

PRESS RELEASE

JANET NAPOLITANO
GOVERNOR



CHARLES R. COHEN
DIRECTOR

ARIZONA DEPARTMENT OF INSURANCE

2910 North 44th Street, Suite 210, Phoenix, Arizona 85018-7256 · (602) 912-8456 · FAX: (602) 912-8452
www.id.state.az.us

Media Contact: Erin Klug
Public Information Officer
(602) 912-8456

2003-04
For Immediate Release
April 2, 2003

Department of Insurance Offers Many Resources for Homeowners Insurance Consumers

**Market tighter, but shoppers still have options
for homeowners' insurance**

Updated Premium Comparison publication now available

Currently, homeowners insurance in Arizona, as in other states, is generally less available and more expensive than previously. Increases in expense and claim costs, together with decreases in investment income that some insurers would otherwise use to offset losses, are the reasons insurers most often cite for these changes. Consumers are feeling this change predominantly in the form of higher premiums, but some insurers are not interested in new business right now or are being more selective in the risks they will write, making it more difficult for some applicants to obtain insurance.

In 2002, consumers contacting the Department expressed difficulty obtaining coverage especially for vacant dwellings, dwellings in unprotected areas, low-valued dwellings, old dwellings, high priced dwellings and dwellings that have had any losses within the last three years.

However, homeowners insurance remains available at a range of prices, if the homeowner explores the market. The Department of Insurance offers a wide variety of tools to assist buyers as they comparison shop for insurance.

Each year, the Department conducts a survey of insurers selling homeowners insurance to compare prices between companies. The *2003 Homeowners Premium Comparison Survey* is now available. The range in prices for homeowners insurance are illustrated by the quotes in this publication. For instance, the cost to insure (\$100,000 dwelling/\$75,000 contents) a two-story masonry home built in 2001, located in zip code 85022 ranges from \$278 to \$1,265 per year. For the same home and coverage on a home located at McDowell and Power Road in Mesa, premiums range from \$179 to \$1,265.

More...

How can the Department of Insurance help?

Publications

The Department publishes a variety of consumer information. The following publications relate to homeowners insurance and are available by mail, or at the Department, or from our website (www.id.state.az.us):

- *2003 Consumer Guide to Homeowners Insurance*. This pamphlet provides basic information about the different kinds of homeowners policies, common policy exclusions, tips on buying the right amount of coverage and more.
- *2003 Homeowners Insurance Premium Comparison Survey**. Just released, the latest edition of this booklet illustrates the wide difference in premiums for homeowners insurance coverage in various parts of the state.
- *Mobile Homeowners Premium Comparison Survey**. Offers the same cost comparison for mobile homeowners insurance.
- *Check List for a Homeowners Insurance Check-Up*. List of questions consumers can ask their insurance agent to learn more about their homeowners insurance coverage.
- *List of Frequently Asked Questions* (available on-line). Answers a multitude of questions about homeowners insurance.
- *Consumer Guide to Understanding How Insurers Use Credit Information*. Insurers consider many different kinds of information, called "underwriting criteria", when evaluating insurance risks. Credit-related information is often one of these criteria. Insurers consider credit when deciding what price to charge, whether to issue a new policy, and whether to limit coverage. This pamphlet explains consumers' rights when credit negatively impacts their insurance shopping.
- *Personal Lines Complaint Ratio*. A list of insurers writing homeowners and auto insurance and the number of complaints filed against each with the Department of Insurance.

*Available in Spanish

Personal Consumer Services

The Department's Consumer Affairs Division has knowledgeable personnel in both Phoenix and Tucson. Staff are available to:

- Answer insurance-related questions.
- Verify whether an agent/producer or insurer is licensed to sell insurance in Arizona.
- Provide consumers general information about insurers such as: financial data, length of business in Arizona, number of complaints, and phone numbers and addresses.
- Help determine whether a complaint should be filed.
- Offer tips and ideas that consumers can use to assist them in their interactions with their agent/insurer and help them solve problems without having to file a formal complaint.

Consumers can obtain this personalized assistance via the phone, in person at one of our offices, by email, or by faxing or mailing a letter of inquiry to us.

More...

Investigations

The Department of Insurance reviews and responds to all complaints and inquiries received. If a complaint sets forth allegations that indicates that a licensee may have violated Arizona insurance law, it is assigned to an investigator. Consumers believing that an insurer or insurance agent/producer may have violated the law should submit a written complaint by letter, or on the *Request for Assistance* form available from our website or by calling us.

To obtain any of the services described above, consumers can contact the Department of Insurance by:

- *Visiting our web site at www.id.state.az.us,*
- *Calling toll free 1-800-325-2548 (outside Phoenix), or 602-912-8444 in Phoenix, or (520) 628-6370 in Tucson,*
- *Sending an email request to consumers@id.state.az.us,*
- *Writing to or coming by the Department of Insurance at 2910 N. 44th Street, 2nd Floor, Phoenix, AZ 85018.*

###