

PRESS RELEASE

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New Insurance Resource for Small Businesses Available *Public Education Effort Helps Small Businesses Understand and Address Business Risks Identified in National Survey*

[Phoenix] — The Arizona Department of Insurance (ADOI) urges Arizona's small business owners to explore and take advantage of the new small business insurance curriculum, *Insure U for Small Business*, now available, free at the online "insurance university" for consumers: www.insureUonline.org/smallbusiness¹ or through direct link from the ADOI website at www.id.state.az.us. The National Association of Insurance Commissioners (NAIC) recently launched this new public service website, which includes six categories of important small business insurance information regarding: workers' compensation, group health and disability, business property and liability, commercial auto, group life and key person life, and home-based business insurance. The quick online quiz allows small business owners and managers to test their insurance knowledge about a variety of important insurance issues.

"As a major engine of Arizona's economy, small business owners should have the right insurance protection in place when misfortune strikes," said Christina Urias, Director of Insurance. "By virtue of their size, small businesses may be more susceptible to long-term financial loss. Having the appropriate insurance available when tragedy strikes could change a "going out of business" sign to a "grand re-opening" welcome. *Insure U for Small Business* is a terrific resource readily available to help those small business owners and managers make more informed decisions about their insurance needs."

Business owners face a variety of risks, some more obvious than others - property damage from storms, theft, and fire, etc. Recent NAIC research revealed that insurance could mitigate serious risk exposures for many small businesses (< 100 employees). Key findings in the NAIC's national research showed:

- Only 59 percent of small businesses with fewer than 20 employees have *workers' compensation* insurance (required by state law).
- Only 35 percent of small businesses have *business interruption* insurance, which covers expenses like payroll and utility bills that often continue after a major event (e.g., a fire or storm) forces a business to close its doors.

¹ Also available in Spanish at <http://www.insureuonline.org/espanol/>

- Only 48 percent of small businesses carry *commercial auto* insurance and some improperly rely on personal auto insurance, which typically excludes business-related liability.
- Among the home-based businesses surveyed, 48 percent depend on their homeowners insurance to protect their businesses, however, most homeowners insurance policies exclude business-related liability claims and do not cover much, if any, business property.

Another educational component of *Insure U for Small Business* is the “Fight Fake Insurance” program. Even the most perceptive business owner can fall prey to sophisticated scam artists selling bogus insurance—often health insurance. *Insure U for Small Business* offers tips on how to avoid these pitfalls and encourages individuals to call their state insurance departments *before* purchasing an insurance policy to confirm that they are dealing with a company or agent/producer authorized to do business in their state.²

To verify the licensure of an insurance agent or company before purchasing a policy, or to ask insurance questions, consumers can contact the ADOI at www.id.state.az.us, consumers@id.state.az.us or (602) 364-2499.

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² English and Spanish public service announcements available on www.insureonline.org.