

PRESS RELEASE

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Insurance Regulators Release Results of Survey Showing Uncertainty Among Policyholders

Although most Americans feel they have about the right amount of insurance coverage (67 percent), only 28 percent say they understand the details of the coverage “very well,” according to a recent survey by the National Association of Insurance Commissioners (NAIC).

Survey finds peace of mind, but gaps

To gauge Americans’ understanding and perceptions of their insurance coverage, the NAIC commissioned a national research company to conduct a telephone survey of 1,021 adults. Respondents were asked a range of questions based on the various types of insurance coverage they may have, including life, home, auto, health, personal liability, disability, and others.

When asked about annual reviews of insurance policies, the vast majority (83 percent) feel it is a good idea. The survey found older adults are least inclined to review and update policies yearly.

“It is understandable that reviews are a higher priority during the years when a family is growing,” says Arizona Director of Insurance Charles R. Cohen.

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“But changes in the insurance industry are frequent and significant. Older adults need to be careful that changes that may benefit or disadvantage them are not overlooked.”

For 90 percent of respondents in all age groups, a primary benefit of having insurance is peace of mind. However, not all are convinced their coverage is adequate. Overall, the survey found perceptions of coverage adequacy are linked to a household’s financial resources. Thirty-two percent of households with less than \$15,000 annual income feel they have too little coverage. This drops to 16 percent in households with incomes of \$50,000 or more.

At the same time, the survey found most Americans don’t take advantage of the services offered by their states’ insurance departments. Only half of adults were aware of a specific insurance department in their states — and only 14 percent had ever contacted the department for help.

“Although the survey results suggest that Americans find peace of mind in having insurance, they want to understand it better,” Cohen says. “The Arizona Department of Insurance offers information and tools to help consumers comparison shop for insurance, understand different types of insurance, learn about their healthcare appeal rights and about filing insurance claims and complaints. In addition, we have a pamphlet entitled "A Consumer's Guide to the Arizona Department of Insurance" that describes the available services and activities of the Arizona Department of Insurance. Consumers can obtain our publications by calling us toll free 1-800-325-2548, or in Phoenix at (602) 912-8444, or by visiting our web site at www.state.az.us/id.” Here is a partial list of the publications available from the Department for free (asterisks indicate the publication also is printed in Spanish):

- A Guide to Health Care Appeals.*
- How to Resolve Insurance Complaints.*
- Automobile Premium Comparison Survey, for 12 hypothetical risks.*
- Homeowners’ Premium Comparison Survey, for like homes in Phoenix, Glendale, Mesa, Flagstaff and Tucson.*
- Mobile Homeowners’ Premium Comparison Survey, for the similar risk in Mesa, Tucson and Yuma.

- Personal Lines Complaint Ratios for homeowners and auto insurance.*
- Managed Care Complaint Ratios.
- Consumer Guide to Homeowners' Insurance.*
- Consumer Guide to Automobile Insurance.*
- Fighting Insurance Fraud in Arizona.
- Shoppers Guide to Long-term Care.
- Guide to Health Insurance for People with Medicare.
- A Consumers Guide to Individual Health Insurance.

How consumers can “get smart”

There are several steps consumers can take to get smart about their insurance coverage. It is important for consumers to understand their insurance needs prior to shopping for coverage. There are a number of steps consumers can take to ensure that they make wise insurance purchases:

- Check with the Arizona Department of Insurance for free information about the insurance company, producer and product, prior to purchasing health, life, auto, home, Medicare Supplement, Long-Term Care, or other insurance coverage.
- Schedule a routine “check-up” with your insurance providers at least once a year.
- Inquire about the cost benefit of opting for higher deductibles.
- Ask specifically about discounts for good driving records, good health, good grades, special education, or training.
- Shop around for identical products and services. Not every company charges the same rate or provides the same service.
- Remember: an insurance policy is a legal document. Read it carefully.

"The Arizona Insurance Department is a terrific source of unbiased information about the insurance industry and insurance products," Cohen adds.

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