



C.L.U.E.[®] Personal Property

C.L.U.E. (Comprehensive Loss Underwriting Exchange) is a loss history information exchange that is maintained by ChoicePoint[®] of Alpharetta, Ga., on behalf of property and casualty insurers. C.L.U.E. enables insurance companies to access prior loss history of applicants during the underwriting and rating process. C.L.U.E. Personal Property helps insurers qualify applicants and properties for homeowner coverage. C.L.U.E. also helps insurers reduce costs, speed coverage decisions and detect fraud.

C.L.U.E. provides many important benefits to consumers. Insurance applicants receive a fairer rate based on their specific loss history – not the generic loss history of broad classes. Consumers can obtain copies of their C.L.U.E. report that provides valuable information during the insurance shopping process and when buying and selling a home. For example, potential homebuyers can request that the seller provide a copy of a C.L.U.E. report associated with the property before deciding to buy. This report can help to identify hidden losses that don't appear on a seller's disclosure form.

C.L.U.E. reports contain up to five years of personal property losses matching the search criteria submitted by the inquiring insurance company. Data provided in C.L.U.E. reports includes policy information such as name, address and policy number, and claim information such as date of loss, type of loss and amounts paid.

More than 90 percent of insurers writing homeowners coverage provide claims data to the C.L.U.E. Personal Property database. By providing interactive information, C.L.U.E. Personal Property helps insurers and agents make immediate business decisions and helps applicants obtain fairer rates.

Situation Analysis

Market economics, natural disasters and terrorist acts have combined to create a tough insurance market. Carriers, generally, did not raise premiums during the past decade. But recent increases in the amount of claims paid, coupled with decreases in investment growth, have resulted in carriers being much more aggressive in deciding whom they insure, and at what premium. C.L.U.E. is but one tool used by carriers. A great deal of confusion and misinformation has resulted in media reports inaccurately and unfairly referring to C.L.U.E. as a “blacklist” or “secret database” that causes existing customers to lose their coverage and carriers to refuse to insure applicants.

Key Information

- C.L.U.E. has been in the marketplace for more than a decade and helps both insurance companies and consumers control insurance costs. C.L.U.E. helps insurers understand the two key components involved in any insurance transaction – the applicant and the property – so premiums can be tailored to a person's specific history, not broad generalities of all

insureds in a “class.” C.L.U.E. is not used for renewal, only as part of the initial insurance underwriting process.

- ChoicePoint does not decide how an individual carrier uses prior loss information to determine if a person is accepted as a customer and at what premium. All 50 states require insurance companies to file their rating criteria and premium structure with regulators, which means any decision made by a carrier must comply with the information filed with (and in some cases approved by) state insurance regulators.
- As a database regulated by federal law, consumers have a right to see their C.L.U.E. information, seek correction of any errors and add a comment to any information contained in the report. C.L.U.E. reports can be ordered online at www.choicetrust.com for \$12.95 or by mail for \$9 by calling 866-527-2600.
- A prospective home buyer should seek a C.L.U.E. report from a seller to ensure the home does not have a history of claims or improperly repaired damages and to help verify the disclosure statement provided by a seller.

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