



IMMEDIATE RELEASE

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INSURANCE COMPANIES PROVIDING ASSISTANCE TO SOUTHERN CALIFORNIA FIRE VICTIMS

SAN BERNARDINO -- Insurance industry representatives today reported that a vast majority of last year's Southern California fire victims have settled their claims and received nearly \$1 billion from their insurers, according to a recently released survey.

The survey results were released as the California Department of Insurance (CDI) begins a series of town hall meetings to hear from fire victims in San Bernardino and San Diego counties. The first hearing is today (April 19) at Bing S. Wong Lecture Hall in San Bernardino.

Representatives of major insurance companies as well as three insurer trade associations will be on hand at the hearings to answer questions from the commissioner and policyholders. The trade groups are: the Association of California Insurance Companies (ACIC), the Personal Insurance Federation of California (PIFC) and the American Insurance Association (AIA).

The three associations reported that the Insurance Information Network of California (IINC) surveyed insurance companies that write 66 percent of the California homeowners insurance market. The survey which concluded on April 12, 2004 found that 84 percent of homeowner policyholders who filed claims from last year's fires have been settled. Out of 12,902 claims filed, 10,811 have been settled, resulting in more than \$751,697,999 being paid by insurance companies.

ACIC President Sam Sorich said that according to the Insurance Services Office (ISO), an insurance industry organization that compiles and analyzes insurance statistics, more than 19,100 insurance, homeowners, auto and commercial insurance claims were filed following the fires, and projects that insured losses will ultimately total \$2.04 billion.

Sorich noted that the large number of claims paid and settled thus far is an excellent example of how companies have effectively employed their teams of adjusters, claims personnel and community liaisons to help their policyholders to begin the rebuilding process.

Dan Dunmoyer, president of PIFC, said that insurers will be available at the CDI hearings to answer questions from the public and insurance commissioner. "Each of the insurance companies has personnel working directly with their policyholders on a one-on-one

basis to help settle claims in an efficient manner and to get those who have suffered losses from the fires back in their homes and able to resume their lives as quickly as possible.

“The CDI is the source of record for reporting any insurance complaint related to the fires,” Dunmoyer said. “As of April 13, the CDI reported to us that it had received only 200 homeowners complaints. Without filing a complaint with the CDI, there is no accurate way to determine the extent of any given problem,” Dunmoyer added.

“Homeowners should exhaust all efforts to settle claims with their insurance companies first. If it cannot be worked out, then a complaint should be filed with the CDI. However, if policyholders engage attorneys, the policyholders lose the ability to work directly with their insurance companies and attorneys will collect fees. These fees can range from 30 to 50 percent of their settlement and policyholders could end up with less than what the insurance company initially offered,” Dunmoyer explained.

Ken Gibson, vice president, AIA, encourages all policyholders to also take into account all of the coverages within their homeowners insurance policies. “Homeowners insurance coverage is for reconstruction of homes, not for the land on which the home is built. Many times, insureds may take the amount paid for their home as the cost to rebuild. That is not the case,” explained Gibson, “because there are additional coverages such as debris removal, landscaping and upgrade coverages that will be added in the settlement process. All of the coverages combined equal the total amount that can be paid, not just the dwelling coverage amount. The total can easily be ascertained by working with your insurance company and/or agent,” he added.

Insurers and insurance agents attending the meeting will also be available to answer any questions. “Companies and agents do not want policyholders to pay more than is necessary-- thus they would be overinsured--nor do they want policyholders to be underinsured,” ACIC, PIFC and AIA concluded.