

PRESS RELEASE

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Arizona Department of Insurance Publishes Comparison of Auto Premiums Throughout the State; Complaint Ratios for Auto, Homeowners Insurers

The Arizona Department of Insurance has published the updated edition of its semiannual "Automobile Premium Comparison Survey" and the complaint ratios for 107 insurers that write approximately 95 percent of all private auto, homeowners and fire insurance in Arizona. Both publications are free.

The premium survey contains quotes for 10 cities: Phoenix, Scottsdale, Mesa, Glendale, Tucson, Casa Grande, Flagstaff, Nogales, Safford and Yuma.

Arizona Insurance Director Charles R. Cohen suggested that consumers review the premium comparisons in conjunction with the complaint ratios when shopping for insurance.

"These publications, when used together, give the consumer a more accurate picture of an insurer's track record on customer satisfaction and prices," Cohen said. "Price is always an important consideration, but consumers should also consider an insurer's reputation for handling claims and policyholder service, and the specific insurance coverages available."

Regarding the premium comparison survey, approximately 90 percent of the personal automobile insurance market is represented by the 69 insurers that provided price quotations contained in the 56-page publication. Premiums are quoted for 12 different hypothetical drivers whose ages, driving records and vehicle use vary.

The comparison survey also includes a list of insurer phone numbers and an information page describing basic insurance coverages.

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“The information page provides a starting point for prospective insurance purchasers, but I strongly recommend that consumers ask their professional insurance agents and brokers about coverage details,” Cohen said. “And, you should read the insurance policy before purchasing it. Don’t hesitate to ask questions.”

The complaint ratios represent the number of written complaints received by the Insurance Department per 1,000 policies each insurer had in force during 1998. Both the total number of policies and written complaints are shown in this publication. Each insurer listed has at least 4,500 policies in force in Arizona.

For the first time, the complaint ratio brochure also is published in Spanish.

Cohen said, “Complaint ratios assist consumers by providing a record of complaints lodged against insurance companies in Arizona. The complaint ratios do not reflect a determination by the Insurance Department regarding the merits of each complaint, but merely represent the total number of written complaints received by the Department against individual companies during 1998.”

Complaint ratios are used by the Insurance Department to identify potential problems requiring regulatory action, which might include an examination of an insurer’s business practices. The ratios help to assess an individual company’s performance over an entire year and to identify developing long-term trends that may have a negative impact on consumers.

The complaint ratio is determined by dividing the number of policies into the number of complaints, and multiplying the answer by 1,000. For example, a company with 20,000 policies against which 15 complaints were filed would have a complaint ratio of 0.75.

Anyone who wants a copy of the complaint ratio or the premium comparison survey may obtain these publications by visiting our web page at <http://www.state.az.us/id> or by calling or writing us at:

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