

A REPORT TO THE LEGISLATIVE COUNCIL
AND THE SENATE AND HOUSE COMMITTEES
ON INSURANCE AND COMMERCE OF THE
ARKANSAS GENERAL ASSEMBLY
(AS REQUIRED BY ACT 1345 OF 2003)

ANNUAL FIRE LOSS REPORT
BY ARKANSAS COUNTY



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Arkansas Insurance Department

Approved by: Jay Bradford, State Insurance Commissioner

Date Submitted: August 1, 2014

ANNUAL REPORT REGARDING THE FIRE LOSS REPORTING ACT (Act 1345 of 2003)

Act 1345 of 2003 (Ark. Code Ann. § 23-88-401 *et seq.*) made the following determination:

It is found and determined by the General Assembly of the State of Arkansas that fire is the leading cause of insurance loss in the state; that the number of deaths due to fire are a major economic burden to the citizens and counties of this state; and that specific county by county fire loss data will help the counties better evaluate the preparedness and effectiveness of their fire fighting capabilities.

Attached hereto and incorporated herein by reference is the annual data compilation for calendar year 2013, required by the Act (Exhibit A).

Fire loss is one of many different kinds of losses a homeowner or business owner could suffer that would be covered by one of a variety of property coverages offered by insurers in our State. Results for 2013 vary by county and by insurer, but overall pure loss ratios from fire were approximately 23.39% for homeowner related coverages and 70.31% for commercial coverages. There are many other types of losses NOT included in this report that may be covered by the various property policies and include:

- | | |
|--|--|
| 1 Debris Removal | 16 Riot or Civil Commotion |
| 2 Reasonable Repairs | 17 Aircraft |
| 3 Trees, Shrubs and Other Plants | 18 Vehicles |
| 4 Fire Department Service Charge | 19 Smoke |
| 5 Property Removed | 20 Vandalism or Malicious Mischief |
| 6 Credit Care, Electronic Fund Transfer, Forgery | 21 Theft |
| 7 Loss Assessment | 22 Falling Objects |
| 8 Collapse | 23 Weight of Ice, Snow or Sleet |
| 9 Glass or Safety Glazing Material | 24 Accidental Discharge or Overflow of Water or Steam |
| 10 Landlord's Furnishings | 25 Sudden and Accidental Tearing Apart, Cracking, Burning or Bulging |
| 11 Ordinance or Law | 26 Freezing |
| 12 Grave Markers | 27 Sudden and Accidental Damage from Artificially Generated Electrical Current |
| 13 Lightning | 28 Volcanic Eruption |
| 14 Windstorm or Hail | 29 Liability |
| 15 Explosion | |

The data in the aggregate¹ indicates that there is no apparent significant connection between fire losses and either the number of residences (policies written) or the number of businesses (policies written) contained in the county.

¹ Act 1345 requires that the data submitted by the insurers be reported by the Commissioner in the aggregate, Ark. Code Ann. § 23-88-402(b) and that the individual reports of the insurers be held confidential by the Commissioner, Ark. Code Ann. § 23-88-403.

