

C.L.U.E. Personal Property Report FAQs

C.L.U.E. Personal Property Report FAQ >> General

Why do insurance companies use claim history?

Actuarial studies conducted by insurance companies have shown a correlation between a consumer's prior claims history and his/her future insurance loss potential.

[Top of Page](#)

What information is in a claim history report?

- **Identifying Information** - Name, Current and Previous Addresses, Social Security Number, Telephone Number, Date of Birth
- **Claim Information** - Date of Loss, Name of Insurance Company, Policy Number, Claim Number, Address, Cause of Loss, Amount(s) Paid, Claim Status, Insured, Claimant.
- **Inquiries** - Identifies insurance companies that have received a copy of the consumer's claim history report, typically during the past 2 years.

[Top of Page](#)

What is ChoicePoint's role in supplying claim history information to the insurance company?

ChoicePoint developed the Comprehensive Loss Underwriting Exchange (C.L.U.E.), database of private passenger automobile and personal property claims, in the 1980s. The databases provide insurance companies claim history information they need to properly evaluate and rate insurance policies. Only those insurance companies that contribute claims can access data on new business applicants. ChoicePoint maintains and manages the data provided by the insurance companies; we do not change the substance of any claims information unless directed to by the insurance company that contributed the data.

ChoicePoint is considered to be a consumer reporting agency under the Federal Fair Credit Reporting Act and its state analogues ("FCRA"), but ChoicePoint is not a credit bureau or insurance company. ChoicePoint does not make underwriting decisions or determine insurance underwriting guidelines. ChoicePoint's role is to supply information to the insurance carriers, which the carriers can review in order to assist them in making underwriting and rating decisions.

[Top of Page](#)

Who makes the decision to grant or deny insurance coverage or to charge a particular rate or premium?

Decisions about insurance coverage and/or rates are made by the insurance companies.

Each insurance company develops underwriting or tiering (grouping) decisions based on its own business requirements. Insurance companies evaluate claim history reports according to their own proprietary strategies. Other information, such as application data, credit reports and/or insurance scores or motor vehicle records, may also be evaluated as part of the insurance underwriting process.

Many insurance companies have automated the evaluation process, and computer systems may deliver to the insurance company an underwriting decision. The decision may be delivered to an agent via a ChoicePoint system, but the guidelines used to make that decision

are determined by the insurance company.

[Top of Page](#)

What is the Fair Credit Reporting Act (FCRA)?

The Fair Credit Reporting Act is a federal law designed to promote the accuracy, fairness, and permissible use of information contained in the files of consumer reporting agencies. In general, the FCRA requires that:

- A consumer be told if information in a claim history report has had an adverse impact on him/her.
- A consumer can find out what is in his/her consumer file.
- Inaccurate information must be corrected or deleted.
- A consumer can dispute items with the source of the information.
- Generally, adverse information that is more than seven years old may not be reported, except in certain circumstances.
- Access to a consumer's file is limited to those with a permissible purpose.

Section 604(f) of the FCRA prohibits any person or company from obtaining a consumer report from a consumer reporting agency unless the person has certified to the consumer reporting agency (by a general or specific certification, as appropriate) the permissible purpose(s) for which the report is being obtained and certifies that the report will not be used for any other purpose.

Section 607(e) of the FCRA requires any person or company who obtains a consumer report for resale, as ChoicePoint does, to disclose the identity of the end user to the consumer reporting agency from which such report is obtained and to identify to such consumer reporting agency each permissible purpose for which the reports are resold.

[Top of Page](#)

Are insurance companies authorized to obtain a copy of a consumer's claim history report?

The protection of personal privacy and the responsible use of information are cornerstones of ChoicePoint's and the insurance industry's standard business practices. Only businesses or individuals with a "permissible purpose" can access a consumer's claim history report. ChoicePoint complies with the guidelines of the FCRA that was approved by Congress in 1970 and amended in 1997.

Per the FCRA, ChoicePoint (as a consumer reporting agency) may furnish a consumer report for the following insurance related purposes:

- To a person or company, which ChoicePoint has reason to believe intends to use the information in connection with the underwriting of insurance involving the consumer. This includes situations where the consumer asks for an insurance quote or applies for insurance.

The transaction to ChoicePoint ordering the claim history report is initiated by and at the request of the insurance company or agent.

[Top of Page](#)

How can I find out what my claim history is?

Per the FCRA, a consumer can request a copy of this information from a Consumer Reporting Agency. By ordering from www.choicetrust.com, you will receive the report immediately. You also can request the report by mail by downloading the form located on www.choicetrust.com.

Top of Page

For how long may a consumer reporting agency report adverse information about me?

Generally, no consumer reporting agency may make any consumer report containing any of the following information:

- Cases under Title 11 or under the Bankruptcy Act that, from the date of the entry of the order for relief or the date of adjudication, as the case may be, pre-date the report by more than 10 years.
- Civil suits, civil judgments, and records of arrest that, from the date of entry, pre-date the report by more than 7 years or until the governing statute of limitations has expired, whichever is longer.
- Paid tax liens that, from date of payment, pre-date the report by more than 7 years.
- Accounts placed for collection or charged to profit and loss, which pre-date the report by more than 7 years.
- Any other adverse item of information, other than records of convictions of crimes, which pre-date the report by more than 7 years.

Top of Page

How do I obtain a copy of my claim history report?

If adverse action was taken against a consumer, based in whole or in part on the consumer's claim history information, within the 60 days preceding the consumer's request for disclosure, the FCRA requires consumer reporting agencies to provide a copy of the claim history report to the requesting consumer free of charge. For insurance purposes, adverse action can include, among other things, a consumer being denied insurance or being charged a higher premium. It is the responsibility of the insurance company to notify the consumer of the adverse action.

Consumers can request a copy of his/her claims history report at anytime through www.choicetrust.com or by mail.

Top of Page

How do I get more information on ChoicePoint?

For more information about ChoicePoint, please visit the web site <http://www.choicepoint.net>