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February 27, 2024

Sen. Donna Bailey, Chair
Committee on Health Coverage, Insurance and Financial Services
Cross Building, Room 220
Augusta, ME 04330

Rep. Anne Perry, Chair
Committee on Health Coverage, Insurance and Financial Services
Cross Building, Room 220
Augusta, ME 04330

RE: LD 2220, An Act to Prohibit Insurers from Using Credit Information as a Factor in Certain Insurance Practices

Dear Senator Bailey and Representative Perry,

These comments are submitted by the American Property Casualty Insurance Association ("APCIA") in opposition to LD 2220. This is an issue which the Committee has reviewed and addressed numerous times.[1] In 2003 the Legislature enacted comprehensive insurance scoring legislation. 24-A M.R.S. §2169-B. The legislation defines the use of credit information in insurance scoring, provides notice to consumers if insurance scoring is used, contains adverse action notice requirements, requires re-rating and re-underwriting within thirty days of an incorrect insurance score and allows an insured to have their insurance score re-rated every twelve months. The Bureau of Insurance ("Bureau") has promulgated its on-point Bulletin 321 in 2003 and amended it by Bulletin 329. It has also prepared a publication for consumers entitled <u>A Consumer's Guide To How Insurers Use Credit Information for Personal Auto and Homeowners Insurance</u>, Maine Bureau of Insurance, May 2023, https://www.maine.gov/pfr/insurance/sites/maine.gov.pfr.insurance/files/inline-files/credit_scoring.pdf. (See Exhibit 1.)

IMPACT OF PASSING LD 2220

The bottom line is that insurance scoring works and the enactment of LD 2220 would be a significant financial detriment to Maine citizens, especially the elderly. One major carrier in Maine has estimated the impact of enacting just LD 2220, §§2169-C(4)-Premiums) and §§2169-C(5)-Discounts). This company has a total policy count of approximately 65,879. The charts below indicate that for a majority of Maine citizens there will be between a 13% and 15% increase in premium with an average increase in premium of between $153 per year and $173 per year.

[1] Bills on this subject have been considered since the 1980s. More recently, the Legislature has considered LD 419 (123rd Legislature), LD 1083 (123rd Legislature), LD 368 (125th Legislature), LD 70 (126th Legislature), and LD 470 (121st Legislature).

Table 1. Total Maine Credit Neutralization Impact

District	Premium Increase Count	Premium Increase Mix	Avg Premium Increase %	Avg Premium Increase $ (Annualized)
Grand Total	65,879	57%	14%	$169

Table 2. Maine Credit Neutralization Impact by Age

Age Group	Premium Increase Count	Premium Increase Mix	Avg Premium Increase %	Avg Premium Increase $ (Annualized)
<65	53,708	54%	13%	$173
65+	12,171	74%	15%	$153

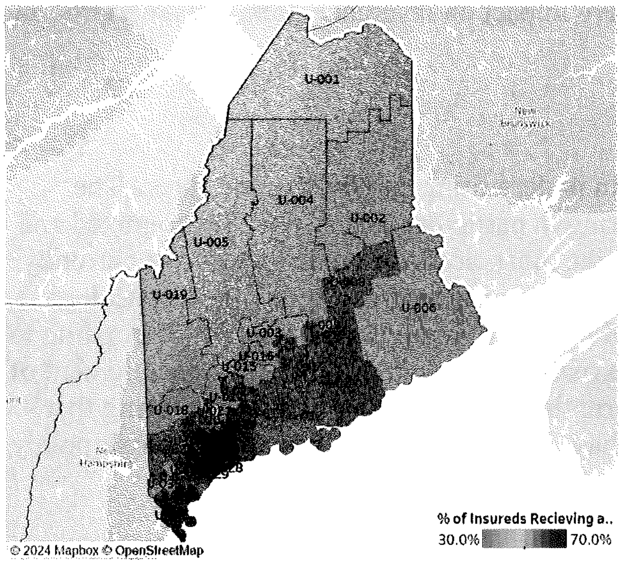
Table 3. Maine Credit Neutralization Impact by Occupation

