

## **We're Covered! Fire Insurers Say They Can Handle Claims**

<http://www.nbclosangeles.com/news/business/Were-Covered--Fire-Insurers-Claim-.ht...>

LOS ANGELES- Experts say insurance companies are sufficiently well capitalized to handle the flood of claims that will arise from the Southland's latest wildfires, it was reported today.

"The majority of those who lost their homes do not need to worry about the solvency of companies they're insured with," Amy Bach, executive director of United Policyholders, a San Francisco advocacy group, told the Los Angeles Times. "They're all reasonably solvent and perfectly capable of covering all these claims."

After years of booming profits and a general aversion to risky investments within the property casualty arms of their companies, insurers are well capitalized to handle the latest fire claims and are not as vulnerable as other financial institutions, several experts told The Times. Even American International Group Inc., the massive insurer that needed a \$150 billion federal bailout from losses stemming from the real estate crash, said it was comfortably honoring its policies, The Times reported.

"AIG's insurance companies are well-capitalized, separate legal entities that are regulated by the states," Peter Tulupman, a company spokesman, told The Times. "AIG's issues have not altered our underwriting process or ability to write risks."

But Doug Heller, executive director of Consumer Watchdog, told The Times he believes insurance companies are understating their investment losses after the subprime meltdown and will eventually try to recover those losses by raising rates.