

PRESS RELEASE

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For Immediate Release

The Wildfire Season Is Upon Us...Is Your Insurance Policy Ready?

Get an insurance check up before you need it!
Fire Prevention Pays Off

The yearly threat of wildfires can serve as a timely reminder to review your homeowners and business insurance policies to ensure sufficient coverage for your property and belongings in the event of a loss.

Arizona residents annually face potential loss of homes and businesses from a variety of natural disasters, including thunderstorms, monsoons, hail, microbursts and wildfires. Last year alone, insurers paid \$80 million to victims of the Aspen fire on Mt. Lemmon and in 2002, insurers paid \$120 million in losses to the victims of the Rodeo/Chediski fires.¹

"Regrettably, the Arizona Department of Insurance (ADOI) heard from families *after* the fires, when it was too late, and they discovered their insurance coverage was inadequate," said Christina Urias, Director of Insurance. "The ADOI encourages all home and business owners, especially those in wooded areas, to get a preventative insurance check-up before the wildfires strike this season."

Getting an Insurance Check Up

An insurance "check-up" is a periodic review of your coverage, Ms. Urias explained. "An annual review of insurance coverage can help prevent unpleasant surprises after a loss occurs. We recommend property owners read their policy, contact their insurance agent, or company, and set a date to review and analyze their coverage needs."

Homeowners insurance usually covers the structure of your home as well as your personal belongings. Director Urias suggests property owners periodically consider the value of their property, and if any improvements (remodeling, additions, etc.) have been made, or if you've acquired significant new personal property (new tools, furniture, appliances, etc.), an insurance check-up is highly recommended.

Other ADOI suggestions include verifying your property's square footage with your insurer and documenting the exterior appearance of your property and its contents with photographs or, a home video tour (and store the video in a safe place, away from home!). "An inventory of your personal belongings will help determine the level of coverage you need and will greatly facilitate claim settlement in the event of a loss," said Director Urias.

ADOI has a [Homeowners' Insurance Check Up Checklist](#) pamphlet to help you get started. Just visit the ADOI website or call (800) 325-2548 to request a copy.

¹ Insurance Services Office, Inc. (ISO).

Home Businesses

Many home-based business owners mistakenly assume ordinary homeowners insurance applies to their business equipment or, perhaps feel that their business is too small to insure.² Home-based business owners should ask their agent about the benefits of a home-business endorsement to their homeowners policy, or an in-home business policy, that would afford protection for their business equipment and provide coverage for financial losses and business interruptions if disaster strikes.

Flood insurance

Floods are more common in Arizona than many realize and hydrologists are concerned about increased flood risks downstream following a wildfire.³

“Flood insurance is available from the federal government⁴ but is sold by licensed insurance agents,” Director Urias said. “Flood insurance covers direct physical losses from severe storms, flash floods, or mudflows. If you are concerned about the risk of flood in your area, contact your agent or insurer for more information. Consumers should keep in mind, there is a 30-day waiting period before flood coverage takes effect.”

Fire Prevention and Preparedness

Home and business owners can reduce the risk of wildfire losses by creating a “defensible zone” around homes and businesses in wooded areas. The ADOI recommends checking your policy for specific requirements, or call your agent or insurer to inquire about policyholder obligations for establishing a safety zone around your home.

For fire prevention and preparedness tips, contact the Institute for Business and Home Safety (www.ibhs.org) and the Arizona Red Cross (www.arizonaredcross.org). For more insurance tips, contact the Arizona Department of Insurance:

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Consumer Resources

Insurance:

Arizona Department of Insurance – www.id.state.az.us

National Flood Insurance Program – www.fema.gov/nfip.

Arizona Insurance Information Association – www.azinsurance.org

Insurance Information Institute – www.iii.org

Independent Insurance Agent & Brokers of America – www.iiaba.org

Disaster Preparedness:

Arizona Division of Emergency Management – www.dem.state.az.us

Arizona Red Cross – www.arizonaredcross.org

Institute for Business and Home Safety – www.ibhs.org

² According to a recent survey conducted by the Independent Insurance Agents & Brokers of America.
www.iiaba.org

³ www.aspenfirerecovery.org

⁴ National Flood Insurance Program (NFIP)- www.fema.gov/nfip