Occupation	Premium Increase Count	Premium Increase Mix	Avg Premium Increase %	Avg Premium Increase $ (Annualized)
Retired (Full-Time)	2,794	70%	17%	$157
Police/highway Patrol/Sherrif	139	72%	15%	$190
Pharmacist	132	86%	15%	$185
Teacher-Vocational	74	76%	15%	$164
Teacher, K-12	1,173	74%	14%	$180
Veterinarian	51	85%	14%	$203
Doctor/Surgeon	250	75%	14%	$205

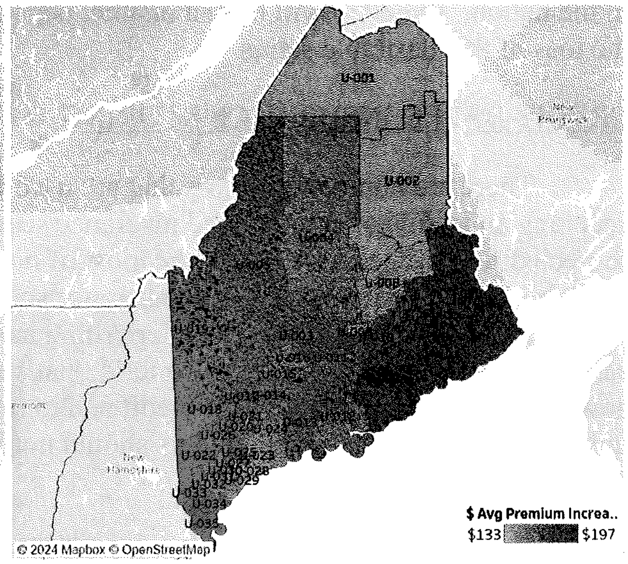
The maps of Maine's Senate districts reflect the pervasive negative effect that would follow the enactment of LD 2220.

Maine Senate Maps

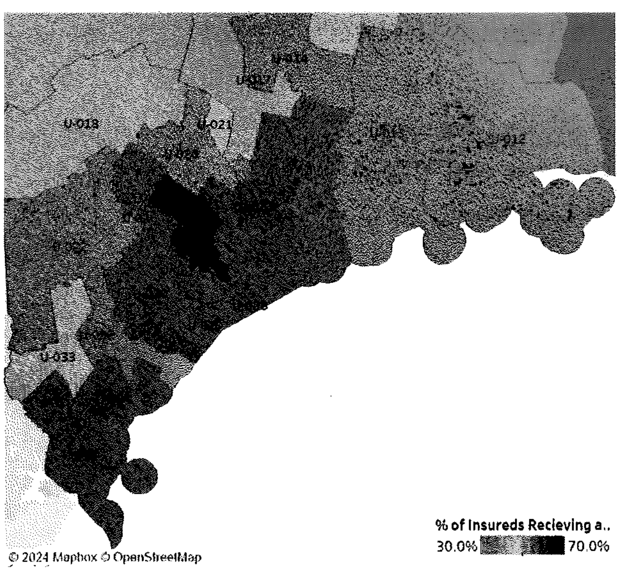
ME Senate District
% of ME Insureds Receiving a Premium Increase

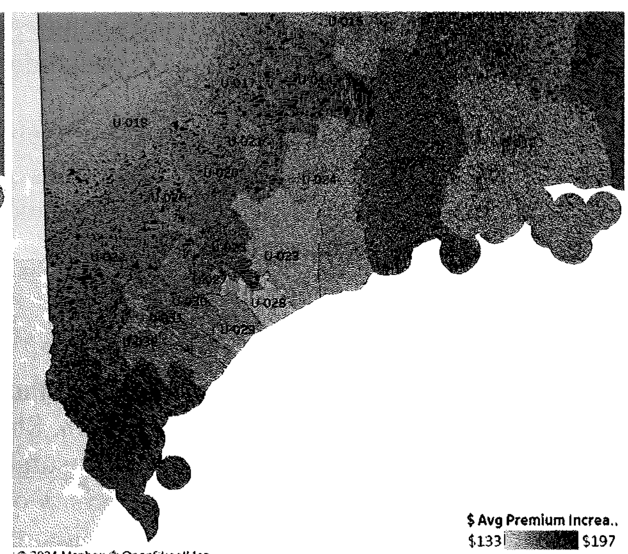


ME Senate District
Avg. $ Increase to Insureds Receiving a Premium Increase



Zoomed View:





