

Credit Scoring And Your Insurance

By: Anita Munno, CISR, Personal Lines Manager

Credit-based insurance scores are made up of many different pieces of information in your credit report. The data comes from the following five categories:

- Previous credit performance (40%)
- Current level of indebtedness (30%)
- Length of credit history (15%)
- New credit/pursuit of new credit (10%) and
- Type of credit used (5%).

In general, the percentages listed here are based on the importance of the five categories.

The most important aspect of a credit score, previous credit performance, simply means your payment history. For example, are payments made on time, are accounts up to date, are there adverse public records (i.e., bankruptcies, liens, wage attachments, suits, etc.), collection items and delinquencies (past due items) and the severity of these.

The next most important part of a credit score is current level of indebtedness or amounts owed. Among some of the criteria used in this category are what is the total amount owned on all accounts, how are these amounts distributed (credit cards, car payments, mortgage, etc.),

number of accounts with balances, proportion of credit lines used, proportion of installment loan amounts still owing.

Length of credit history comes next in importance in making up a credit score. This includes age of oldest account and average age of accounts.

Next is new credit/pursuit of new credit, meaning the number of recently opened accounts, number of recent voluntary credit inquiries (when a consumer seeks an extension of credit), time since new accounts were opened, etc. Credit inquiries that are not initiated by a consumer and all insurance inquiries are not considered in an insurance scoring calculation.

Type of credit used is the last piece in credit scoring. This includes the number of various types of accounts open (credit cards, retail accounts, installment loans, mortgages, and so on).

A credit score takes into consideration all of the categories of information, not just one or two. In addition, no one factor alone will determine your score. Each category is balanced against the others. What's important is the mix of information, which varies from person to person and for any one person over time. Both positive and negative information is considered in your score. Late payments will

lower your score, but establishing or re-establishing a good track record making payments will improve your score.

Once the items which make up a credit score are understood, it's clear to see what will improve a score. Simple things such as paying bills on time, closing out unused or unnecessary credit cards or other accounts and keeping track of balances and not exceeding credit limits all help to make a good credit score.

In closing, companies use the insurance score as only one tool when underwriting a new policy. Past claims history and driving records, type of vehicles or home you are insuring, value of the auto/home to be insured all come into play along with many other variables. In addition, remember that no one piece of credit information or factor alone will determine your score; however, higher insurance scores indicate lower risk to insurance companies which translates into lower premiums for you.

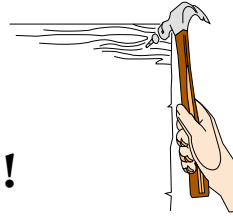
Give our Personal Lines Staff a call if you have any questions or concerns regarding any aspect of your insurance.

We're ready to help.

Commercial Insurance

News

ATTENTION CONTRACTORS!



By: Steve Deadrick, CLU, CIC
Vice President

A new lead based paint law went into effect on 22 April 2010. Any contractor who renovates buildings that were built prior to 1978 must comply with the law or face stiff monetary penalties. The work must be done by a certified contractor who has completed an EPA or state approved training course.

Be advised that Commercial General Liability policies have strict pollution exclusions and provide no coverage for bodily injury or property damage claims resulting from lead which is considered to be a pollutant.

To obtain training as a certified renovator- call the national information center at 1-800-424-5323 or go to www.epa.gov/lead/pubs/renovation.

To be properly covered for claims resulting from lead exposure, you must purchase a separate Pollution Liability policy. We can help you obtain the proper coverage. Please call our office for more information regarding this new law.



DDM Employee Anniversaries

We are pleased to recognize the following employee anniversaries for January through May:

Kelly Donaldson, AAI, CIC

29 years

Scott Werber, LUTCF, RHU

11 years

Rebecca Baxley

9 years

Cheryl Giering, CISR

9 years

Lenora Rood

5 years

Anita Munno, CISR

21 years

Cynthia Waters

10 years

Darrell Diehl

9 years

Jack Rogers

6 years



WELCOME

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Tiffany Brown
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Cotton's Gourmet Gifts
& Creations
CPS Construction Company
Ruben Crawford
Corey Epley
Jake Frost
Daniel Genua
Richard & Melissa Goldberg
Andrew Gonnella
GP Auto Group, LLC
Green Season Landscaping, LLC
Katherine Grice
& Johnny Sorensen
David Grumm
Hall's HVAC, LLC
Stephanie Hamilton
Don Hoover
Lisa Hunt
Inspyris, LLC
Keith's Menu Design
Andrew Kulak
Louise's Heritage, LLC
M. Azim Lawn Care Services
Eleni Marketis
Michael Metcalf
Metro Draft Beer Services LLC
N&N Team, LLC
Shahram Nikaein
Panchit Painting
Yenovk Pashalian
Genevieve Patrick
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Megan Reberg
Fabiana Redondo
Regional Mexican Soccer
League
Reyli's Painting Company
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Rachel Sadtler
Sage Greenworks, LLC
Sentiero Corporation
Aaron Smith

NEW CLIENTS

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 Sunrise Landscaping, Inc.
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 TasteBud Marketing
 Aiesha Taylor
 Tech Nation, LLC
 T. Edwards, Inc.
 Titan HVAC
 Valid Electric Co.
 Mario & Maria Vicente
 William Jelen Architect
 Matthew Wollet
 X-Press Custom Finishes, LLC
 Li Zheng
 Carol Zinsmeister
 Zippy Shell USA, LLC



DDM will be closed on the following holidays:

Monday, 5 July – Independence Day

Monday, 6 September – Labor Day

We wish you and your family a happy and restful summer!



