

## Auto Insurance Companies that Don't Check Credit

Auto insurance can be described as a process in which a driver who owns a car insures or protects his or her vehicle, under a certain organization or company, against future damages or accidents. Most of these auto insurance companies chose to check the credit score of their clients and use them as a major factor in determining the insurance rates. Only a few auto insurance companies in specific states of the US do not check credit scores. But why do they even check credit scores at all?

Most auto insurance companies check credit scores to reduce the risks on their end. They believe that a driver with a bad or low credit score is more liable to file insurance claims, which in turn would cost the insurance company money. So to cover up for these future claims, drivers with a bad or low credit score are charged higher than others to compensate for the auto insurance company's financial risk. Currently, there are a few auto insurance companies, located in specific states of the US, that do not check a driver's credit score before issuing insurance rates. The states which are putting this law to practice are;

1. Massachusetts
2. California
3. Washington
4. Hawaii
5. Michigan

These states have made it a law for auto insurance companies located there to not check for credit scores, but there are other auto insurance companies located in other states who also do not check for credit scores.

### Which Auto Insurance Companies do not Check Credit?

Auto insurance companies who do not check credit scores are classified under the types of insurance that they use in issuing insurance rates to the clients. The types of insurance are stated below;

1. Telematics-based Insurance
2. Usage-based Insurance

#### Telematics-Based Insurance

This type of insurance, instead of issuing a fixed monthly rate on your car insurance, makes use of an app or a telematics device to track your driving habits, like your driving speed and how safe you drive. The safer your driving habits, the cheaper your insurance rate. If you practice safe driving and you are looking for car insurance that doesn't check credit scores and a cost-effective one, this type of insurance is one you should consider. Below are a few auto insurance companies that practice this type of insurance and do not check credit scores;

1. Allstate Drivewise
2. Progressive Snapshot
3. CURE
4. USAA

- Allstate Drivewise

This is the fourth largest auto insurance company in the US. Their customers enjoy multiple discounts, bundling, and anti-theft services. They have coverage in all states and offer telematics-based insurance.

- Progressive Snapshot

This is the third-largest auto insurance company in the US. Their clients enjoy the best services and they have received good ratings all around. This auto insurance company covers over fifty states in the US, including Canada.

- CURE

This is a positive-rated auto insurance company that also does not check credit scores, but driving history. They cover the state's New Jersey and Pennsylvania. They are also known for providing one of the cheapest car insurance services in the US. Their customers enjoy their various discounts and other attractive benefits as well.

- USAA

This is the fifth-largest auto insurance company in the US. Unlike other insurance companies, this auto insurance company only covers car insurance for military members, their families, and veterans. They operate in the states of Texas, Arizona, New York, Florida, Colorado, Virginia, and Maryland. They also provide their clients with multiple discounts and they have received good ratings from their customers.

#### Usage-Based Insurance

This type of insurance does not focus on checking your credit score and unlike telematics-based insurance, it determines insurance rates using the distance covered when a customer drives and how often they use their vehicles. This type of insurance is more suitable for drivers who drive short distances or do not use their vehicles very often. The more often you use your vehicle and the more distance you cover, the higher your insurance rate. The insurance companies listed below practice this type of insurance;

1. State Farm Drive Safe and Save
2. SafeCo Right Track
3. Metro Mile

- State Farm Drive Safe and Save

This auto insurance company works by using an app to track its client's mileage when driving. The company covers several states in the US and has gathered some positive reviews about its services. If you keep driving safely while using the app, they assign discounts of up to thirty percent to you. They also cover several states in the US.

- SafeCo Right Track

This insurance company is very similar to State Farms in its operations. They use an app to track their client's driving mileage and usage, and also provide their customers with attractive discounts and bonuses.

- Metro Mile

This insurance company determines its customer's insurance rate exclusively by how many miles they cover. They are currently available in the following states; Illinois, Arizona, Washington, Pennsylvania, California, Oregon, Virginia, and New Jersey.

Despite the availability of car insurance services for people with poor credit scores, citizens should learn to keep and maintain a good credit score. Accumulation of bad credit is not good in any way and can amount to unnecessary debts.

### Frequently Asked Questions

1. Which is the best auto insurance company?

**The best auto insurance company for you varies according to state and your personal preferences.**

2. What does the average car insurance cost?

**The average car insurance cost in the United States is \$1,600 yearly and \$149 monthly. The minimum car insurance cost is \$550 yearly.**

The screenshot shows a Grammarly document analysis window. The document text includes a paragraph about credit scores, a section titled 'Frequently Asked Questions', and two numbered questions about auto insurance. The analysis window displays the following metrics:

Performance	
Text score: 84 out of 100. This score represents the quality of writing in this document. You can increase it by addressing Grammarly's suggestions.	84

Word Count	
Characters	5,805
Words	917
Sentences	75
Reading time	3 min 40 sec
Speaking time	7 min 3 sec

Readability	
Word length	5.1 (Above average)
Sentence length	12.2 (Above average)

On the right side of the window, there is a sidebar with an overall score of 84, goals, and suggestions. The suggestions section shows 'Correctness' as 'Looking good' and 'Clarity' as 'Very clear'. The engagement section shows 'Get Expert Writing Help' and 'Plagiarism'.