As was noted, above the impact analysis is based only on proposed subsections 2169-C(4 and 5). The consequence overall of enacting LD 2220 would exacerbate the impact. Year in and year out Maine citizens have enjoyed some of the lowest auto costs in the country. Maine consistently ranks between 48th and 51st (including the District of Columbia) as least expensive in the nation. LD 2220 will have a distinct negative impact on insurance premiums in Maine and the loss of this desirable status.[2]

CREDIT-BASED INSURANCE SCORING

There are numerous factors that are used in underwriting and developing rates. The accuracy and value of credit-based insurance scoring in particular has been well recognized and respected for decades. It is one of the most, if not the most, accurate predictors of risk currently available to insurers. Credit-based insurance scoring is a process whereby insurers consider a customer's credit information in underwriting and rating. It involves using credit information to calculate a score, measuring a customer's relative risk of loss. It is an objective measurement of how a person manages the risk of credit and in turn, the correlation to the risk of insuring that individual. Lower risk policy holders should not have to pay the same rates as higher risk policy holders for auto insurance.

The Federal Trade Commission ("FTC"), in 2007, conducted a detailed analysis of insurance scoring at the directive of Congress. The FTC Report to Congress is 82 pages with numerous exhibits. Credit-Based Insurance Scores: Impacts on Consumers of Automobile Insurance, A Report to Congress by the Federal Trade Commission, July 2007, https://www.ftc.gov/sites/default/files/documents/reports/credit-based-insurance-scores-impacts-consumers-automobile-insurance-report-congress-federal-trade/p044804facta_report_credit-based_insurance_scores.pdf. The FTC concluded that:

> Credit-based insurance scores are effective predictors of risk under automobile policies. They are predictive of the number of claims consumers file and the total cost of those claims. The use of scores is therefore likely to make the price of insurance better match the risk of loss posed by the consumer.

FTC Report at 3.

Numerous other studies have reached the same conclusions. See, for example, Dr. Bruce Kellison, Dr. Patrick Brockett, Seon-Hi Shin, Shihong Li, A Statistical Analysis of the Relationship Between Credit History and Insurance Losses, Bureau of Business Research, McCombs School of Business, The University of Texas at Austin, March 2003: https://repositories.lib.utexas.edu/server/api/core/bitstreams/6e0f1924-0da5-4fec-84e0-53ae826cf657/content.

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[2] Former Superintendent Eric Cioppa stated that Maine auto rates are an "enviable triumvirate." Maine has the lowest percentage of uninsureds in the country, the highest minimum premiums in the country and the lowest premium costs in the country.

The overwhelming majority of states allow the use of credit reporting (46 states plus the District of Columbia). The commissioner of the state of Washington, over the objection of the Washington legislature, banned by rule the use of credit scoring. Rates increased significantly, particularly for older drivers, and the Washington legislature and the courts stepped in to reverse the action of the commissioner.

24-A MRS § 2169-B, USE OF CONSUMER REPORTS IN INSURANCE UNDERWRITING

§ 2169-B is based on a NCOIL model. It was enacted in 2003. It closely regulates the use by insurers of credit information and contains comprehensive consumer protection provisions. The statute defines insurance scoring as being derived from an algorithm, computer application model, or other process. It makes use of credit information subject to the Maine Fair Credit Reporting Act (10 MRS Chapter c.209-B) and the U.S. Fair Credit Reporting Act of the U.S. Consumer Credit Protection Act.[3] Section 2169-B limits the way in which credit information can be used to calculate an insurance score for underwriting and rating purposes. An insurance score cannot use sex, sexual orientation, gender identity, religion, ancestry or national origin, income, address, zip code, or marital status as a factor. A policy of personal insurance cannot be denied, cancelled, or refused solely on the basis of credit information (§ 2169-B(2)(A)). If credit information is used by an insurer, that fact must be disclosed, either on the insurance application or at the time the insurance application is taken (24-A M.R.S. §2169-A(3)). (See Exhibit 2, the ISO notice form.)

