

WEEKLY NEWS - 9 October 2008

US rates fall 10% in September, but financial crisis may halt declines

The effects of the global financial crisis may start to greatly hit US property/casualty premium rates later this month, according to a study by The National Alliance for Insurance Education and Research, an online insurance exchange.

MarketScout data reveal there has been a 10% decrease in US property/casualty rates over September. But the exchange says prices could soon be adjusted as a result of the financial crisis.

Richard Kerr, MarketScout's chief executive officer, said: "The impact of the financial collapse of name brand banks, insurers and other companies is pending. We may start seeing rating adjustments in October. Terms and conditions for most policyholders had already been agreed in September, prior to the market collapse."

MarketScout corroborates its data by working with The National Alliance for Insurance Education and Research to conduct in-person surveys.

The rate changes by coverage class in September were:

- Commercial property: -12%
- Business interruption: -9%
- BOP: -13%
- Inland marine: -8%
- General liability: -10%
- Umbrella/excess – 9%
- Commercial motor: -10%
- Workers' compensation: -6%
- Professional liability: -9%
- D&O liability: -8%
- EPLI: -9%
- Fiduciary: -7%
- Crime: -8%
- Surety: -7%