

For Immediate Release

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U.S. Consumers Understand Importance of Maintaining Good Credit and Support Lower Auto Insurance Costs for Those With Good Credit, IRC Study Finds

NEW YORK, Nov. 8, 2022, 8 a.m., ET—U.S. consumers understand the importance of maintaining good credit and support lower auto insurance costs for those with good credit, according to a new study from the [Insurance Research Council \(IRC\)](#), a division of [The Institutes](#).

The study, based on the results of an online survey of more than 7,000 consumers across the country, showed U.S. drivers are generally knowledgeable about credit, credit histories, and credit scores. Survey results indicated:

- Nearly all respondents believed it was important to maintain a good credit history, and the majority believe it would be very or somewhat easy to improve their credit score.
- Consumers see the link between credit history and future bill paying but are less confident about the link between credit history and future insurance claims.
- Most consumers agree with using credit-based insurance scores to rate insurance, especially for drivers with good credit who could benefit.
- Paying for auto insurance does not represent a financial burden for most U.S. households, even among nearly all demographic subgroups that participated in the survey.

A consumer's credit score is a number used to determine their creditworthiness. Drawn from a credit history, a credit-based insurance score is a number used to help insurers differentiate between lower and higher insurance risks.

"Since the advent of credit-based insurance scoring in the 1990s, many studies have shown that credit-based insurance scores are predictive of claims behavior," said Dale Porfilio, FCAS, MAAA, president, IRC. Porfilio also serves as chief insurance officer of the [Insurance Information Institute](#).

"More recent studies have used driving data from telematics devices to show a link between specific driving behaviors, such as hard braking, and variations in credit-based insurance scores," Porfilio added. "Any rating factor that can predict losses and claims helps insurers fairly price insurance by charging individual drivers rates that closely align with their risk. In the absence of these factors, less risky drivers pay higher rates to subsidize the insurance of more risky drivers."

The consumer survey was conducted in June 2021 on behalf of the IRC by marketing research firm [Dynata](#). The full report, [Public Opinions on Credit Scoring and the Use of Credit-Based Insurance Scores](#), is available as a complimentary benefit for IRC members and for purchase by non-members.

About Insurance Research Council

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