

**Insurance 2500  
Fall 2006  
Individual Extra-credit Research Assignment**

**This is an (optional) extra-credit research assignment. You may earn up to 5 points in this project. The points will be added to your first exam. This assignment is due by 9:30 a.m. on September 19, 2006. You may submit your research assignment via e-mail (UNT accounts only).**

**I will not accept any assignments submitted after the deadline. You receive a zero for late submission. This is an individual project and no collaboration is allowed. I expect college-level quality answers.**

**Please answer all of the follow questions in detail and cite your research sources.**

**Write answers in your own words. Do not copy and paste from your research sources.**

1. What is a consumer credit report? What types of information are included in a consumer credit report?
2. What is a FICO score (credit score)? What is the current average FICO score of American consumers? Identify and describe the factors that affect your credit score. What advice(s) would you give to a person who has poor credit history (record)?
3. What is a credit bureau? What are the three major credit bureaus in the United States? How do you obtain a copy of your credit report? How much does a typical consumer report cost? If you find an error in your credit report, how do you get it corrected?
4. How does a consumer credit report relate to the insurance industry? Please answer this question from the perspective of an insurance underwriter. Hint: risk classification. Apply class materials as needed.
5. Besides insurance companies, what other businesses use consumer credit reports in their business operation? How do you apply the concept of “adverse selection” to the use of consumer credit report by financial institutions? Please provide specific examples.