

## Water Damage and Homeowner's Insurance: (2) C.L.U.E.<sup>®</sup> Report<sup>1</sup>

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If you suspect a major water leak has occurred in a home that you are considering buying, ask to see a copy of the homeowner's C.L.U.E. report. C.L.U.E. stands for Comprehensive Loss Underwriting Exchange, which is a claim history information exchange that enables insurance companies to access prior claim information in the underwriting (eligibility assessment) and rating process. There are two types of C.L.U.E. reports: the C.L.U.E. Personal Property report is a history of losses associated with an individual and his/her personal property, and the C.L.U.E. Auto report is a history of automobile insurance losses (ChoicePoint, n.d.). Since this publication is about the C.L.U.E. report in relation to homeowner's insurance, the "C.L.U.E. report" in this paper refers to the C.L.U.E. Personal Property report.

### C.L.U.E. Report and Homeowner's Insurance

More than 90% of insurers writing homeowners' insurance policies provide claims data to the C.L.U.E. Personal Property database. Note that when you apply for home insurance, your insurer will

access a C.L.U.E. report to determine your risk profile. When buying an existing home, two C.L.U.E. reports will be reviewed for your home insurance application: one report is yours, and the other is the home seller's report. These reports will show whether you or the home seller have filed any claims during the past seven years (Privacy Rights Clearinghouse, 2005; ChoicePoint, n.d.). You also can order your own C.L.U.E. report by using the contact information presented later in this publication.

### Information Included in the C.L.U.E. Report

The C.L.U.E. report contains personal information such as your name, date of birth, and Social Security number, along with records of any auto or homeowner property loss claims you have submitted to an insurance company over the last seven years. The information on the filed claims includes date of loss, type of loss claimed, and amounts paid by an insurance company.

Although it varies by state, the C.L.U.E. database sometimes includes records of property damages that did not involve any payment by the

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insurance company. For example, even if you merely inquire about your coverage for a slight hint of water damage to your home, the inquiry alone could result in a negative record on your property's C.L.U.E. report. In Florida, unfortunately, state law does not restrict a company from including records of any damage claim that did not result in a payment by an insurance company, and even simple inquiries about coverage may be included in a C.L.U.E. report. However, if a C.L.U.E. report item is recorded in error, the Florida Department of Financial Services would ask the insurance company to correct that record if prompted by the property owner.

### **Your Legal Rights: Fair and Accurate Credit Transactions (FACT) Act**

The Fair and Accurate Credit Transactions (FACT) Act of 2003, a recent amendment of the federal Fair Credit Reporting Act (FCRA), was intended to help consumers fight against identity theft. The FACT Act protects a consumer's rights to access his/her credit report information, limit the information sharing, be noticed about an adverse decision based on information in the report, and dispute inaccurate and incomplete information. As such, you have a right to obtain one free copy of your credit report and consumer report, upon your request, every 12 months from each of the three nationwide credit reporting agencies (Equifax, Experian, and TransUnion) and each nationwide specialty consumer reporting agency (Privacy Rights Clearinghouse, 2005, 2008a, & 2008b).

The FCRA classifies the C.L.U.E. report as a specialty consumer report and you are entitled to request one free copy of your C.L.U.E. report every 12 months from ChoicePoint, a nationwide specialty consumer reporting agency as defined by the FCRA. You also have a right to be informed of any adverse actions made based on your C.L.U.E. report. If your insurance application is denied, insurance policy cancelled, or your coverage or premium has changed, you are entitled to an additional free copy of your C.L.U.E. report over the one free report per 12 months. (Federal Trade Commission [FTC], n.d.; Privacy Rights Clearinghouse, 2005, 2008a, & 2008b).

If you think your consumer rights have been violated, you can file your complaint with the FTC electronically at <https://www.ftccomplaintassistant.gov/>, or call, toll-free, 1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261.

To order your free C.L.U.E. report from ChoicePoint, make an online request at <http://choicetrust.com>, call 1-866-312-8076, or mail your name and mailing address to: ChoicePoint Consumer Disclosure Center, P.O. Box 105295, Atlanta, GA 30348. You can see a sample C.L.U.E. report online at <http://www.choicetrust.com/xsl/fact/factpropertyclaims/sample.htm>.

### **For Further Information**

For information on filing an insurance claim for water damages, refer to FCS3303/FY1082 *Water Damage and Homeowner's Insurance: (1) Insurance Claim*. For information on mold prevention, moisture control, and mold removal tips, refer to FCS3255/FY921 *Basic Mold Prevention*, FCS3256/FY922 *Moisture Control in Your Home, Part 1: The Basics*, FCS3257/FY923 *Moisture Control in Your Home, Part 2: Room by Room Tips*, and FCS3301/FY1080 *How to Clean Up Mold*. All of these publications, and more, are available at <http://edis.ifas.ufl.edu>.

For more information on FACT Act and FCRA, contact the Federal Trade Commission (FTC) at 1-877-FTC-HELP (1-877-382-4358) TTY 1-866-653-4261, or visit the FTC Web site at <http://www.ftc.gov/bcp/menus/consumer/credit/rights.shtm>.

### **References**

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Federal Trade Commission (n.d.). A summary of your rights under the Fair Credit Reporting Act. Retrieved November 3, 2008, from [www.ftc.gov/bcp/edu/pubs/consumer/credit/cre35.pdf](http://www.ftc.gov/bcp/edu/pubs/consumer/credit/cre35.pdf).

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