

Understanding Insurance Scoring

Now, more than ever, you hear co-workers, family members or advertisements talking about credit scores. Your credit score is the information resulting from how much money you borrow and how your pay your bills. More and more industries are turning to this information when assessing applicants.

Home and auto insurers use credit information to produce an “insurance score,” which helps them to accurately assess an applicant. Research has shown a strong correlation between a person’s insurance score and their likelihood of having a loss. Most major insurers use this tool along with other factors when accepting applications and making underwriting decisions.

Factors for consideration may include:

- Credit Score
- Years of driving experience
- Previous accidents and violations
- Type of car
- Type of home construction (for homeowner’s insurance)



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