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Dear Select Board,

Thank you for your time considering this article about Arlington's insurance premiums and claims.

The purpose of this article is to learn the facts about Arlington's homeowner and auto insurance costs, including the costs and causes of claims as well as premiums.

Below is a discussion of estimated insurance costs, based on information from the Insurance Information Institute and US World News. Insurance commands an enormous cash flow that comes straight out of our pockets. Information about costs and causes of claims seem cordoned off from public knowledge, and the process appears extremely inefficient. The public has grown too sophisticated to tolerate this apparent waste without question.

Therefore I am asking the Town to vote for an examination of our insurance costs. Should the insurance process be consolidated?

I hope to begin a discussion to reimagine how insurance is managed. Perhaps the mission statement of insurance should be "to inform and motivate people about causes of claims, and to provide revenue to pay for both claims **and prevention services**.

There is in fact a real possibility that insurance could become a source of revenue. The rationale is that insurance dollars should pay for at least some of our prevention expenses, such as the police and fire departments.

Several sources, such as US World News, report that the average cost of auto insurance in our State is over \$1000, suggesting that Arlington's aggregate auto insurance cost of our 32,000 cars might be about \$32 million. Where does all this money go? What are the main causes of accidents?

Regarding homeowner insurance:

Arlington has about 8000 single family houses, three thousand two family houses, and about 210 three family houses. Their total insurance cost may be around \$15 million, if the average cost for each unit is \$1000. But who really knows? It is just not the norm for the public to be aware of what is really rather basic information.

In the information age, there is no need to be left in the dark about such questions.

Let's look at the information I have been able to find.

The next page summarizes the reports to the Town of property insurance claims over \$1000, for the year 2016. The State of Massachusetts requires each insurance company to file these reports with each town in the Commonwealth.

Summary of property insurance claims for Arlington MA: calendar year 2016

Insurance Company	Total Claims	# specified type of loss	% specified
Amica	4	4	100%
Arbella Insurance Group	18	0	0%
Commerce Insurance Company	31	28	90%
Mapfre	18	0	0%
Integon National Insurance Company	1	0	0%
Main Street America Group	2	2	100%
Merrimac Mutual Fire Insurance Company	3	2	67%
Met Life	11	0	0%
MPIUA (Massachusetts Property Insurance Underwriting Association)*	15	12	80%
NLC Insurance Companies	3	0	0%
Norfolk and Dedham Mutual Fire Insurance Company	9	9	100%
Providence Mutual	1	0	0%
Safety Insurance	18	0	0%
Travelers Casualty Insurance Company	18	0	0%
USAA Casualty Insurance Company	4	0	0%
Vermont Mutual Insurance Company	4	4	100%
New England Claims Service**	10	10	100%
Samuel F McCormack Company**	22	22	100%
Total	192	93	48%
Total Claims not specified		99	52%

*** Insurer of last resort in Mass for high risk property or individuals filing many claims**

**** insurance adjuster; do not specify insurance company**

Specified Losses by Type	#
Water	37
Water related to plumbing	13
Mold	2
Ice and snow	4
Wind	13
Collapse	1
Fire	1
Theft & vandalism	2
Losses related to vehicles	3
Sewerage	3
Freeze	5
Building/other structural damage	9
Total Losses specified	93

Explanation: For example, Amica reported to the Town of Arlington a total of four property insurance claims for over \$1000 during 2016. Amica reported the cause of each of these claims, so that 100% of Amica’s claims featured the cause.

In contrast, Arbella reported 18 such claims, and did not report the cause for any of them.

All of the reported causes are of very few words - - the 37 reports recorded here as water, only say that one word - “water.”

This summary only shows one insurance claim caused by “fire.” There likely were other fire-related claims among the 99 reports that omitted the cause.

For there to be only one reported incidence of fire loss is remarkable, because the fire department responded to “129 calls for fires,” according to the 2016 Report to Town Meeting. I wonder how many of the 129 “calls for fire” included the beginnings of fires that the department extinguished, how many were for calls that turned out to be an oil furnace doing a “puff back” {my furnace did that once, and I called the fire department}, and so on.

By literally putting out so many fires, how many insurance claims were prevented?

It is noticeable that of these 192 reports, 99 do not include the cause. I do not know if the law requires the cause to be included.

Clearly the insurance companies are not motivated to share more specific information, such as total costs, or the actual causes of losses.

The police and fire department provide interesting information about their work in the Annual Report to Town Meeting. From page 38 of the 2016 Report to Town Meeting:

“During 2016 the AFD {Arlington Fire Department} responded to 5205 calls for assistance, increase of 3% from 2015. **Reported dollar loss for 2016 totaled \$3,186,677. This includes structure and hazardous condition incidents.** Of these 5205 calls, 3177 were for medical emergencies. Medical emergencies include emergency medical responses and emergency medical assists. Rescue 1, the AFD ambulance, transported 1792 patients to area hospitals.

Note the contrast: “reported dollar loss totaled \$3,186,677 “- - compared to the total that we paid as a community in premiums, which was.....who knows? \$15 million is a very low guess.

Immediately after this paragraph is a table of “Reponses Fire Call Type.” For each of the years 2013 to 2016, several categories are reported, such as, in 2016: 129 calls to fires, 111 to carbon monoxide activations, 75 for water hazards, 31 for mutual aid {I think this means sending help to other towns,} 44 lock out/in, 218 electrical hazards/down lines, 174 for motor vehicle accidents, 44 smoke scares, 107 natural gas emergencies, 36 flammable liquid hazards, 77 hazardous conditions, 235 other, 3,068 emergency medicals, and two others.

The Police Department chapter of the Annual Report of 2016 includes similar information, but without a financial valuation of loss. On page 32:

Traffic Unit

During 2016, the Police Department responded to 807 motor vehicle crashes. That represents a decrease of 14% from 942 crashes responded to in 2015. Of that number 86 were hit and runs (-33%), 595 were crashes without injuries (-11%), and 96 were crashes with injuries (-9%).

There were no motor vehicle crashes that resulted in a fatality during 2016.

Over 2,500 motor vehicles were stopped by the Department. This resulted in citations being issued for 2,737 violations. The most common violations cited were for speeding, failure to stop at red lights/stop signs, crosswalk violations, and motor vehicle equipment violations.

Again, thank you for your time considering this first step to learn the facts about insurance in the Town of Arlington.

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