

What do I need to know about credit reports and scores?

What is on my credit report and where does it come from?

In general, your report includes your name, address, employers (current and previous) and more specific information about your accounts such as date opened, credit limit or loan amount, balance and payment patterns during the past several years. The information provided on your report comes from companies with whom you do, or have done, business.

Should I check my credit report regularly?

Since your credit report plays an important role when you apply for any type of credit, it would be a good idea to know what is on your report before applying for credit. Because of this, we recommend checking your score annually.

What is a credit score?

A credit score is a report that is the foundation of your report—insurers use it to determine which insurers to apply to, and the underwriting process. The score is generated by a credit bureau, and it is not a reflection of your credit history. However, it is not a reflection of your credit history. The score is generated at the time a credit report is made. There is no credit score and your financial score change as elements in your credit report change.

How is the insurance score used for insurance purposes?

An insurance score is a number used in developing the premium used to help them during the underwriting process. Many insurers use the score to determine the better rate you have, the better rate you have. Also, insurers use the score to determine whether or not you are eligible for their insurance based upon your combination of driving record, credit score, and other factors. A higher credit score is more indicative of a lower risk of payment issues, and driving record is also a factor when it comes to insurance.

How can I raise my score?

While you can improve your future score, it is unlikely that any single action you take will have a large impact on your score immediately.

That is because your score reflects credit payments over time. There are things you can do now to improve your score in the future, such as:

- pay your bills on time—delinquent payments and collections can have a major negative impact on your score; and
- apply for new credit sparingly.

There is no single action that will raise your score. Each time a credit score is calculated, specific reasons are recorded along with the score. If you have received your score, look at the reasons that came back with the score. The reasons, listed in order of importance, represent why your score was not higher. Addressing these reasons will most likely result in an improvement in your score.

How long is credit information kept?

Payment in full does not remove your payment history. The length of time information remains on your credit file is:

- credit and collection accounts—seven years from the date of last activity;
- courthouse records (judgments, liens and bankruptcies)—seven years from the date filed; Chapters 7 and 11 remain on file for 10 years from date filed;
- satisfied judgments—five years from date filed; and
- paid collections—five years from the date of last activity with original creditor.

What if the credit report has errors?

If an error is detected on your credit report, you should notify all three credit bureaus of the error. The credit bureaus must re-investigate the disputed item. The three national credit bureaus are:

- Equifax—(800) 685-1111;
- TransUnion—(800) 916-8800; and
- Experian—(888) 397-3742.



Your Professional Insurance Agent ... We want you to know about the insurance you're buying.