

Hearings begin today

Statewide hearings on rates and the unavailability of fire insurance have been scheduled for January 19, 20, 21 and 24 by the Division of Insurance.

(Continued on Page 10)

Insurance hearings...

(Continued from Page 1)

According to Director Richard Block, preliminary findings point to instances of discrimination in bush areas and questionable rating criteria statewide for residential and commercial fire insurance.

"We have received a substantial number of complaints about redlining in bush communities and areas surrounding Fairbanks. In some cases, homeowners who are unable to obtain insurance have had mortgages foreclosed," Block said. Block explained that owners of log homes also have difficulty obtaining insurance because of extremely high costs of repair compared to conventional homes.

Block explained that residential insurance rates are primarily based on such factors as the location of fire hydrants and the distance, availability and quality of fire departments. These factors determine an area's protection class. "It appears that in many cases, the differences between protection classes are not that distinctive; yet the rates are much higher," Block said. "In addition, our findings indicate the loss ratios appear to be lower than normally expected in 'unprotected' classes. Therefore, the validity of higher premiums is questionable," he said.

"We also anticipate increasing problems with mobile home

insurance as some companies have already experienced substantial losses. We believe many of these losses can be attributed to arson and expect the trend to increase as pipeline activity declines," Block said.

The hearings, all scheduled for 9 a.m., will be held January 19 at the Anchorage Pioneer School House, January 20 and 21 at the Fairbanks Borough Assembly Offices, and January 24 at the Sitka Centennial Building.