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Commercial Property Insurance Carriers Don't Issue Policies on Time
Brokers and Buyers Fear the Financial Impact of this Issue on Their Businesses

San Diego—April 20, 2004—Brokers and buyers say commercial property insurance carriers need to improve the timeliness and accuracy of policy issuance. According to the latest results of research conducted by Allianz Global Risks US Insurance Company, 50 percent of brokers say that poor policy issuance has caused them to recommend that their clients look elsewhere for coverage.

In looking at improvements made over the last three years in policy issuance, 90 percent of brokers and buyers say the problems of accuracy and timeliness have not changed. And 65 percent of respondents have concerns about the future financial impact that poor policy issuance may have on their businesses.

While 96 percent of brokers and buyers say that it is "very important" or "somewhat important" for carriers to provide a detailed, direct and clear explanation of their final position, more than half say this happens only "occasionally" or "rarely."

While the industry is concerned about the financial impact poor policy issuance will have on their business, only 23 percent of buyers are actually changing carriers due to this concern.

"The complacency around carrier switching over poor policy issuance is concerning," says Eric Joost, senior vice president of business management for Allianz Global Risks US. "Consider the impact of timeliness. The World Trade Center tragedy underscores the need for timely policy issuance. Of the two dozen carriers involved in the World Trade Center's multi-layered insurance program, only a small fraction of policies were issued."

Chris Mandel, chief risk officer for the Risk Insurance Management Society's Quality Advisory Council, isn't surprised by these findings. "The service issues challenging our industry can be addressed with tools designed for buyers, brokers and now carriers," he says. "The RIMS Quality Improvement Program is one significant way that the industry can come to a better understanding of expectations and enhance service levels."

The RIMS Quality Improvement Program is a set of performance expectation guidelines for handling business between clients and industry partners.

About the Survey

The survey, which is taking place at the RIMS 2004 Annual Conference and Exhibition, will end today. The research is part of a company-wide initiative at Allianz Global Risks US to lead the industry in acknowledging, addressing and solving chronic problems that have plagued the industry for years.

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Today's respondents included 202 corporate buyers and brokers of commercial property insurance from a broad cross-section of industries. Eighty three percent are based in North America, and 42 percent work at companies with more than \$1 billion in annual revenues. A final wrap-up report of all survey results will be available from Allianz Global Risks US in June 2004.

About Allianz Global Risks US

Allianz Global Risks US Insurance Company is a leading carrier for large corporations and government institutions. Allianz has regional offices in New York, Los Angeles, Chicago, Houston and Atlanta. It is the United States unit of Allianz Global Risks—the international industrial insurance carrier of the Allianz Group. As one of the largest providers of international corporate insurance, Allianz Global Risks provides coverage for the majority of Fortune 500 companies through its corporate risk management products and services. Allianz Group, one of the leading global financial service providers, offers a broad range of products and services to its 60 million clients in over 75 countries. Visit www.allianzglobalrisks.com/us for more information.

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