If any adverse action is taken based on credit information, the insurer must provide the consumer with notice in accordance with the Fair Credit Reporting Act, explaining in detail the reason for the adverse action. (See Exhibit 3, the ISO notice form.) If a consumer contests the accuracy of the credit information there is a dispute resolution process (10 M.R.S. §309, 15 U.S.C §1681 i(a)(5)). There are significant investigative and enforcement provisions (10 M.R.S. §1310-A). If there are inaccuracies reported to the insurer, it must rewrite and re-rate the consumer within 30 days of notice. Independent of any concern over the accuracy in a consumer credit history, the consumer is entitled to have underwriting and rate risks updated on an annual basis (§2169-B(5-A)). Insurers are also required to file scoring models and processes with the Superintendent (§2169-B(6)).

In addition, APCIA is unaware of any complaints filed with the Bureau against carriers arising out of insurance scoring. The Bureau does oppose LD 2220.

Also, LD 2220 would preclude the use of insurance scoring on commercial accounts. Commercial insurance is regulated very differently, it is not part of the credit scoring statute and should not be included in any legislation involving credit scoring.

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[3] 15 U.S.C. §1681. Section 215 of the FACT Act ("FACT") requires the FTC and the Federal Reserve Board in consultation with the Department of Housing and Urban Development to study whether credit scores and credit-based insurance scores affect the availability and affordability of consumer credit, as well as automobile and homeowners insurance. FTC Report at 1.

In short, the enactment of LD 2220 will cost Maine citizens money. The bill attempts to address a problem that simply does not exist. The use of insurance scores is well disclosed, is the subject of a detailed guide, falls not only under the aegis of the Bureau of Insurance but also the Fair Credit Reporting Act, and works. LD 2220 should be given an ought not to pass vote of the Committee.

Respectfully submitted,

Bruce C. Gerrity

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BCG:apl
Attachments

EXHIBIT 1

DEPARTMENT OF
Professional & Financial Regulation

• OFFICE OF SECURITIES
• BUREAU OF INSURANCE
• CONSUMER CREDIT PROTECTION
• BUREAU OF FINANCIAL INSTITUTIONS
• OFFICE OF PROF. AND OCC. REGULATION

A CONSUMER'S GUIDE TO...
How Insurers Use Credit Information for Personal Auto and Homeowners Insurance

Many personal auto and homeowners insurance companies look at consumer credit information to decide:

- Whether to issue or renew an insurance policy
- How much premium to charge for insurance

This brochure will help you understand how insurance companies use your credit information and how this business practice affects how much you pay for insurance.

1. MAY AN INSURER LOOK AT MY CREDIT INFORMATION WITHOUT MY PERMISSION?

Yes. Both the federal and state Fair Credit Reporting Acts (FCRA) say that an insurer may look at your credit information without your permission when it reviews your application/information to decide if it wants to insure you. However, the insurer must tell you that it may obtain your credit information either when you apply or, if it has not previously told you, at your policy renewal.

The laws that govern the use of credit information are: the federal Fair Credit Reporting Act, United States Code, Title 15, Section 1681, *et seq.*; the state Fair Credit Reporting Act, Maine Revised Statutes Annotated, Title 10, Chapter 210, and the law entitled, "Use of consumer reports in insurance underwriting" found in MRS, Title 24-A, Section 2169-B.

Information about the federal law is at www.ftc.gov/.

The Maine laws can be found online at the following addresses:

- http://www.mainelegislature.org/legis/statutes/10/title10ch209-Bsec0.html
- www.mainelegislature.org/legis/statutes/24-A/title24-Asec2169-B.html.

