a lot of credit over a short period of time.
- Be patient, it takes time. Don't fall for scammers who promise to raise your credit score fast.

Resources

Department of Financial Services **[Division of Consumer Services](#)**

The Florida Department of Financial Services' Division of Consumer Services offers a variety of information and resources to consumers on numerous financial and insurance-related topics.

[Federal Trade Commission](#)

The Federal Trade Commission helps protect consumers from unfair business practices and provides information on ways to protect your identity; budget and save money; and purchase a home.

[National Foundation for Credit Counseling](#)

The National Foundation for Credit Counseling certifies counselors that can assist you in offering potential solutions to your current financial problems.

For more information about **Credit and Insurance Rates** visit: [Your Money Matters/Credit & Debt](#)

