

PRESS RELEASE

JANE DEE HULL
GOVERNOR



CHARLES R. COHEN
DIRECTOR

ARIZONA DEPARTMENT OF INSURANCE

2910 North 44th Street, Suite 210, Phoenix, Arizona 85018-7256 · (602) 912-8456 · FAX: (602) 912-8452
<http://www.state.az.us/id>

Contact: Don Harris
Public Information Officer
(602) 912-8402

1999-24
For Immediate Release
October 25, 1999

State Insurance Department Oversees Insurance Companies' Ability to Pay Your Claims

The Corporate and Financial Affairs Division of the Arizona Department of Insurance might not sound like it has much to do with consumers, but citizens throughout the state can be assured that it is a vital segment of the agency's consumer-protection role.

Charles R. Cohen, state insurance director, emphasized that every activity of the Insurance Department is geared toward consumer protection.

"We want to make sure that residents of rural Arizona are aware of the services we provide," Cohen said. "The overall mission of the Corporate and Financial Affairs Division is to determine whether your insurance company is operating in a fiscally sound manner and has the assets available to pay your claims, and to take prompt corrective action if there is a problem."

The Corporate and Financial Affairs Division, under the supervision of Chief Examiner Gary Torticill, is comprised the Examinations, Financial Surveillance, Compliance and Data Management sections. They coordinate their efforts to monitor compliance with Arizona's insurance laws and regulations regarding the solvency of the more than 2,000 insurance companies authorized to do business in Arizona.

Once every three to five years the Examinations Section conducts a financial review and audit of each insurer domiciled in Arizona. During 1998, 137 financial examinations were completed and 70 others were in progress at the end of the year.

The Financial Services Section, working closely with the Examinations Section, focuses primarily on early detection of possible solvency problems of insurance companies.

-more-

“As a consumer, you are entitled to have confidence that the insurer you deal with is in solid financial shape and will not go out of business before you file a claim,” Cohen said. “Often, the filing of an insurance claim stems from a traumatic experience. The last thing you need is to find out that your insurance company is broke.”

The Compliance Section coordinates the collection of insurance premium taxes and fees, which in 1998 totaled approximately \$145 million. This section also responds to requests from the public for records maintained by the Insurance Department on specific companies. All financial reports required by law, including quarterly and annual statements, are maintained by this section.

Monetary penalties are assessed against insurance companies that fail to comply with legal reporting requirements.

“Residents of communities throughout Arizona can be assured that the Insurance Department is closely monitoring the financial viability of every insurance company doing business in our state,” Cohen said.

Consumers who have a question or a complaint regarding insurance are encouraged to write to the Arizona Department of Insurance at 2910 N. 44th St., Phoenix, AZ 85018, or call (602) 912-8444 or toll-free (1-800) 325-2548.