2. WHY DO INSURERS USE CREDIT INFORMATION?

Many insurers have shown that consumers' credit histories can predict whether they will or will not file insurance claims and that this information should affect the premiums that they charge. Insurers' loss experience has shown that certain factors of an insured's credit history help determine how likely he or she is to have losses and therefore file claims.

3. HOW DO INSURERS USE CREDIT HISTORY?

Insurers use your credit history to **underwrite** your insurance policy or to **rate** your insurance policy.

- **Underwriting** is a process in which an insurer gathers information to determine whether to insure you. In Maine, an insurer may not deny, cancel, or refuse to renew your auto or homeowners policy based **solely** on your credit information. In other words, if the insurer would not normally deny, cancel, or refuse to renew your policy **without** the credit information, then the insurer may not use the credit information against you.

- **Rating** is a process that determines how much you will pay for insurance. Many insurers charge higher premiums based on various parts of an individual's credit history (see question 6 for more information).

In Maine, an insurer may not base your renewal rates **solely** on credit information; the insurer must consider other rating factors that apply to you. For an auto policy these factors include your claims, vehicles and drivers, coverage and location. For a homeowners policy the rating factors include the amount of insurance, distance to a fire station, location, and improvements made to your home.

4. HOW DO I KNOW IF AN INSURER IS USING MY CREDIT INFORMATION?

Ask your insurance agent or insurer if it uses credit information for underwriting or rating. If credit history is used for underwriting, ask how your history will affect your eligibility for coverage. If credit history is used for rating, ask how it will affect your insurance premium. Finally, you should also ask if the agent or insurer checks the credit histories of other people insured on your policy, such as family members, and how this might affect your policy.

5. IF I DON'T HAVE A CREDIT HISTORY, WILL IT AFFECT MY INSURANCE PREMIUM?

The answer depends on what the insurer is approved to do in Maine. Most insurers will not penalize you for the absence of a credit score.

Sometimes an insurer will not be able to find a meaningful credit history for you. If you think you have a credit history but the insurer cannot find it, make sure your agent or insurance company has your correct name, address, social security number, and birth date; and if you've placed a freeze on your credit, make sure the insurer has been able to access it (see number 17 below).

6. WHAT KIND OF CREDIT INFORMATION DO INSURERS USE?

Most insurers that use credit information use an "insurance credit score," which is calculated using information about your credit history. Many insurance credit scoring models weight recent credit history more heavily than old credit history. The factors used in many scoring models include:

- **Public records** (such as bankruptcy, collections, foreclosures, liens, and charge-offs) generally have a negative effect on your insurance.

- **Past payment history** (the number and frequency of late payments and the days between due date and late payment date). Late payments tend to have a negative effect on your score.

- **Length of credit history** (the amount of time you've been in the credit system). A longer credit history tends to improve your insurance credit score.

- **Inquiries for credit** (the number of times you've recently applied for new credit, including mortgage loans, utility accounts, and credit card accounts). Shopping for new credit tends to have a negative effect on your insurance credit score. In Maine, however, credit inquiries that you have not initiated, inquiries related to insurance, promotional inquiries, multiple inquiries related to a single transaction (to compare loan offers for the purchase of a car or home, for instance), and certain other inquiries generally are not allowed to be used in calculating an insurance credit score.

- **Number of open lines of credit** (including the number of major credit cards and department store credit cards). Having too much credit tends to have a negative effect on your insurance credit score; however, it generally is not a good idea to cancel a credit account that you have had for a long time. A long credit history may help your score.

- **Type of credit in use** (such as major credit cards, store credit cards, finance company loans, etc.). Major credit cards may be treated more favorably than other types of consumer credit, such as store credit cards or loans from a finance company.

- **Outstanding debt** (how much you owe compared to your available credit). Too much outstanding debt tends to have a negative effect on your insurance credit score.

Insurance credit scores differ from one insurer to the next, based on what factors they think are most important. For example, one insurer might feel that public records are more important than past payment history. Another insurer might take the opposite view. How much weight an insurer gives each of the factors goes into determining your insurance credit score with that insurer.

