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Legislative Bill regarding:

Use of Credit Reports to determine auto insurance rates

My auto insurance company allows 90 days to refute their determination based on your credit report. Based upon my experience, it has taken 150 days to deal with the credit reporting company and in that 150 days I have made virtually no progress in solving my problems.

Objection:

Credit Reports are based on information provided by various agencies: Credit card companies and Mortgage Lenders provide the bulk of this information. Unfortunately the information reported is often inaccurate, incomplete and inconsistent. The reports are generated based upon a computer's judgment and averages.

Objection:

Credit Reporting companies are inaccessible to the public. The tactics used are long telephone delays(20+ minutes) in reaching an operator. Once you reach an operator some will say they don't have the authority to discuss credit scores. Supervisors simply don't answer their phones and don't have voice mail to receive messages and complaints. Companies such as Transunion will reply to your letters; however, the response is a computer generated, form letter. The other response is that they keep sending you the same copy of your credit report.

Example:

My husband and I share the same basic credit cards and mortgages. However, when we each received our credit reports the reported information was inaccurate and incomplete, particularly on my husband's credit report. We were amazed that our scores were so different. On a scale of 1 to 9, my credit rating is a 9 while my husband's is about an 8. The higher the number the better the credit. Typically mortgage lenders list the husband as the primary mortgagee. One would assume that any information reported to companies like Transunion would first be in the primary account holder and then the secondary account holder's names. However, in our situation, many of the reports only appeared in my name. Because mortgages are often transferred from lender to lender, your home loan could appear

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3 or 4 times in one credit report. The problem is that information is not marked paid or transferred but shows large, unpaid balances.

According to Transunion, if you have one credit card with a balance of \$2,000, you are not as reliable as a person holding 4 credit cards with balances of \$500.00 each. Income does not appear to be a factor in this determination nor does the fact that you pay off the credit card every month.

Summation:

. Credit reporting companies are virtually inaccessible to the consumer. Their reports are inconsistent and inaccurate. Auto insurance rates should be determined by a system which allows the consumer to **reasonably** challenge the materials used for this determination. **It should be mandatory for insurance companies to explain their rating system when you purchase your insurance.**

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