Exhibit A
Act1345 Report for 2013 by County

County*	Personal Policies	Personal Premiums	Personal Losses	Fire Pure Loss Ratio	Average Pure Loss Per Policy	Commercial Policies	Commercial Premiums	Commercial Losses	Fire Pure Loss Ratio	Average Pure Loss Per Policy
Arkansas	11088	9272814	2530596	27.29%	\$228.23	2015	3270013	637564	19.50%	\$316.41
Ashley	8527	6520204	1797316	27.57%	\$210.78	863	1727047	69889	4.05%	\$80.98
Baxter	23167	15375464	3974498	25.85%	\$171.56	2435	3114286	288417	9.26%	\$118.45
Benton	95370	70445577	13692666	19.44%	\$143.57	10135	16501609	1953493	11.84%	\$192.75
Boone	16315	11857229	3317250	27.98%	\$203.33	1938	2649288	50280645	1897.89%	\$25,944.61
Bradley	5370	3472274	964690	27.78%	\$179.64	518	745790	327979	43.98%	\$633.16
Calhoun	2215	1405790	353405	25.14%	\$159.55	190	358834	69134	19.27%	\$363.86
Carroll	11186	9330702	1638215	17.56%	\$146.45	1925	3290814	473345	14.38%	\$245.89
Chicot	6950	5110123	1743587	34.12%	\$250.88	689	1377826	154752	11.23%	\$224.60
Clark	9453	6198258	1732075	27.94%	\$183.23	1107	2347525	542592	23.11%	\$490.15
Clay	6551	5028404	937790	18.65%	\$143.15	820	1675805	715992	42.73%	\$873.16
Cleburne	16529	11866717	3078974	25.95%	\$186.28	1517	2177913	730792	33.55%	\$481.74
Cleveland	3667	2532636	553547	21.86%	\$150.95	281	498609	193158	38.74%	\$687.40
Columbia	10069	6603065	1199586	18.17%	\$119.14	1117	1754848	65701	3.74%	\$58.82
Conway	10326	7418760	1764286	23.78%	\$170.86	1060	1559475	241331	15.48%	\$227.67
Craighead	36505	28533888	6170366	21.62%	\$169.03	5447	9266970	729774	7.88%	\$133.98
Crawford	23763	17198445	4358357	25.34%	\$183.41	2247	4214186	730784	17.34%	\$325.23
Crittenden	17229	13713232	2791842	20.36%	\$162.04	2062	3359820	789700	23.50%	\$382.98
Cross	7151	6116432	909946	14.88%	\$127.25	923	1837819	61799467	3362.65%	\$66,955.00
Dallas	3327	2060318	698021	33.88%	\$209.80	358	558660	0	0.00%	\$0.00
Desha	5052	4875242	897147	18.40%	\$177.58	785	1735919	118574	6.83%	\$151.05
Drew	7509	5128733	734202	14.32%	\$97.78	877	1641638	164154	10.00%	\$187.18
Faulkner	43525	31788371	6110404	19.22%	\$140.39	4981	7877953	347058	4.41%	\$69.68
Franklin	8016	5537296	1438051	25.97%	\$179.40	794	1349788	598901	44.37%	\$754.28
Fulton	5446	3455483	1172453	33.93%	\$215.29	419	529311	203679	38.48%	\$486.11
Garland	50125	36062321	8928438	24.76%	\$178.12	5073	8278749	1649539	19.92%	\$325.16
Grant	7863	5383388	1044716	19.41%	\$132.86	626	905640	456127	50.37%	\$728.64
Greene	18022	11917593	2567241	21.54%	\$142.45	2135	3263252	6474404	198.40%	\$3,032.51
Hempstead	8126	5789942	1285745	22.21%	\$158.23	1053	1699487	43530	2.56%	\$41.34
Hot Springs	13199	8773969	2544391	29.00%	\$192.77	997	1727711	349003	20.20%	\$350.05
Howard	6884	4817371	1092531	22.68%	\$158.71	723	1194217	2019761	169.13%	\$2,793.58
Independence	15555	10448274	2868428	27.45%	\$184.41	1957	3040249	1016875	33.45%	\$519.61
Izard	7038	4451590	1898140	42.64%	\$269.70	555	723955	34845	4.81%	\$62.78
Jackson	6197	5419099	1886598	34.81%	\$304.44	957	1233714	653404	52.96%	\$682.76
Jefferson	25328	18887853	4261028	22.56%	\$168.23	3032	5159304	811740	15.73%	\$267.72
Johnson	9678	6693373	1746899	26.10%	\$180.50	984	1564470	32357	2.07%	\$32.88