Visit us on the web at www.ddminsurance.com

Financial Services News: Timeline For Healthcare Reform Implementation

There remains quite a bit of uncertainty regarding healthcare reform, but here are the dates for implementation of key elements of the approved legislation.

2010	<ul style="list-style-type: none"> • Limited caps on lifetime and annual maximums
	<ul style="list-style-type: none"> • Dependent children will be covered to age 26 if not eligible for coverage of their own
	<ul style="list-style-type: none"> • Individuals who are not able to purchase coverage due to health issues/conditions will have access through high risk pools (this provision will expire in 2014)
	<ul style="list-style-type: none"> • Insurers will not be able to rescind coverage if an individual gets sick (except for cases of fraud)
	<ul style="list-style-type: none"> • Children cannot be excluded due to pre-existing conditions
	<ul style="list-style-type: none"> • Tax credit for some small employers
2011	<ul style="list-style-type: none"> • Employees and individuals can enroll in the CLASS Act
	<ul style="list-style-type: none"> • Employers must disclose value of health plans to employees on W2 forms
	<ul style="list-style-type: none"> • Increase to 20% the tax on non-qualified Health Savings Accounts and Medical Savings Accounts distributions (from 10%)
	<ul style="list-style-type: none"> • Insurers must spend 80 – 85% of premium dollars on health care (depending on employer size)
2013	<ul style="list-style-type: none"> • Limits on Flexible Spending Account contributions to \$2,500, indexed to CPU (Consumer Price Index – urban)
	<ul style="list-style-type: none"> • Threshold for medical expense tax deduction increases from 7.5% to 10% for all but the elderly (who retain the 7.5% level through 2016)
	<ul style="list-style-type: none"> • Medicare payroll tax increase from 1.45% to 2.35% for individuals earning \$200,000 and families earning \$250,000
	<ul style="list-style-type: none"> • Also, 3.8% tax on some investment income for individuals above the same income levels
2014	<ul style="list-style-type: none"> • Exchanges available (state based) for eligible individuals and small employers – coverage offered through exchanges will need to meet certain requirements
	<ul style="list-style-type: none"> • Credits available to individuals and families up to 400% of the Federal Poverty Level. Insurers not able to exclude anyone from coverage due to pre-existing conditions.
	<ul style="list-style-type: none"> • Penalties for individuals not having insurance coverage - \$95/ person, \$285/family or 1% of income
	<ul style="list-style-type: none"> • Employers with 50+ employees who do not offer coverage will be required to pay a penalty of the lesser of: \$3,000 per employee receiving federal premium assistance, or \$2,000 annual fee per employee for each full-time employee (minus the first 30 employees)
2015	<ul style="list-style-type: none"> • Penalties for individuals not having insurance coverage - \$325/person, \$975/family or 2% of income
2016	<ul style="list-style-type: none"> • Employees and individuals may begin to receive benefits under the CLASS Act
	<ul style="list-style-type: none"> • Penalties for individuals not having insurance coverage can reach 2.5% of income
2018	<ul style="list-style-type: none"> • 40% excise tax on insurers when aggregate premiums are in excess of \$10,200/\$27,500
	<ul style="list-style-type: none"> • Dental and vision plans are excluded (as are disability, life and post-tax voluntary benefits)



WE ARE PROUD OF OUR PROFESSIONAL STAFF AND INVITE YOU TO CALL US.

PERSONAL LINES DEPARTMENT

- Anita Munno, CISR, Manager x 25
- Wendy Parsons x 26
- Cynthia Waters x 23

COMMERCIAL LINES DEPARTMENT

- Kelly Donaldson, AAI, CIC, Manager x 28
- Rebecca Baxley Certificates and Claims x 32
- Brooke Beauman x 27
- Whitney Donaldson x 34
- Cheryl L. Giering, CISR, CIC x 33
- Frances Smutniak, CISR, AAI x 29
- Christina Whiteman x30

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- Charles Day x 35
- Darrell Diehl x 18

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- Caroline Day Scruggs, AAI, CIC x 14
- Lenora Rood x 10



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As a team, we strive to provide exceptional, professional service to our clients, and we are dedicated to offering growth and opportunity for our associates and for our agency.

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