

PRESS RELEASE

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ARIZONA DEPARTMENT OF INSURANCE

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Director of Insurance Inspects Insurer Catastrophe Claims Operations in Wildfire Area

The Director of Insurance, Charles R. Cohen, was in Show Low on July 3rd to inspect the on-site catastrophe Claims facilities of the four largest homeowner and auto insurers in Arizona: State Farm, Farmers, Allstate and American Family.

As of July 3rd, these insurers had been in contact with the majority of their policyholders and had opened more than 1,700 claims related to the fires. Insurers expect a relatively small percentage of these claims will prove to be total losses. Claim payments are already being made for eligible living expenses and in some cases, for damages caused by smoke or slurry. The sooner claimants get their inventories of damaged property submitted to their insurance companies, the sooner they can begin receiving payment for destroyed property.

The insurers that Director Cohen visited have one or more catastrophic claims facilities set up in Show Low and in other surrounding areas. The insurers advised that these special facilities and staff will remain in the affected area as long as needed to effectively deliver services related to the fires. Facilities are open 7 days a week, many with extended hours. The insurers or their agents have phone numbers accessible 24 hour a day. If an insured does not know how to reach their insurer, they can call the Department of Insurance for assistance.

“Because of the extraordinary magnitude of this disaster, I felt it was important to get a firsthand look at the catastrophe claims operations of the major property and casualty insurers,” said Director Cohen. “I am pleased to report that I am satisfied and even impressed with the level of commitment and service being delivered to policyholders in the impacted areas. I was glad to see strong evidence that the insurance industry understands its obligation to provide the coverage and service that their customers have paid for and have a right to expect in this time of need.”

At the time of the onset of the Chediski-Rodeo fire, all four of the insurers inspected placed temporary moratoria on new business in the affected areas. However, these companies all indicated they will return to their ordinary underwriting and new business policies as soon as the immediate crisis has passed. Director Cohen said, "I am very concerned about the moratoria placed on new business by insurers in the area of the Chediski-Rodeo fires. A cessation in selling new insurance coverage while a loss is actually occurring is understandable, but should be as temporary and restricted as is absolutely necessary. I was glad to hear from all of the insurer representatives that I spoke with that those moratoria will be short-lived and will be terminated after the immediate crisis is resolved. I remain concerned about the future of the homeowners and fire insurance markets in this area. The Department will monitor the situation closely so we can react as needed as the market after-effects of this fire develop."

The Department of Insurance is a source of information and assistance to the policyholders in this situation. Insurance consumers can reach the Department by phone, fax, mail, email or in person as follows:

Arizona Department of Insurance
2910 N. 44th Street, 2nd Floor
Phoenix, AZ 85018

Phone: (800) 325-2548

(602) 912-8444

Fax: (602) 954-7008

Email: info@id.state.az.us

Web site: www.state.az.us/id

Department of Insurance representatives will continue to visit the impacted areas to be available to insureds who have questions or concerns about their insurance. Dates and location(s) will be announced.

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