



Consumer Brief:

Home & Auto Insurance – Protecting Your Credit Information



In the wake of recent large-scale security breaches, people are seeking protection for their personal financial information. You should know:

- ✓ There are steps you can take to limit your exposure to potential identity theft.
- ✓ Taking security measures to protect your credit information **should not interfere** with obtaining or keeping discounts you've earned on your home or auto insurance policy.
- ✓ Ask your insurance agent or company about your coverage and your credit information **before** your next renewal or **when you shop** for insurance.

Want to limit access to your credit information?

Here are two options.

Fraud Alert

A **fraud alert** "flags" your credit report. If someone tries to open a new line of credit using your name, the creditor will see the alert and you may be contacted to verify the credit request. You can place an alert on your credit report with any of the three reporting agencies, and the other two will be notified and also flag their files. An initial fraud alert is free of charge, lasts 90 days, and can be renewed.

Security Freeze

Consumers can request a **security freeze**, preventing the sharing of or access to your credit information for any purpose related to the extension of credit (so, insurance companies, employers or landlords, for example, can still view your credit information for things like policy renewals or background checks). To obtain a freeze, contact each of the reporting agencies directly. Under a new state law effective June 7, 2018, credit reporting agencies must allow consumers to "freeze" or "thaw" access to their credit reports at no charge.

How Insurance Companies Use Credit Information

Q: Why do home & auto insurance companies use my credit information?

A: Studies by state and federal regulatory agencies, industry and academic researchers have consistently shown a direct correlation between financial responsibility (shown by credit history) and insurance risk. No less than 47 states allow insurers to use credit information along with other information, like driving record and claims history, to help underwrite and rate insurance policies accurately.

Q: How is my credit information used for insurance purposes?

A: There are hundreds of insurance companies writing home and/or auto insurance here and across the United States. To compete in the market, each company has its own unique approach. But for most, it involves combining things like bill-paying history (financial responsibility) with insurance claims history, driving history and other factors, into an "insurance score" (different from your credit score). In most cases (studies say about 70% of the time), this score results in discounts for policyholders. It also helps prevent lower-risk policyholders from paying more than they should to subsidize higher-risk policyholders.

See more on reverse side...



Credit Reporting Agencies

You may obtain a free copy of your credit report or take steps to place a fraud alert or security freeze on your credit information by contacting these credit reporting agencies.

Equifax

Phone: 1-800-525-6285, <https://www.alerts.equifax.com>

Experian

1-888-EXPERIAN (888-397-3742), <https://www.experian.com/fraud/center.html>

TransUnion

1-800-680-7289, <http://www.transunion.com/personal-credit/credit-disputes/fraud-alerts.page>

Other Resources and Information:

Federal Trade Commission

[Credit freeze and fraud alert information](https://www.consumer.ftc.gov/articles/0497-credit-freeze-faqs#score) (<https://www.consumer.ftc.gov/articles/0497-credit-freeze-faqs#score>)

600 Pennsylvania Avenue, NW

Washington, DC 20580

Telephone: (202) 326-2222

www.ftc.gov

Washington Attorney General's Office (Attorney General Bob Ferguson):

[Credit freeze and fraud alert information](http://www.atg.wa.gov/credit-freeze-fraud-alerts#security): <http://www.atg.wa.gov/credit-freeze-fraud-alerts#security>

1125 Washington Street SE, PO Box 40100

Olympia, WA 98104-0100

Telephone: (360) 753-6200, or toll-free in WA: 1-800-551-4636

www.atg.wa.gov

Washington Office of the Insurance Commissioner (Insurance Commissioner Mike Kreidler):

5000 Capitol Blvd SE or PO Box 40256

Tumwater, WA 98501 Olympia, WA 98504-0256

Telephone: (360) 725-7080 or toll-free in WA: 1-800-562-6900

<https://www.insurance.wa.gov/questions-about-credit-freezes-and-insurance>