

Co-Operative Conveyor



Co-Operative Credit Union's Membership Newsletter



Special points of interest:

- **WI Auto Insurance Laws are Changing**
- **WIN at the Credit Scoring Game**
- **Why is it called a piggy bank?**

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Wisconsin Auto Insurance Laws are Changing: Are You Properly Covered?

By Andrew C. Sheahan, Insurance Professional from Compass Insurance Group

Wisconsin Lawmakers have passed several new changes to the auto insurance regulations here in Wisconsin. I would like to take this opportunity to point out a few of the key changes. Beginning in January, the state minimum coverage will be increasing as I have outlined below. And effective **June 1st 2010**, auto insurance will be **Mandatory** for **ALL** drivers.

Increase Minimum Automobile Liability Coverage: The minimum liability limits will be increased to: **\$50,000/\$100,000/\$15,000.**

UM/UIM will be a required mandatory coverage: UM stands for uninsured motorists and UIM stands for under insured motorists. Until now, this coverage was optional, but not required. This coverage will be required and must be purchased to meet the following limits: **UM/UIM minimum coverage to \$100,000/\$300,000 per policy.**

Anti-stacking rules in automobile policies for UM/UIM coverage: The insured will now be permitted to "stack" UM/UIM coverage on up to three vehicles. This represents a significant

change from the old law. "Stacking" is another way of multiplying your coverage. For instance if you own three vehicles with coverage at \$100,000/\$300,000, you can multiply the coverage by three times. Essentially you have a policy limit of \$300,000/\$900,000.

Umbrella/Excess Liability Coverage: Policyholders will now be required to reject, in writing, the offer of UM/UIM coverage for umbrella or excess liability policies.

Increase Minimum Medical Payments Coverage: Medical payments minimum coverage is increased to **\$10,000.** This coverage may be stacked on up to three vehicles as well. The insured still retains the right to reject this coverage all together.

Penalty for Driving without Insurance: Insured drivers failing to provide proof of insurance will receive a **\$100** fine, similar to a seatbelt violation. Drivers caught driving without insurance will be subject to a fine of up to **\$500.**

It is important to realize that the

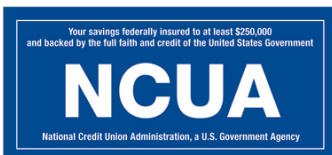
coverage outlined is the minimum coverage required by the State of Wisconsin. You should consult with an insurance professional to determine the proper amount of coverage for your situation. If you are uninsured, or simply have questions or concerns regarding your current policy, please feel free to contact me at any time for a free, no obligation insurance review.

Please Contact:

Andrew C. Sheahan
Compass Insurance Group
Phone: (262) 456-0566 x 103
Email: andrews@compassinsgrp.com



COMPASS
INSURANCE GROUP



Happy Holidays from Co-Operative Credit Union!



Win at the credit scoring game

To get the best deal on a loan, you need some new strategies to bump up your score - and keep it there.

By Carla Fried, Money Magazine contributing writer

(Money Magazine) – Borrowing money today requires impressing an increasingly hard-to-please crowd. With creditors of all kinds more cautious than ever, you need an A+ application to land the best terms – and that means an A+ credit score, the number lenders use to judge your risk of default.

The most commonly used credit scoring system, called FICO, rates people from a very risky 300 to a pristine 850. And right now we're in the middle of a credit score crunch: "You need a 750 or better today to have the same treatment you got with a 700 two years ago," says John Ulzheimer, president of consumer education at Credit.com.

John D'Onofrio, CEO of Autoloan-daily.com, seconds that: "Two years ago a 680 was enough to get a great car loan rate. Today it's often the minimum to qualify at all."

Think you're still in the clear? Don't be so sure. Lenders have been making changes that could cause your score to slip from excellent to average. Improve and protect your number with these strategies:

Learn your score. You have three FICO scores, based on your credit reports at the three credit bureaus: Experian, Equifax, and TransUnion. The numbers tend to be in the same ballpark, so pony up \$16 to get one representative score at myfico.com. You can get an estimate free at Creditkarma.com. But the FICO score gives you a better sense of what lenders see.

Scout for mistakes. Your scores are

only as good as the information they're based on. And a third of people who've pulled their reports have found errors, according to a Zogby poll. That's good reason to read your report.

When you buy your FICO score, you'll get a copy of the report it was based on. Get gratis histories from the other bureaus via annual-creditreport.com (you're entitled to one free from each bureau every 12 months).

Spot an error? Request a correction, following the instructions on the bureau's website. Let's say the size of a credit line was misstated or an account was mistakenly marked delinquent. Getting the error fixed could raise your score as much as

200 points, says Ulzheimer, who has also worked for Equifax and FICO.

Never, ever be late. As you'll see in the pie chart on the right, the biggest chunk of your credit score comes from your payment history. Just one late payment can shave 100 points off a 750-plus credit score, says Ulzheimer. Lenders can't tattle on you to the bureaus until you're 30 days past due, adds credit expert Gerri Detweiler. But don't risk it. For all your bills, enter recurring due-date reminders on your computer calendar.

Missed a payment? Get back on track within the next 30 days, and you should "get back the lion's share" of points lost, Ulzheimer says. More than 90 days late? The damage can stick for years. If it was a one-off lapse, call your issuer and plea for a good-will adjustment to your credit report. (It's a long shot.)

