

Published based on [How to Improve Credit Ratings and Lower Car Insurance Quotes](#)

# **How to Improve Credit Ratings and Lower Car Insurance Quotes**

Kristen had applied for [auto insurance policy](#) and was hoping to get a [auto insurance quote](#). She had never had a car accident, never put in a claim and also never had been held for any traffic charges. She was taken aback by the fact that her insurance premium had just gotten more expensive than it was. Susan talked to her insurance company and discovered that her insurance rate went up because of her poor credit rating. Susan did not understand the relationship between the credit report and how this would affect her car insurance quote or her auto insurance rate? The Conning and Company has already brought to our attention that California and Georgia are the only states where credit rating is not used for auto insurance rating. You need to understand and note down that the credit rating is going to affect your auto insurance rates. Credit rating is an important factor in approval of your car insurance quote. The chances of a person with a low credit score to lodge a claim with the auto insurance company is much higher and hence as per this reasoning the credit score is considered very important. Persons with good credit history have clearly demonstrated that they are responsible individuals. Insurance companies follow a similar process like lenders before they decide on the auto insurance quote. When you apply for insurance the insurance companies takes your permission to check your credit score. Experian, Trans Union or Equifax would provide a credit report based on your credit score. "Insurance risk score" can be created by using the credit information and run it through a formula. Credit ratings start from 300 and reach upto 850. Your auto insurance premium is likely to increase tremendously or you can be deinied coverage by the auto insurance company if your credit score is lower than 650. You end up paying a higher premium. The good news is that if your credit score is above 650 than you will get a lower car insurance quote and your premium will be lower. It is in your hands to change your credit score for the better and this should be focused on. Some ways you can improve your credit rating is by: ••Checking your payments and confirm your excellent credit history. If you have an adverse credit history, do not be worked up about this. To change your credit history, take the first step of paying your bills habitually and eventually your credit history will change. Your debt balance should be minmum and your outstanding should be very low. Remember that new accounts need not be opened since this is not going to help you with your credit but bring it even lower. A way of buildig up credit is having not more than 6 credit cards and not more than 2 outstanding loans. A timeline of an excellent credit history can and will be a postive factor for you. Your credit rating is directly connected with the payment of your bills, if you have no defaults than your credit score will be excellent. Any disapproving record will affect your credit score negatively like a debt collection, bankruptcy filing. Awareness and small tips save you from a lot of hassles and also help in saving your money. This information would play a major role while considering searching for an online auto insurance quote. Ensure that your positive credit score and the online quote will act as a fuel for you to reach the destination of [lower car insurance quote](#).