

# Understanding Your Insurance

## Know The Score When It Comes To Insurance

(NAPSA)—Your credit behavior can have a major effect on your home and auto insurance.

Increasingly, insurance companies are weighing credit histories—including late bill payments and debt balances—when assessing a consumer application or renewal and setting the associated premium. That's because there's a proven connection between how you've managed your finances over the years and how likely you are to file an insurance claim. In much the same way that lenders look over your credit scores for a loan, many insurers now review your Property and Auto "Insurance Scores" to help determine your insurability and the premiums you'll pay. Yet most people don't realize this practice is commonplace.

"We surveyed consumers across the country and found that only 22 percent think late bill payments can contribute to increased insurance premiums and only 16 percent think credit card balances are a factor," says Lucy Duni of TransUnion's TrueCredit.com, which provides consumers with access to their Property and Auto Insurance Scores as well as a host of other credit management tools. "The bottom line is, your credit health is likely going to factor into how insurers view you as an applicant and how much you're going to end up paying for insurance coverage every month."

So what can you do to "insure" that you're in a good position next time your policy comes up or you need to reinsure? Quite a bit, as it



**How much you pay for auto insurance may depend on timely payment of your credit card bills.**

turns out. In addition to being a safe driver and homeowner and filing claims only when necessary, follow these tips to help make sure insurers view you in the most positive light next time around:

- Pay all your bills on time every month, even if you can only make the minimum amount due from time to time.
- Keep the balances on your credit cards at 35 percent or less of the limit on each card.
- Apply for credit in moderation during the year to avoid multiple creditor "inquiries" on your credit files.
- Think twice before closing old credit cards on which you've paid in a timely manner over the years.
- Get more details and options for checking both your insurance and credit scores by visiting [www.truecredit.com/insurance](http://www.truecredit.com/insurance).