7. WHAT IS A GOOD INSURANCE CREDIT SCORE?

There is no single answer to this question. Generally, a good insurance credit score will translate to lower premiums; however, insurers use different scoring calculations, so your score is likely to be different from insurer to insurer.

8. IS MY PREMIUM BASED ENTIRELY ON MY INSURANCE CREDIT SCORE?

No. Maine law requires an insurer to consider factors other than credit information in calculating both auto and homeowners premiums. Your auto insurance premium is based on factors such as your driving record, the type of car you drive, and where you live. Your homeowners premium is based on factors such as where you live and the cost to replace your home. Credit history is only one of a number of factors insurers use to rate your policy.

9. MUST AN AGENT OR INSURER TELL ME WHAT MY INSURANCE CREDIT SCORE IS?

No. In fact, the agent or company underwriter might not even know your score. Instead, all your agent or underwriter might know is that your score qualifies you for a particular rate or company within the group.

Even if you know your insurance credit score, it might not be useful to you. Your insurance credit score is a "snapshot in time," and a significant change in your credit activity or a creditor's report can change your score.

10. IF I DON'T KNOW MY SCORE, AND MY SCORE VARIES FROM INSURER TO INSURER, HOW WILL I KNOW IF MY CREDIT HISTORY AFFECTS MY INSURANCE PREMIUM?

Ask your insurance agent or insurer. Carefully read any correspondence from your agent or insurer, especially if it relates to an increase in premium or a denial or cancellation of your coverage. The Fair Credit Reporting Act requires insurers to notify their customers if they take "adverse action" because of credit information. The FCRA defines "adverse action" as denying or canceling coverage, increasing premiums, or changing the terms, coverage, or amount of coverage in a way that harms the consumer.

Examples of an "adverse action" include:

- Canceling, denying, or non-renewing coverage
- Giving the consumer a policy that has lower limits or covers fewer risks
- Limiting benefits, such as eligibility for dividends
- Issuing coverage other than that applied for
- Adding a premium surcharge

If your insurer takes an adverse action due to your credit history, it must provide the specific reason for taking the adverse action, including up to four factors that primarily influenced the action. The reasons provided must be sufficiently clear and specific so that you are able to understand why the insurer took the adverse action. Maine law allows the insurer to use explanations that it receives from the consumer reporting agency. If you do not understand them, you may ask the insurer to explain the reasons and, if necessary, you may file a complaint with the Bureau.

The insurance company must provide the name, address, and telephone number of the consumer reporting agency that supplied the credit- related information. You are also entitled to a free copy of your credit report from the credit bureau that supplied the credit information.

Federal law says you have a right to a free copy of your credit report if you've been denied credit or insurance, if you are on welfare, unemployed, or if you are a victim of identity theft.

In addition, Maine law allows you to obtain a copy of your **credit reports** (not your score) once each year *without charge* even if you haven't been denied credit. The website www.annualcreditreport.com is the official one-stop site that will provide you with your reports for free.

If you prefer not to use the website, the Maine Office of Consumer Credit Protection (1-800- 332-8529 or TTY Maine Relay 711) has a form that you can use to request copies of your credit report from the three major national credit reporting networks. Most consumer groups suggest you get a copy of your credit report once a year and review it for errors.

11. WHAT CAN I DO IF THERE IS INCORRECT INFORMATION IN MY CREDIT REPORT?

Tell the credit bureau. If you report an error, the credit bureau must investigate the error and get back to you within 30 days. The credit bureau will contact whoever reported the information. Credit information is often reported by banks, credit card companies, collection agencies, or a court clerk. If the investigation shows the information is wrong or if there is no proof it is true, the credit bureau must correct your credit record.

You can ask the credit bureau to send a notice of the correction to any creditor or insurer that has checked your file in the past six months. Once the errors are corrected, it is a good idea to get a new copy of your credit report several months later to make sure the wrong information has not been reported again. You should also get a copy of your credit report from the other national credit bureaus, which are listed below. If you correct an error on one report, it will not "fix" incorrect information on the other reports.

