

Does Shopping for Insurance Quotes Hurt Your Credit Score?



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Author: InsuranceAgents.com

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Chicago (InsuranceAgents.com) – With the economy slumping and people relying on credit more than ever, the last thing anyone wants to do is limit their access to credit by damaging their credit score. When you apply for [insurance quotes](#) these days most companies will pull your credit to judge what premium they will be charging you. The idea of inquiries showing up on your credit sounds like a very negative thing, but according to a recent article on InsuranceAgents.com, it's actually no big deal.

An advertisement banner for InsuranceAgents.com. On the left, a smiling woman with long dark hair gives a thumbs-up gesture. To her right, the text reads 'Save Up to 50% on Insurance by Comparing Multiple Quotes for Free'. Below this text is a form with a 'Zip Code:' label and an empty input box, an 'Insurance Type:' label with a dropdown menu currently set to 'Auto Insurance', and a red arrow-shaped button labeled 'COMPARE QUOTES'. A curved arrow points from the 'Zip Code' label to its input box.

Applying for [insurance quotes does not negatively affect your credit score](#). There is no reason to not shop around for a better rate on your insurance, especially in tough economic times like these when every penny counts.

The insurance company may be pulling your credit, but it's important to know the difference between what's called a "hard pull" and a "soft pull". According to the article, "When it comes to credit checks, there are two types of inquiries: 'hard pulls' and 'soft pulls'. A hard pull

refers to credit inquiries for acquiring credit, like from a credit card company or a lender. A soft pull is an inquiry that will review your credit score, much like an agent would to determine an insurance quote. ... [T]he insurance company's name will be listed on your report, but the inquiry will not lower your credit score."

Though insurance quotes won't affect your credit, it's important to understand that your credit does affect your insurance quotes. The InsuranceAgents.com article continues, "While shopping for insurance quotes may not lower your credit score, it is important to know that a good credit score can lower your insurance quotes! Insurance companies and agents that see a potential client with a high credit score will consider you a low-risk client ... They will then be able to offer you more affordable insurance quotes. Good credit saves you money in many different arenas of your life, including insurance."

The best thing you can do if you have good or bad credit is to shop around for insurance quotes. Using services like InsuranceAgents.com you can compare up to five insurance quotes at a time and find the lowest rate.

For more information, visit InsuranceAgents.com.

Contact Details: Tom Lustina
InsuranceAgents.com
435 North LaSalle
Chicago, IL
60610
614 286 0193