



**Illinois Statutes**

215 ILCS 5/123A-2

Definitions. As used in this Article, unless the context requires otherwise:

With minor exceptions required by some state laws, a FICO CBIS model considers payment information on many types of accounts, including credit cards, retail accounts, installment loans, finance company accounts and mortgage loans. Also considered are public record reports such as bankruptcies, judgments, suits, liens, wage attachments and collection items.

Consideration is given to how late missed payments were, how much was owed, how recently they occurred and how many there are.

\* Amounts Owed (30% impact on a score)

Owing a great deal of money on many accounts can indicate that a person is overextended, and this has been found to correlate with more frequent or higher insurance losses.

With minor exceptions as required by some state laws, a FICO CBIS model may consider the amount owed on all accounts and the amount owed on specific types of accounts, such as credit cards and installment loans. Also considered is how many accounts have balances, and how much of the total credit line is being used on credit cards and other "revolving credit" accounts,

Note that even if credit cards are paid off in full every month, a credit report may still show balances on those cards. The total balance on the last statement is generally the amount that will show in a credit report.

In some cases, having a very small balance without missing a payment shows that credit is being managed responsibly, and may be slightly better than no balance at all. On the other hand, closing unused credit accounts that show zero balances and that are in good standing will not generally raise a score.

\* Length of Credit History (15% impact on a score)

In general, a longer credit history correlates with fewer and less severe insurance losses and results in a higher score. However, even people who have not been using credit long may get high scores, depending on what the rest of the credit report looks like.

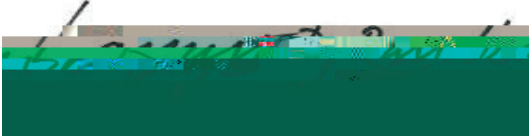
FICO CBIS models distinguish between sear

While a small but growing number of consumers have experienced recent financial



Thank you for the opportunity to present this information. I look forward to responding to any additional questions from your Committees.

Sincerely,



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