

Insurance and the use of credit scores

Insurance companies want to help people get the best premium available to them. Credit scores are part of that.

Canadian insurers are looking for ways to help people. From time-to-time they incorporate information that takes into account a number of variables that treat you like an individual to ensure you get the most precise, and best, rate available to you.

Answering your questions about credit scores.

What is a credit score?

A credit score is a 3-digit number (ranging between 300 and 900) calculated by credit reporting agencies based on information contained in your credit report (record of your credit and payment history) at a specific point in time.

Why are some Canadian insurers using credit scores?

Insurance company's only uses credit scores to determine the best premium available for you, and we only obtain credit scores with your permission.

How will my credit score affect my insurance?

Your credit score will not affect your existing coverage or your eligibility for insurance in any way. Depending on your credit score, you may be eligible for a lower rate.

Who will see my credit score?

Your Broker and Insurance company take your privacy seriously and will not share any information we have about you with anyone. No one handling your policy at your Brokerage or your Insurer will see your credit score. All credit scores are held in a secure database at the respective insurance company.

If I give you consent to check my credit score now, will it be checked again in the future?

A credit score is a 'snapshot' of a person's financial risk at a particular point in time, and your credit score may change over time. To make sure you benefit from the most accurate rate, your company will typically order credit scores each year that you are insured with them.

Will my Insurer's name show up on my credit report?

Yes, it will appear on your credit report, but will only be seen by you. It will not be seen when third parties, such as banks, order your credit score. In addition, this type of inquiry has no impact on your credit score.

What if I do not want to give consent for my insurer to order my credit score?

That's fine. Your Broker can still provide quotes for homeowners insurance and the quote will take into account the other variables specific to you. Providing consent however, will help determine the best premium available to you. Your insurance company will mark its files accordingly and your credit score will not be ordered. If you no longer wish to have your credit score checked, you can request this before your next renewal. Please contact your Broker.

To learn more about the use of credit information and Insurance visit the Insurance Bureau of Canada (IBC) at <http://www.ibc.ca/on/resources/consumer-resources/credit-information> or please contact your Broker at Rhodes & Williams..