

From: Ginger Vermillion
Sent: Tuesday, July 06, 2004 10:02 AM
To: FACTAscoringstudy
Subject: Credit Score Study

I just finished reading an article in the Dallas Morning News and was delighted to see that a response was welcome. Imagine my surprise as I read this article and realized that apparently I am not the only consumer to be gouged by an insurance company simply due to a less than stellar credit rating.

I had auto insurance with Farmers Group from 1991 until May 2003. In those twelve years I only made one claim for a hit and run accident that was a not at fault in October 2000. Farmers only had to pay out about two thousand dollars. At that point my monthly premium was around eighty-five dollars per month. My policy renewed in April and October and the April following the accident my premium went up to ninety dollars. Every six months from there the premium crept up five or so dollars until my premium was \$120 in April 2002. This was with the one accident and no citations showing on my driving record. Then, in October 2002, when the renewal came my premium jumped up to \$164. I was quite shocked first because it jumped forty-five dollars in one renewal and because in two years it had nearly doubled. At this point I called my agent and inquired about this. She informed me that I had a low credit score and that was the reason for the hike in the rate. Needless to say I was disgusted for a number of reasons. First, I had been with this company for twelve years; second, my premium was and had been for years automatically deducted from my checking account, I couldn't understand how I was a risk when I didn't even have to write a check-they took it the last day of each month; third, I had only made the one claim they had to pay out on. The true kicker was the fact that because they ran a credit check on me and saw that I was having trouble paying other bills they decide to "stick it" to me. What kind of twisted mentality is this!?! Jane Consumer is having money problems so let's ask for more? I'm sure there is a perfectly logical explanation for this way of doing business but since I don't have a business degree from an institution of higher learning it just seems idiotic and mercenary.

Fortunately, my boyfriend had insurance from Progressive and suggested that I check on rates with them, which I did. Amazingly, somehow, Progressive could offer me the EXACT same policy for the remarkable price of ninety-five dollars a month. I purchased a new Ford Escape Limited in March(which was worth \$10,000 more than the Mustang I had driven the previous four years) and my rate went up to \$120 per month, but May is the renewal month and my premium dropped back down to \$102. I am very happy with Progressive and have seen them in action in relation to claims handling(due to an accident- prone boyfriend). I have to say I still don't understand how Progressive could insure me for so much less money but I am very grateful. It truly is a sad state of affairs when loyalty is rewarded the way it was from Farmers.

There were, of course, other comments in this article that I took exception to. Jerry Johns was quoted as saying that 'study after study has proven that those people who have less-than-desirable credit scores are in fact worse risks for insurers,.....They have more traffic accidents.....". I strongly beg to differ! I have been driving and insured since I was seventeen. To give away my age, that is now seventeen years. I have been involved in two accidents in those seventeen years neither of which was my fault nor was I cited at these accidents. Plain and simple I am a good driver who happened to fall on some financial hard times(I was supporting myself and my live-in boyfriend who had been laid off-not an uncommon thing these days)and got a big fat(excuse my language)screw you from my insurance company of twelve years.

Thank you for the opportunity to express myself in regards to this matter. It's nice to know there are others out there who were in the same boat that I was and that some government agency is at least checking into this.

Sincerely,

Ginger Vermillion
Ward Region
Catering Coordinator