



Division of Insurance

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BULLETIN B 04-11

**TO: ALL INSURERS AND PRODUCERS AUTHORIZED TO TRANSACT
PERSONAL LINES INSURANCE BUSINESS IN THE STATE OF
ALASKA AND OTHER INTERESTED PARTIES**

**RE: CONSUMER BROCHURES RELATED TO THE USE OF CREDIT
HISTORY FOR RATING AND UNDERWRITING**

Background

Recent legislation related to an insurer's use of credit history or insurance scoring for underwriting or rating personal lines policies took effect on January 1, 2004. Alaska Statute 21.39.035(d) states that "the director shall make available to the public a general description of the insurance scoring models" filed by insurers that elect to use insurance scoring.

Publications

The consumer brochure *Insurance Score Models*, enclosed with this bulletin, explains what an insurance scoring model is and the types of credit history characteristics that are used in insurance scoring models that have been approved for use in Alaska.

Also enclosed with this bulletin is a second consumer brochure prepared by the division. *What Alaskans Need to Know About Credit Use* can be used to inform consumers of their rights and responsibilities under the new law, as well as the rights and responsibilities of insurers that elect to use credit history or insurance scoring.

These brochures have been designed for a tri-fold format so they easily can be included in mailings or displayed with other brochures and information in your office. There is room on the back of the brochures for you to attach your company or agency name or contact information.

You may make copies of these brochures for your customers. We encourage you to

- give them to your customers at the time they submit an application or you provide a quote,
- send them out with new policies,
- display them with other brochures in your office,
- email copies to your customers, or
- add a link from your website to the division's website.

Both brochures are available on our website in viewable and printable formats under "Credit History Information" at www.dced.state.ak.us/insurance/consumerinfo.htm.

In addition to these new brochures, a more general brochure, *Understanding How Insurers Use Credit Information*, will continue to be available on our website at http://www.dced.state.ak.us/insurance/pub/consumer_brochure.pdf. This brochure answers general questions about how and why an insurer uses a consumer's credit history.

We hope that you will find this information helpful to you and your customers and policyholders.

If you have questions or comments related to these brochures, please contact the Division of Insurance, P.O. Box 110805; Juneau, AK 99811-0805; (907) 465-2515; or via electronic mail at insurance@dced.state.ak.us.

Dated this 16th day of July, 2004 at Anchorage, Alaska.

A handwritten signature in cursive script that reads "Linda S. Hall".

Linda S. Hall
Director