How are your insurance and investment client's doing in the area of consumer debt?

Your client with a monthly debt obligation of $3,185 will need a lump sum amount of $477,750 to service the debt! Is your life insurance coverage enough to handle this or will they have enough in their retirement account to make ends meet? *They are counting on you!*

No Interest - No Payment for 6 Months?
Look at the Finance Charge!
Watch these deals closely!

Annual Percentage Rate
100.91%

One Late Credit Card Payment Can Doom You

Credit card companies and insurers are looking for reasonsto increase rates. A single late payment charge could ripple through all your unrelated accounts.

Mind those bills. All of them. A late payment on one account could cost you higher rates and fees on all your accounts -- from your credit cards to your auto insurance. More and more companies are peeking at credit reports regularly to justify raising interest rates or increasing credit limits.

Some of the biggest credit-card companies have started aggressively penalizing customers who show signs of trouble anywhere in their credit reports. If a company likes what it sees in a customer's credit report, a cardholder might be rewarded with a thicker credit line. But one black mark from any creditor could trigger a rate hike.

So if you fall behind on your Sears bill, the interest rate on your Citibank credit card could shoot up.

A justification for hiking rates
"Why should that matter?" asks Howard Strong, author of "What Every Credit Card User Needs to Know." "It doesn't harm them in any way. It's ridiculous. It's just a way to knock up rates."

The lenders say their concerns are justified.

"We're looking at risk factors. If we see someone become delinquent with another creditor, that may be an indicator that they are about to become delinquent with us," says Maria Mendler, a spokeswoman for Citibank. "We may need to adjust our credit decisions accordingly."

Credit counselors say many people feel blindsided by the credit-card companies' rate increases -- especially if they haven't been late with any payments.

"I'm hearing about it more and more," says Hal Prather, a branch manager at Consumer Credit Counseling Service in Norcross, Ga. "It's apparent to me that most people don't read the inserts (that come with their statements). I think most people learn about it the hard way."

Mike Kidwell, vice president of the nonprofit debt crisis center Myvesta, adds, "We get calls and e-mails all the time. 'I've never been late on this card. Why is my rate going up?' Or 'I had trouble with one account and my rates went up on another card.'

"You've got to be aware of limits on credit cards. If other creditors are seeing balances going up and all of a sudden you're late, you're considered a greater risk. Not just with the one creditor that you paid late, but with all your creditors."

The credit/auto connection
Does having bad credit make you a bad driver? Some auto insurers think so. That's why they're using credit data to help determine your insurance rates.

Ninety-two of the 100 largest personal auto insurance companies in the country use credit data in underwriting new business, according to a study by Conning & Co., an insurance research and asset management firm.

It's not as wacky as it sounds. There does appear to be a connection between your credit record and the likelihood of you filing an auto insurance claim.

Drivers at the bottom of the credit heap file 40% more claims than drivers at the top of the credit heap, according to a study by the Insurance Information Institute.

Consequently, having black marks on your credit report could really bump up your auto insurance rates.

"A consumer with bad credit is going to pay 20% to 50% more in auto insurance premiums than a person who has good credit," says Clarence Smith, assistant vice-president at Conning & Co.

Who's watching
Some credit-card companies review customers' credit reports more often than others.

"Some may do it monthly. Some may do it quarterly. Some may do it yearly," says Martie Edmunds Zakas, corporate vice

Till Debt Do Us Part

America's steamy affair with credit has kept the economy growing. Time for a cold shower?

BY BERNARD CONDON

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We've got the answer!

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