

## MarketScout Finds Most Insurance Prices Drop

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The average for commercial property-casualty prices showed a 6 percent decline in January, according to an online wholesale insurance marketplace.

MarketScout, issuing its monthly report on rates, said despite predictions of a return to a hard market by analysts, the p-c market shows no signs of hardening overall, though some lines exhibited price increases.

“After the worst insured hurricane season on record pummeled the industry with over \$50 billion in losses, many of the insurance industries’ well respected analysts predicted a tightening market,” said Richard Kerr, chairman and chief executive officer of Dallas-based MarketScout.

“Our data simply never supported the return to a hard market. As of late January 2006, everyone has started to agree, barring an unusual event, a hard market is not going to happen, at least not in the first half of 2006,” Mr. Kerr continued.

MarketScout said the data showed little change in pricing between December 2005 and January, except for property and business income.

According to the wholesaler, only commercial property and business income showed any sign of increase, with 3 and 2 percent increases, respectively.

General liability and workers’ compensation lead the downward trend, down 8 percent, followed by professional liability with a 6 percent decline, and umbrella/excess down 5 percent. Inland marine, commercial auto and fiduciary dropped 2 percent, while employers professional liability insurance was down 1 percent. Directors and officers liability, crime and surety were flat.

By account size, jumbo accounts with premium over \$1 million lead the downward trend at 12 percent. Both medium size accounts (premium from \$25,001 to \$250,000) and large accounts (\$250,000 to \$1 million premium) were down 7 percent. Small accounts of up to \$25,000 premium showed a 6 percent decline.

By industry class, MarketScout said energy showed significant increases up to 10 percent. Public entity classes were up 4 percent, habitational increased by 3 percent and transportation was up 1 percent.

Exhibiting downward trends were the service industry, down 7 percent; manufacturing, down 5 percent; and contracting, down 3 percent.