



A Missing Link Now Found - Non-Traditional Financial Data

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John Wilson - Equifax

Maturation of Consumer Payment Behavior Data

- Credit Bureau data isn't static - it has been evolving over time

Equifax is founded - 1899

Local and regional bureaus expand coverage

First credit cards issued - 1950

Bureau computerization and automation

Fair, Isaac founded - 1956

Acquisitions / partnerships → nationwide reporting

Generic lending risk scores introduced - 1980s

First credit-based insurance scores - 1993

NCTUE established - 1997

Trended credit data use begins - 2010s

NCAP changes reporting medical debt, liens, judgments

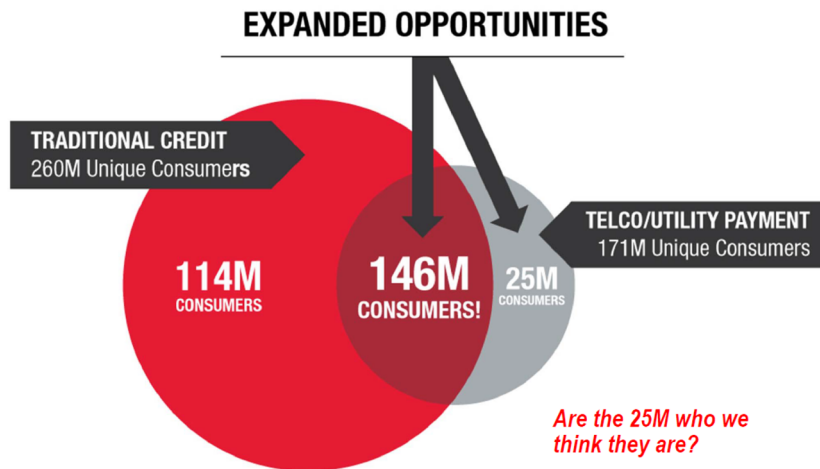
COVID payment deferments

Adding rental payment and BNPL tradelines

Student loan delinquency reporting restarted - 2024

Then vs. Now

Traditional Credit + Alternative Data = Convergence of Consumers



467M+
active accounts



218M+
distinct customers

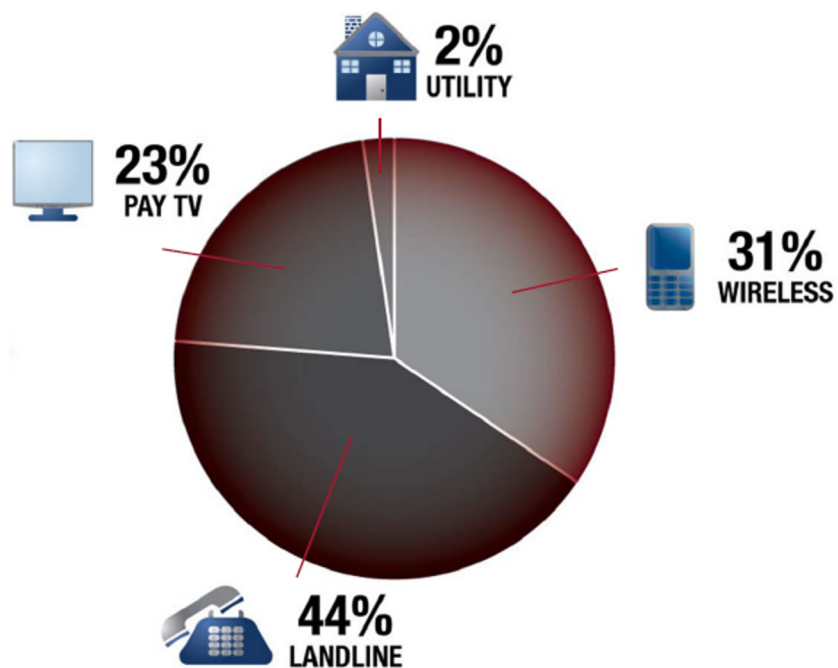


38M+
customers not found in
traditional credit reporting



160+
member contributors

Then vs. Now



*as of Dec. 2011

- Mobility = 32%
- PayTV = 52%
- Utility = 6%
- Landline = 9%

Alternative/Specialty Finance Accounts



WHAT IT INCLUDES

Provides a more comprehensive view of identity, demographic, financial and tradeline information and payment history for millions of consumers

Compiled from short-term loans, installment loans, non-prime credit cards, lease-to-own, rent-to-own and more

HOW IT IS USED

Comprehensive suite of near **real-time credit reporting, data verification and authentication services**

Used in financial services to “know your customer,” manage risk proactively, safeguard customers from fraud, lower acquisition costs, increase revenue opportunities, and customize analytics

Complements traditional credit and is particularly relevant for consumers with limited or no traditional credit history

- **120M+ consumers**
- **Insights from over 1,000 modeling attributes**
- Includes non-traditional elements such as **bank account information, phone and email history**

Loan performance data that is **not traditionally** reported to the credit bureaus

Current Usage and Regulatory Perspectives

- **NCTUE (Telecom and Pay TV) account data** is approved for use in 80+% of states that allow credit for insurance underwriting
- I have seen approved carrier rate filings that use **Specialty Finance account data** as well
- In Financial Services, these alternative payment histories that include a higher percentage of “emerging” consumers are used for credit cards, auto loans and mortgages
- **Even the CFPB** has spoken favorably of innovative data applications that can benefit unbanked and underbanked households



Non-standard Auto Market Challenges

- **Comparatively lower credit 'hit' and 'score' rates**
 - Non-standard customers may not have enough (or any) traditional credit accounts so they can't be scored and often have to be rated as 'neutral.'
 - NCTUE and Specialty Finance accounts can allow scoring and/or complement credit use
- **High report ordering costs per bound policy**
 - Consumers in this market are extremely price sensitive, so the quote to bind ratio is less favorable than in standard markets
 - Special pricing for the full suite of data at the initial quote stage can help level the cost playing field