



Auto

HOW MARRIAGE AND DIVORCE AFFECT AUTO INSURANCE

Depending on your circumstances, marriage or divorce can have a positive or negative impact on the rates you pay for auto insurance.

If you're young, for example, a trip down the aisle can reduce your insurance rates.

On the other hand, if your beloved has a history of crumpled metal, you may get a taste of the "for worse" portion of your vows. Whether or not a company will add your spouse or registered domestic partner to your policy – and at what cost – depends, in part, on its own ability to rate for a variety of driving risks.

PEMCO, for example, would add him or her to your policy (provided he or she didn't have a suspended or revoked license), but would review eligibility at renewal.

Divorce also can affect your insurance, even though neither person did anything wrong behind the wheel. Most divorced couples will find themselves facing at least one of these scenarios:

- **One or both people change address.** Insurance rates factor in where you live (traffic density and the statistical number of accidents for the area) and how far you drive to work. Your rate could go up or down depending on where you move.
- **You'll likely lose your multi-car discount.** Vehicle count is the sole determinant of whether or not insurers give you a multi-car discount. If you take one car and your ex takes the other, that leaves each of you with just one car insured under separate policies.

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- **You'll lose your multiple-policy discount when you move out** unless you buy insurance for your new place through the same company that provides your auto coverage.
- **Your credit information could change.** Since companies often use credit information to help set rates, how you and your now-parted spouse or registered domestic partner established credit could cause your rates to rise or fall. Here's how: If you established joint credit only, the credit history would follow both parties and your rates would stay the same. However, if you also kept separate accounts, your spouse or registered domestic partner's credit habits (on his or her own accounts) will no longer impact your credit information. That could be good or bad. Whose name was listed first on your joint auto policy can also add a twist. Some companies obtain credit information only for the first person listed on the policy. When that person splits off and gets a new policy of his or her own, the credit history follows. The person listed second on the original policy will continue to get the same discount until renewal. Then his or her own credit score will be used. If the person listed second on the original policy splits off, his or her credit information will be ordered immediately – just as it would for a new applicant – to determine discounts on the new policy.
- **Claim-free history.** If you and your spouse or registered domestic partner stay with the same insurer, both of you will most likely get the benefit of your years of good driving together. One of you simply will be issued a new policy number. If you go with another company, though, you may find yourself starting over. (The same is true for homeowners policies.)