

Q&As – Insurers’ Use of Credit Information for Rating and Underwriting
(These Q&As apply to those insurers that follow IBC’s Code of Conduct for Insurers’
Use of Credit Information.)

1. I am concerned that my credit information may not be correct. How can I check?

- To view your credit information you can visit or write to either of the two credit reporting agencies – Equifax or TransUnion – and obtain your credit report at no charge. Alternatively, you can order your credit information from these agencies online for a small fee.
- If you think your credit information may be incorrect, contact one of the two consumer reporting agencies mentioned above to verify that the information in your file is correct or, if there is an error, to find out how to get it corrected.
- If your insurance company uses credit information in its classification system, you should inform the company whenever there are any material corrections to your credit information. Insurance companies that follow the IBC Code of Conduct will confirm with one of the credit agencies that your information has been changed and will make the necessary adjustments to your insurance file to re-underwrite and re-rate your coverage, within a reasonable period after receiving the information.

2. Will my credit information be used for insurance purposes without my knowledge?

- Prior to using your credit information for rating and/or underwriting purposes, insurance companies that adhere to the IBC Code of Conduct must secure your express consent to obtain it. This consent is valid for as long as you continue your business relationship with your insurance company and/or until you withdraw your consent in writing.
- Consent must be received from the applicant or applicants concerned and cannot be provided on behalf of another person. This means that if the insurance company wishes to obtain credit information about other people in your household who will be covered by the insurance policy, each of those individuals must provide their consent directly, either in writing or verbally.

3. What will happen if I refuse to provide consent for an insurer’s use of my credit information for rating and underwriting?

- Insurers that follow the IBC Code of Conduct will not refuse to provide you with an insurance quote or coverage, and will not terminate or refuse to renew your policy if you refuse to give consent to use your credit information. In this situation, however, the insurer may not be able to offer you its best price.

4. Is my credit information confidential or will it be shared with other parties?

- Insurance companies are required to respect the confidential nature of personal credit information and to comply with relevant Canadian consumer and privacy protection laws. The only insurance company personnel who have access to the information are those who require it to process your policy.

5. If the credit reporting agency lacks credit information about me or cannot obtain a credit score for me, how will this impact my insurance coverage?

- Insurance companies that follow the IBC Code of Conduct will not, in respect of customers who lack a personal credit history, deny coverage or cancel or refuse to renew their policy based solely on the absence of credit information.
- In the absence of credit information, underwriting and rating decisions will be based upon the relevant information that is available to the insurer.

6. Will I be informed if the insurance company that follows the IBC Code of Conduct takes adverse action as a result of my credit information?

- Upon your request, the insurance company must provide you with an explanation about any adverse action it takes with respect to your insurance policy as a result of accessing your credit information and it must comply with applicable consumer reporting laws.

7. Will an insurer base its rating and underwriting decisions solely on my credit score?

- Insurers that adhere to the IBC Code of Conduct will only use your credit information in combination with other non-credit underwriting or rating variables. They will not use credit information alone.