Remember the magic 20%. The second-biggest factor in your score is how much you owe vs. how much credit has been extended to you. The part of this that's easiest to finesse is your credit card utilization rate, or your total card balances compared with your total credit limits, as well as each card's balance relative to its limit.

Example: If you've charged \$5,000 on cards and have \$50,000 in credit, your rate is 10%. For the best score today, 10% is ideal, but you can probably creep up to 20% and keep a high rating.



Continued from page 2...

Unfortunately, with banks lowering credit limits and canceling unused cards, it's harder to maintain such a low percentage. In the previous example, if your available credit is cut to \$20,000, your rate shoots to 25%. That could sink your score by as much as 50 points, says Ulzheimer. The lesson: Know your limits, watch for changes, and stay under 20% on each card and in total (0% if you'll be applying for a loan soon).

Already above 20%? Paying down debt is the obvious way to lower your utilization rate, but another strategy is to apply for an additional credit card to increase your overall credit limit. That may cause you to lose a few points in the short term -- so don't do it if you're about to apply for a mortgage -- but it should pay

off in the long run.

Keep oldest cards in play. As noted, credit issuers these days are eagerly canceling cards that are not in use. Besides reducing your limit and increasing your utilization ratio, having an account closed can hurt you in another way, especially if it's among your older ones.

See, 15% of your score rides on the length of your credit history. The longer you ably manage revolving debt, the better you look. So don't cancel your oldest cards. And don't let them get canceled on you: Move a recurring charge to each so they stay active.

Already ditched or been ditched? A new card (see previous) can help with your utilization rate, but there's little you can do to help the "history" component of your score, except to keep other old accounts in use.

Accept fate on the rest. There are other factors involved in your score, but they're not so easy to manipulate. For example, 10% is based on how well you manage a mix of credit types, such as mortgages, car loans, and credit cards. But you don't want to go out and, say, finance a car just for a score boost; besides, you can easily get 750-plus with just a few well-tended credit cards.

Along the same lines, 10% is based on "new credit," but the effects of a new application can be positive or negative, depending on your history.

In other words, if you want to be among the crème de la credit crème, accept what you can't change, and focus on what you can.

CHRISTMAS HOLIDAY TRIVIA

- ⇒ The first president to decorate the White House tree in the United States was Franklin Pierce.
- ⇒ Electric lights for trees were first used in 1895.
- ⇒ "It's a Wonderful Life" appears on TV more often than any other holiday movie.
- ⇒ "Rudolph" was actually created by Montgomery Ward in the late 1930's for a holiday promotion. The rest is history.
- ⇒ The "Nutcracker" is the most famous Christmas ballet.
- ⇒ "Jingle Bells" was first written for Thanksgiving and then became one of the most popular Christmas songs.
- ⇒ If you received all of the gifts in the song "The Twelve Days of Christmas", you would receive 364 presents.
- ⇒ The poinsettia plant was brought into the U.S. from Mexico by Joel Poinsett in the early 1800's.
- ⇒ Holly berries are poisonous.
- ⇒ Contrary to common belief, poinsettia plants are non-toxic.
- ⇒ In 1843, "A Christmas Carol" was written by Charles Dickens in just six weeks.
- ⇒ The first state to recognize the Christmas holiday officially was Alabama.
- ⇒ Christmas became a national holiday in America on June 26, 1870.
- ⇒ Coca Cola was the first beverage company to use Santa for a winter promotion.
- ⇒ More diamonds are sold around Christmas than any other time of the year.



Christmas Facts Courtesy of:

www.christmas-celebrations.com/trivia.htm

*Co-Operative Credit Union's
Membership Newsletter*

Remit Questions and/or Info To:

CCU Newsletter Team
P.O. Box 081037
Racine, WI 53408-1037

Phone: 262-884-8933
Fax: 262-884-9376
E-mail: mswanson@co-operativecu.com



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We want to hear from you! If you have anything that you would like to hear more about or have suggestions for future articles, please let us know. Simply sent requests using the info listed below with your ideas or suggestions. Thanks for reading, and have a wonderful Holiday Season from all of hear at Co-Operative Credit Union!

Sincerely,

CCU Newsletter Team
P.O. Box 081037
Racine, WI 53408
mswanson@co-operativecu.com

Did you ever wonder why its called a piggy bank?

Dogs bury bones. Squirrels gather nuts to last through the winter. Camels store food and water so they can travel many days across deserts. But do pigs save anything? No! Pigs save nothing. They bury nothing. They store nothing.

So why do we save our coins in a piggy bank? Because someone made a mistake. During The Middle Ages, in about the fifteenth century, metal was expensive and seldom used for household wares. Instead, dishes and pots were made of an economical clay called pygg. Whenever housewives could save an extra coin, they dropped it into one of their clay jars. They called this their pygg bank or their piggy bank.

Over the next two hundred years, people forgot that "pygg" referred to the earthenware material. In the nineteenth century when English potters received requests for piggy banks, they produced banks shaped like a pig. Of course, the pigs appealed to the customers and delighted the children.



Courtesy:

http://www.datafinacial.com/Piggy_Bank.htm