If the information in your credit report is correct, the credit bureau will not change it. However, the FCRA lets you file a 100-word statement explaining your side of the story, and the credit bureau must include your statement with your credit information each time it sends it out. Make sure your insurance company has a copy of your statement and ask if it will take your statement into consideration.

The three national credit bureaus are:

- Equifax (www.credit.equifax.com or 800-685-1111);
- Experian (www.experian.com or 888-397-3742); and
- Trans Union (www.transunion.com or 800-888-4213).

Tell your insurer. Don't wait until the credit bureau investigates the errors to contact your insurer. Tell your insurer right away and ask if the errors will affect your insurance coverage or premium. If the errors are big, tell your insurer that you are disputing the information and ask if they will wait to use your credit information until the errors are corrected. Small errors may not have much effect on your credit score. However, large errors could make a significant difference in your premium. If your insurer has taken adverse action against you and you later have your credit report corrected or submit a statement to the reporting agency, let the insurer know of the correction or provide the insurer with a copy of the statement and ask if it will consider reversing the action.

12. HOW CAN I IMPROVE MY INSURANCE CREDIT SCORE IF I HAVE BEEN ADVERSELY AFFECTED?

First, find out what factors, or attributes, of your credit history were used to calculate your insurance credit score. An "attribute" is a piece of your credit history, such as bankruptcy or late bill payments. Companies that develop insurance credit scores, such as Fair Isaac and LexisNexis, provide insurers with up to four attributes that have negatively affected your insurance credit score. See Question 10 above, for more information about this.

Second, make a plan to improve your credit, considering these points:

- Don't try to "quick fix"' your credit overnight. You could end up hurting your score. For example, your score may go down if you cancel a credit card that you have had for a long time.

- Don't pay someone to "fix" your credit history. Some credit repair firms promise, for a fee, to get accurate information taken out of your credit report. Accurate information cannot be deleted from your credit report. Some credit repair firms promise to "fix" your credit report by challenging information in it. They charge you a fee to do that. This is something you can do for yourself for free.

- Create a plan to improve your credit over time. Pay your bills on time. Pay at least the minimum balance due, on time, every month. If you cannot make a payment, talk to your creditor. Work to reduce the amount you owe, especially on revolving debt like credit cards.

- Limit the number of new credit accounts you apply for. Several applications for credit in a short time will usually lower your credit score.

- Keep at it. Your credit history will improve over time if you make changes now and continue to improve. If you manage your credit better, your credit score will improve over time.

13. WHERE CAN I GO FOR HELP WITH CREDIT PROBLEMS?

If you cannot resolve your credit problems alone, a non-profit credit counseling organization may be able to help you. Non-profit counseling programs are often operated by churches, universities, military bases, credit unions, and housing authorities. You can also check with a local bank or consumer protection office for a list of reputable, low-cost financial counseling services.

14. WILL MY CREDIT HISTORY HAUNT ME FOREVER?

Probably not. Credit history is just that – history. Once you find out what attributes of your credit history are affecting your insurance credit score, you can work to improve your record. If your premiums are high because of your credit history and you have taken steps to improve your record, you should ask your insurer to re-evaluate your insurance credit score along with other insurance related factors at renewal. Maine law requires an insurer to obtain an updated credit report and re-underwrite and re-rate accordingly at policy renewal when requested by the insured. However, the re-evaluation cannot occur more often than once every 12 months.

15. DOES USING CREDIT INFORMATION PENALIZE MINORITIES OR LOW-INCOME CONSUMERS?

We do not know. Statistical studies have not conclusively determined whether insurance credit scoring disproportionately affects minorities or the poor. Insurance regulators nationwide are currently examining this issue.

16. WHERE CAN I GET MORE INFORMATION?

- Ask your insurance agent or insurer for information that explains how the insurer uses credit information.

- Contact the Bureau of Insurance by calling our Consumer Assistance Hotline toll free at 1-800-300-5000 (in state) or TTY Maine Relay 711 or visit our website at https://www.maine.gov/insurance.

