

**USE OF CREDIT BASED INSURANCE SCORES**

**CONSENT TO OBTAIN A CREDIT REPORT**

Named Insured:

Policy Number:

Thank you for selecting the Vermont Mutual Insurance Group to be your insurance provider. This notice advises you that, subject to your authorization, we will acquire a credit-based insurance score which is used in part to determine your insurance premium. It is just one of many factors used to rate the premium for your policy. Our use of insurance scores complies with state and federal law.

By using your insurance score as a rating factor it may, or may not, result in a reduction in your insurance premium.

An **Insurance Score** is a numerical score derived from a statistical analysis of a consumer's credit history. It is based on consumer credit information that, when combined with traditional underwriting data, improves our ability to predict the likelihood of a consumer filing an insurance claim in the future. A Consumer Reporting Agency obtains consumer credit information from a credit bureau and uses it to provide us with an insurance score. The scores are determined through the use of a statistical model based on certain elements of a consumer's credit history. Those elements include length of credit history, late payments, payment patterns, applications for new credit, types of credit used, available credit, outstanding debt, collections, judgments and bankruptcy. Insurance scores do not take into account any of the following: ethnic group, marital or family status, income, religion, address, disabilities, nationality, gender or age.

Consumers who are responsible with their use of credit tend to be better insurance risks. Consumers with good credit habits tend to be more responsible with home and auto maintenance. Thus, financially responsible consumers are less likely to file insurance claims in the future. Consumers with lower insurance scores are more likely to file insurance claims in the future.

**You can improve your Insurance Score** through solid financial management such as paying your bills on time, paying down debt balances, avoiding opening numerous credit accounts at once or in a short period of time, and not taking on new unmanageable debt. We recommend that a consumer periodically review his or her credit report to assure the accuracy of credit history information. Report any incorrect information to the credit bureau that provided the report. Also, the correction should be brought to the attention of the consumer's insurance agent.

**Privacy of your Insurance Score and Credit History** is important to us. We consider this information private and we will protect its confidentiality. We do not disclose any non-public personal information to anyone except as permitted by law.

**VERMONT FAIR CREDIT REPORTING ACT - CONSENT TO OBTAIN A CREDIT REPORT**

In connection with my quote request and/or application for insurance I give my consent to the Vermont Mutual Insurance Group to obtaining a credit report about me. I understand that the report may contain information as to my credit standing, credit worthiness, or credit capacity. This authorization to obtain the above report extends to companies affiliated with the Vermont Mutual Insurance Group, to consumer reporting agencies and insurance support organizations representing the Vermont Mutual Insurance Group, and to subsequent credit reports in connection with this policy, renewal policies and policy services such as adding or deleting coverage at my request.

\_\_\_\_\_  
Name of Applicant/Named Insured - Please PRINT

\_\_\_\_\_  
Date of Birth

\_\_\_\_\_  
Policy Number

\_\_\_\_\_  
Applicant/Named Insured's Signature

\_\_\_\_\_  
Date Signed