Lafayette	2880	2053017	168669	8.22%	\$58.57	350	462093	1690	0.37%	\$4.83
Lawrence	7527	5364029	1283541	23.93%	\$170.52	840	1387229	38737	2.79%	\$46.12
Lee	3153	3374088	1025100	30.38%	\$325.12	392	788201	19212	2.44%	\$49.01
Lincoln	4635	3742162	435068	11.63%	\$93.87	534	928480	16291	1.75%	\$30.51
Little River	5543	4064969	1307091	32.16%	\$235.81	513	956723	24638	2.58%	\$48.03
Logan	10097	6762103	2281231	33.74%	\$225.93	972	1453569	146067	10.05%	\$150.27
Lonoke	31079	23776854	5428554	22.83%	\$174.67	3077	3141410	1729300	55.05%	\$562.01
Madison	5609	4254977	1833258	43.09%	\$326.84	582	1152624	66225	5.75%	\$113.79
Marion	7773	5512638	1266900	22.98%	\$162.99	716	1244877	182570	14.67%	\$254.99
Miller	15721	11783303	1916864	16.27%	\$121.93	1410	3050842	489702	16.05%	\$347.31
Mississippi	15344	13562209	5176968	38.17%	\$337.39	1895	5740587	1664952	29.00%	\$878.60
Monroe	4038	4079345	2473625	60.64%	\$612.59	556	985292	18438	1.87%	\$33.16
Montgomery	4614	3106241	672130	21.64%	\$145.67	401	636209	12699	2.00%	\$31.67
Nevada	3846	2290108	993441	43.38%	\$258.30	336	482921	82726	17.13%	\$246.21
Newton	2914	2081122	884019	42.48%	\$303.37	299	319914	203868	63.73%	\$681.83
Ouachita	10544	6719440	1614724	24.03%	\$153.14	1037	2632282	796901	30.27%	\$768.47
Perry	4494	3052755	698343	22.88%	\$155.39	421	422138	18077	4.28%	\$42.94
Phillips	7651	7149198	2692666	37.66%	\$351.94	1057	2332566	391314	16.78%	\$370.21
Pike	5287	3660350	1353330	36.97%	\$255.97	517	862667	3142	0.36%	\$6.08
Poinsett	9532	8896213	2524862	28.38%	\$264.88	994	1566511	349631	22.32%	\$351.74
Polk	9358	6857464	2045436	29.83%	\$218.58	1015	1796993	604954	33.66%	\$596.01
Pope	23668	17490978	2822779	16.14%	\$119.27	3343	4943474	2366857	47.88%	\$708.00
Prairie	4348	3487498	926699	26.57%	\$213.13	502	605484	221164	36.53%	\$440.57
Pulaski	155279	128271361	25731298	20.06%	\$165.71	19960	44344036	9790699	22.08%	\$490.52
Randolph	8074	4864732	1199665	24.66%	\$148.58	607	1042097	1465732	140.65%	\$2,414.71
Saline	42522	32625766	7857766	24.08%	\$184.79	3251	4367438	389720	8.92%	\$119.88
Scott	6072	3952864	1477872	37.39%	\$243.39	850	1555234	295299	18.99%	\$347.41
Searcy	3806	2579287	1121842	43.49%	\$294.76	484	745243	43136	5.79%	\$89.12
Sebastian	43882	31522559	7325318	23.24%	\$166.93	5656	9412018	803203	8.53%	\$142.01
Sevier	8015	6235777	508185	8.15%	\$63.40	1055	2264426	31753	1.40%	\$30.10
Sharp	9830	6333407	1380919	21.80%	\$140.48	877	994282	70736	7.11%	\$80.66
St. Francis	7917	5108192	1910771	37.41%	\$241.35	1070	1708849	1043232	61.05%	\$974.98
Stone	5821	5372646	2096919	39.03%	\$360.23	751	955082	44564	4.67%	\$59.34
Union	16710	12270004	2660189	21.68%	\$159.20	2037	6985118	4564822	65.35%	\$2,240.95
Van Buren	8077	5985481	4351958	72.71%	\$538.81	1093	1296461	556272	42.91%	\$508.94
Washington	72293	53507270	7307095	13.66%	\$101.08	9876	17135308	2416806	14.10%	\$244.72
White	31727	22015483	5183797	23.55%	\$163.39	4006	5620915	2597836	46.22%	\$648.49
Woodruff	3438	3184112	682559	21.44%	\$198.53	482	729862	851248	116.63%	\$1,766.07
Yell	8429	6116376	1464389	23.94%	\$173.73	886	1211467	289341	23.88%	\$326.57
Totals	1,193,868	892,556,608.00	208,769,265.00	23.39%	\$174.87	138,295	242,473,416.00	170,472,014.00	70.31%	\$1,232.67