- If you have a complaint about your credit report, contact the Maine Office of Consumer Credit Protection at 1-800-332-8529 or TTY Maine Relay 711 or visit their website at: www.credit.maine.gov. You may also request their guide to "Credit Reports and Credit Scores" or you can download it by going to the *Publications* section of their website.

- Contact the Federal Trade Commission for information about the FCRA or their consumer brochures on credit. Call 877-382-4357 toll free or visit their website at: www.ftc.gov.

- LexisNexis offers a service which allows consumers to see, for a fee, the insurance credit score that would be developed under its scoring model https://personalreports.lexisnexis.com/

There are several different models in use by insurers, and the LexisNexis model might not be the one your insurer is relying upon. You should ask your insurer which model it uses.

- Fair Isaac (FICO) is a company that provides information to the three credit reporting agencies. A portion of its website under *Credit Education Documents* provides free information about credit scores, how they are determined, what you can do to improve your score, and what is in a credit score. You can find the free information at: www.myfico.com.

17. I PUT A FREEZE ON MY CONSUMER REPORT BECAUSE OF A DATA BREACH. DOES THAT AFFECT MY INSURANCE?

If you are applying for *new* insurance coverage or shopping for quotes, the freeze will prevent insurers from having access to your credit information. If they can't access the information you may end up with inaccurate quotes.

Each of the consumer reporting agencies that you contacted to place a freeze should have sent you a code that you can use to unlock your report temporarily. Maine law does not allowed these agencies to charge you for placing, removing, or suspending a freeze, so if you need to remove or suspend a freeze so an insurance company can access your credit information, you can do so free of charge.

If you have an insurance policy and it is going to be *renewed*, Maine law allows your current insurer access to your frozen report without your needing to lift the freeze. If you receive an adverse action notice or premium increase because of the freeze, you should contact your agent or insurer about this. For more information on this topic see Bulletin 412 on the Bureau's website.

18. FINAL POINTS TO REMEMBER

- There is a good chance your current or prospective insurer is looking at your credit.
- Ask your insurance agent or company if your company uses credit information, how it is used, and whether it affects your rate.
- Get a copy of your credit report from each of the three national credit bureaus and correct any errors. Tell your insurance agent and company about any errors and tell them your side of the story.
- Improve your credit history if you have had past credit problems. Ask your agent or company for the top reasons (factors) that your insurance credit score is low, and work to improve those pieces of your credit history. If you are paying higher premiums because of your credit history and your credit history improves, ask your agent what you can do to improve your insurance credit score.

Maine Bureau of Insurance
www.maine.gov/pfr/insurance
Phone: 800-300-5000; TTY Relay 711
Email: insurance.pfr@maine.gov

May 2023

CREDIT-BASED INSURANCE SCORE NOTICE

A credit-based insurance score is a rating-related process that, in part, measures risk based on select information contained within a credit report. This along with other underwriting elements may be used to predict risk.

Your insurance premium may be based, in part, on a credit-based insurance score. This score is based on information contained within your credit report. We may use a consumer reporting agency in connection with the development of your credit-based insurance score.

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POLICY NUMBER:

CREDIT-BASED INSURANCE SCORE ADVERSE ACTION NOTICE

Applicant/Named Insured:	
Company:	

Information obtained in a report from the consumer reporting agency listed below impacted certain factors on which your insurance premium was based. Please note that the consumer reporting agency did not make the determination and is unable to provide you with the specific reasons why the action was taken.

Consumer Reporting Agency Name:	
Consumer Reporting Agency Address:	
Consumer Reporting Agency Telephone Number:	

You have a right under the Fair Credit Reporting Act 15 U.S.C.A. § 1681 et seq. to be provided with the information contained in your credit file at the consumer reporting agency.

You have the right to obtain a free copy of the report used in this decision from the consumer reporting agency indicated above within sixty (60) days after you receive this notice. In addition, you also have the right to dispute the accuracy or completeness of any of the information contained in your report with the consumer reporting agency.

The following are key factors that adversely affected your premium:

Key Factors

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