

From: Jane Piatt
Sent: Wednesday, August 04, 2004 8:10 PM
To: FACTAscoringstudy
Subject: FACTA Scores Study

To Whom it May Concern:

I am writing this as a very concerned citizen about the use of credit scores and insurance underwriting. I was a personal lines agent with a one of the top three personal lines in the country for 17 years. I quit the business four years ago. During my tenure as an agent, I saw the use of credit scores with regard to insurance pricing increasing at an alarming rate. By the time I quit the business, we were required to run a prospective client's credit before giving a quote.

Four years later, my house and auto are still insured with that company. (Allstate) In 2002 I called my agent to inquire about my credit rating with respect to my Homeowners insurance rates. He informed me that I was at a risk '3' out of '5', meaning that I was two tiers from the best rates.

As background, I have been insured with Allstate for over 20 years. I had never had a homeowners insurance claim at the time. I had recently divorced, and had been in the process of establishing a separate credit record from my ex-husband, by applying for separate credit cards. PLEASE NOTE THAT MY FICO CREDIT SCORE WITH ALL 3 AGENCIES AT THAT TIME WAS 740.

I proceeded to ask my agent why I was not considered the 'best' risk. He explained (as I had had to do for years), that credit scores and insurance credit 'scoring' were not the same, blah, blah, blah. Then he told me that the credit was run two years prior. I told him to re-run my credit and re-evaluate my Allstate 'risk factor' based on a current score. He did so, and told me that I was a 'risk 4' (better rates) according to my current credit. I told him to rewrite my policy at renewal with the new credit score; he notified me soon thereafter that he was not allowed to do so, and that the company was only REQUIRED to run my credit once every FIVE YEARS.

I became incensed, and called the underwriting department. After being told that no one could talk to me about the issue, I demanded an explanation. I received a call from someone in home office, I believe, who was rude, unsympathetic, and told me that those were the rules and there was nothing I could do about it.

Sometimes we get tired of fighting the 'system', so I dropped it. But after reading about this study, I became inspired to contribute to your report about this downright customer abuse that insurance companies are allowed to subject to it's clients. If you can do anything with this study, PLEASE take my comments into consideration, and think about the corporate theft that occurs on a daily basis against consumers in an area in which we have no control.

FYI, this has inspired me to forward this letter to the Texas Insurance Commissioner, as well as Allstate's company office.

Please advise if you have any questions. Thank you for allowing my input. I hope it helps.

Jane Piatt

UMSCO Corp

Tx.