

# PRESS RELEASE

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**2001-09**  
**For Immediate Release**  
**October 29, 2001**

### **Department of Insurance Issues** **Improved Auto Insurance Cost Comparisons**

The Autumn 2001 edition of the Arizona Department of Insurance "Automobile Premium Comparison Survey" is available for consumers, Insurance Director Charles R. Cohen announced.

Approximately 90 percent of the personal automobile insurance market in Arizona is represented by the 71 insurers that provided price quotations contained in this 17-page publication. Premiums are quoted for 12 hypothetical insureds of various ages, driving records and vehicle use, and for 10 cities throughout the state. Price quotes are for drivers who live in Phoenix, Scottsdale, Mesa, Glendale, Tucson, Casa Grande, Flagstaff, Nogales, Safford, and Yuma. The survey also includes a list of insurer telephone numbers and information describing basic insurance coverage.

Additionally, the Department of Insurance has redesigned the semi-annual premium comparison publication to include more information and to make it easier to read. For the first time, this publication contains specially developed auto insurance complaint ratio information for each insurer listed. Previously, consumers had to reference separate publications to review insurers' relative prices and relative complaint ratios. Now there is one easy to read pamphlet that gives consumers information about how competitive an insurer's premiums are and how many auto insurance related complaints have been submitted about the insurer to the Insurance Department.

"It is good news for insurance consumers that there is strong competition among auto insurance companies in Arizona," Cohen said. "More than 130 insurance companies actively sell personal automobile insurance in our state, and there is a wide range of products and prices available. This publication is intended to encourage consumers to comparison shop for auto insurance."

Consumers should consider service as well as price, and complaint ratios are one indicator of customer satisfaction. The complaint ratios represent the total number of written complaints regarding auto insurance received by the Department for each 1,000 exposures an insurer has in force. It is important to note that the complaint data contained in this publication do not reflect a determination by the Insurance Department regarding the merits of each complaint. The Department receives many complaints each year but not all complaints prove to be justified upon investigation. However, the ratios are useful when viewed in comparison to each other and to other relevant information about the insurer and its products.

“The information contained in the survey is helpful for prospective insurance purchasers, but I strongly recommend that consumers ask their professional insurance producers about coverage details,” Cohen said. “As always, consumers should read the insurance policy, and should not hesitate to ask questions.”

There are limited reasons for which an insurer is permitted to cancel or non-renew an auto insurance policy under Arizona law. However, consumers should be aware that when you buy a new auto insurance policy or switch to a new insurance company, the auto insurer may cancel the policy for any reason within the first 60 days after the policy becomes effective. Therefore, it is important for shoppers to be accurate and thorough when applying for auto insurance so that the insurer and insurance agent can correctly determine the premium and eligibility for the coverage.

The Insurance Department also publishes “A Consumer Guide to Automobile Insurance”. Both publications are free and are available in English and Spanish on the Insurance Department’s web site at [www.state.az.us/id](http://www.state.az.us/id) or by calling (602) 912-8444 in Phoenix, (520) 628-6370 in Tucson, or statewide 1 (800) 325-2548.