

Business Insurance[®]

P/C rates fell 12% in April: MarketScout

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DALLAS—Commercial property/casualty rates dropped 12% overall in April compared to a year earlier, according to MarketScout.

The Dallas-based electronic insurance exchange reported late Monday that workers compensation rates fell the most with a 13% drop, while surety fell the least with a 4% decrease. Overall rates dropped for all size accounts, according to MarketScout.

“Insurers continue to aggressively seek new business by broadening coverages and decreasing premiums,” said Richard Kerr, MarketScout’s chairman and chief executive officer, in a statement accompanying the monthly report. “Only the most disciplined, mature companies are maintaining a moderate approach.”

He added that some new insurers “justify their low rates by assuming the premium volume will at least help amortize their expenses and perhaps they will even get lucky and generate a profit.” He called that approach “a very dangerous game indeed.”

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