Keeping Score to Avoid Paying More

Your credit, insurance or risk score may make you "feel like a number", but that may be more than a feeling. A low credit score will cause some insurers to offer you inferior coverage at a higher price. Because credit scores are often wrong and out of your control, we think this is flat out wrong and have worked to ban this practice.

Some states have temporarily banned the use of credit scores by insurers after disasters that negatively impact people's employment and credit. Washington State Insurance Commissioner Mike Kreidler recently issued an emergency order temporarily banning the practice and is working to turn it into a three-year prohibition to help consumers as they recover. A few other states limit how insurers can use credit scores regardless of a disaster.

If you have credit report problems because of unemployment, medical costs, divorce or another major "life event," ask your insurance company if they will make an exception for that life event and adjust the score they're using to set your premium. Many states require insurers to consider life events, so ask for the help you need.

We recommend getting your Credit Report and CLUE Report to make sure the information your insurance company has about you is accurate and up to date. Catching and correcting any errors should save you money.