

From: Jerry Sanders
Sent: Monday, July 05, 2004 12:02 PM
To: FACTAscoringstudy
Subject: FACTA Scores Study

RE: FACTA Scores Study

To Whom It May Concern:

I have recently been unfairly charged more as a result of Farmers Insurance Group imposing credit scoring on our new home policy. We moved into our new home in late May 2004. I am 49 years old, a bank president, my wife is 47 years old and employed in an engineering office. We have no history of slow payments, liens, judgements, bankruptcy or litigation. Absolutely none. We have not been denied credit. Our income is a moderate six figures annually. We have a medium six figures in savings and retirement accounts.

We have been with Farmers for over two decades. We have three cars and our house insured with Farmers. We have had one house claim - the house we recently sold had to have the roof replaced because of hail damage from a storm eight months earlier - I chose not to even file a claim on it at the time but the buyer's inspector required a new roof. This is the only house claim we have had in 20 years.

Our new house insurance came with an adverse action notice that we had received a discount of only 43% versus the highest possible of 53% because of (1) "a high number of recent credit inquiries" and (2) "proportion of revolving account balances is too high or no revolving credit accounts." #1 seems logical - we had just bought a house and applied for the credit several places to shop rates. Why are we penalized for comparison shopping? #2 is likely higher than in the recent three years since we have two kids in college and chose to use the low rate college loan programs for some of their tuition and expenses. But why should that affect our insurance costs?

Please correct this injustice. I am in banking and understand credit scoring and the perceived associated higher risks of those with poor credit scores. But what has been done to me and my family and I'm certain many others is only a stealth way to raise rates for all to enrich the insurance companies.

Thank you for addressing this important matter.

Jerald L. Sanders

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