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Anybody's gamble

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Back in the day, insurance company's would often take a gamble with some of the properties they insured. Some agents even had the time to go out and inspect the property. In today's world when one shops for insurance the customer typically supplies the agent with very basic information.

Take the example of a homeowners policy. Information needed such as age, type of construction, square footage, number of rooms, etc. Is used to determine premium.

However, recently Massachusetts adopted the method of insurance score to determine if the customer qualifies for a "preferred" premium rate or "standard" rate. An insurance score is a numerical ranking based on a person's credit scoring along with other financially related history. At one time, it was discovered that how a person manages his or her financial matters was a useful indication of future insurance claims. With today's housing and banking problems, it may cause one to pay extremely high insurance premiums based on this technique and most often unknown to the consumer.

Most insurance company's do not use the insurance score system when determining an automobile insurance or commercial lines insurance.

It is important that the consumer is aware of their options and discuss them with their insurance agent.

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