* See attached "Explanations of Column Headings" for descriptions of the information contained in each column

Red text Fire Losses ABOVE State Average

Green text Fire Losses BELOW State Average

Explanation of Column Headings:

County: The political subdivision of the State of Arkansas for which the relative information required by Act 1345 of 2003 was furnished by the reporting insurance companies

Personal Policies: Policies of insurance covering only risks commonly associated with owning or renting a family residence such as those from fire, vandalism, theft, liability and other sudden and accidental events

Personal Premiums: Premiums for personal policy risks

Personal Losses: Losses for personal policy risks that derive only from the risk of fire. A typical loss ratio including all losses for an insurance policy along with the cost to investigate the loss, settle the claim and otherwise administer the policy usually exceed 100% with the excess being offset by investment and marketing considerations. Fire is typically a small portion of that total amount as reflected in the report. Therefore, for purposes of the Act, the following risks typically covered by a personal policy are NOT included in the column "Personal Losses":

- | | |
|--|--|
| 1 Debris Removal | 16 Riot or Civil Commotion |
| 2 Reasonable Repairs | 17 Aircraft |
| 3 Trees, Shrubs and other plants | 18 Vehicles |
| 4 Fire Department Service Charge | 19 Smoke |
| 5 Property Removed | 20 Vandalism or Malicious Mischief |
| 6 Credit Card, Electronic Fund Transfer, Forgery | 21 Theft |
| 7 Loss Assessment | 22 Falling Objects |
| 8 Collapse | 23 Weight of Ice, Snow or Sleet |
| 9 Glass or Safety Glazing Material | 24 Accidental Discharge or Overflow of Water or Steam |
| 10 Landlord's Furnishings | 25 Sudden and Accidental Tearing apart, Cracking, Burning or Bulging |
| 11 Ordinance or Law | 26 Freezing |
| 12 Grave Markers | 27 Sudden and Accidental Damage from Artificially Generated Electrical Current |
| 13 Lightning | 28 Volcanic Eruption |
| 14 Windstorm or Hail | 29 Liability |
| 15 Explosion | |

Fire Pure Loss Ratio: For the Personal portion of the report, this ratio is determined by dividing the "Personal Losses" by "Personal Premiums". For the Commercial portion of the report, this ratio is determined by dividing "Commercial Losses" by "Commercial Premium."

Average Pure Loss Per Policy: For the Personal portion of the report, this ratio is determined by dividing "Personal Losses" by "Personal Policies". For the Commercial portion of the report, this ratio is determined by dividing "Commercial Losses" by "Commercial Policies."

Commercial Policies: Policies of insurance covering only risks commonly associated with the ownership or leasing of property in which a business produces, distributes or sells tangible goods to, or provides a service to its customers

Commercial Premiums: Premiums for commercial policy risks

Commercial Losses: Losses for commercial policy risks that derive only from the risk of fire. A typical loss ratio including all losses for an insurance policy, along with the cost to investigate the loss, settle the claim and otherwise administer the policy, usually exceed 100% with the excess being offset by investment and marketing considerations.

Fire is typically a small portion of that total amount as reflected in the report. Therefore, for purposes of the Act, the following risks typically covered by a commercial policy are NOT included in the column "Commercial Losses":

- | | |
|---|---|
| 1 Debris Removal | 16 Riot or Civil Commotion |
| 2 Reasonable Repairs | 17 Aircraft |
| 3 Trees, Shrubs and other plants | 18 Vehicles |
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