



The vast majority of auto and home insurers use credit-based insurance scores. Studies by government insurance regulators, universities, independent auditors, and insurance companies show that a person's credit history is a strong predictor of risk. Your insurance score, combined with many other factors such as claims history, is calculated to determine the premium you pay.

### **What is a credit-based insurance score, and how is it different from a credit score?**

Credit-based insurance scores measure the likelihood of insurance risk using information taken from a credit report. It's different from a credit score that measures creditworthiness.

### **What's included in a credit-based insurance score?**

Information such as payment history, amounts owed, the average age of accounts listed on your report, and the number of applications for new accounts opened in the past 12 months are included in your credit-based insurance score. State insurance laws commonly limit what type of credit history information may be used to calculate credit-based insurance scores. Any prohibited factors would not be considered in calculating a credit-based insurance score, such as the number of credit inquiries made, any credit history based on collection accounts identified with medical industry codes, or the use of a particular type of credit card, charge card, or debit card.

### **How will PEMCO use credit-based insurance scores?**

Your insurance score, combined with many other factors such as driving and claims history, is used to determine the premium you pay. We will not use credit information alone to determine eligibility, nor will we refuse customers for their lack of credit history.

### **Where does PEMCO get credit information?**

Equifax, a third-party vendor, provides PEMCO with a credit-based insurance score using a proprietary scoring model developed by Fair Isaac.

### **Will my credit be impacted by PEMCO using a credit-based insurance score?**

FICO, which holds about 90% of the credit-scoring market share, says insurance inquiries do not impact credit scores. To learn more go to: [www.insurancescore.com](http://www.insurancescore.com).

### **Who can I contact to find out more information about my credit report?**

Credit reporting agencies maintain your credit report. For a copy of your report, contact:

AnnualCreditReport.com  
877-322-8228  
Annual Credit Report Request Service  
PO Box 105281  
Atlanta, GA 30348-5281

**How does PEMCO use my claims history?**

PEMCO orders a CLUE (Comprehensive Loss Underwriting Exchange) report during the application process. We use this information to help determine your rate and eligibility.

**Who can I contact to find out more information about my claims history?**

The Fair Credit Reporting Act entitles you to a free copy of your CLUE report. To request a copy, contact:

LexisNexis, Consumer Center

Request your personal report online ([www.lexisnexis.com](http://www.lexisnexis.com))

Call 866-312-8076