

# WHAT IS AN INSURANCE SCORE?

An insurance score is based on your credit history, and it is used by insurance companies to predict the potential for future losses. Travelers uses your insurance score, along with a number of other factors, to determine your rate. Generally speaking, customers who have high (good) insurance scores qualify for lower rates.

**By using insurance scores, most Travelers customers can get a more favorable rate.**

## **An insurance score includes:**

- o Payment history
- o Bankruptcy, foreclosures and collection activity
- o Length of credit history
- o Amount of outstanding debt in relation to credit limits
- o Types of credit in use (i.e. mortgages, installment loans)
- o Number of new applications for credit

**See the reverse side for tips on how to improve your insurance score.**



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## TEN TIPS TO HELP YOU IMPROVE YOUR INSURANCE SCORE

- 1. Pay your bills on time.** Timeliness in paying your bills improves your score.
- 2. Manage your outstanding balances.** As a rule of thumb, maintain account balances at least 75 percent below your available credit.
- 3. Avoid excessive inquiries to your credit reports.** Too many inquiries may negatively impact your score.
- 4. Limit the number of credit accounts.** Your access to excessive unused credit could result in too much debt.
- 5. Review your credit report regularly.** Know what is on your credit report and take necessary steps to dispute any inaccuracies.
- 6. Avoid 'quick' credit fixes.** Good credit is built over time.
- 7. Manage your debt consolidation.** Consider how to effectively pay down your debt without generating more credit activity.
- 8. Limit the amount of new debt you take on.** Too many new loans or credit accounts opened in a short amount of time can negatively effect your credit rating.
- 9. Establish credit if you do not have a long track record.** A longer credit history has a positive impact on your score.
- 10. Work with your creditors.** Resolve outstanding balances before they are turned over to a debt collector.