

BUSINESS INSURANCE.

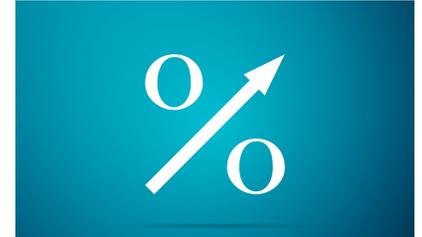
US commercial prices rise in Q2: MarketScout

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Judy Greenwald

The U.S. composite commercial property/casualty rates increased to 4.8% in the second quarter from 4.5% in the first quarter, but there were significant differences among sectors, according to a MarketScout report issued Tuesday.

Surplus lines insurers reported second-quarter rate increases of 9%, while there was an average 12% increase for cat-exposed surplus lines property accounts, according to a statement by Richard Kerr, CEO of the Dallas-based electronic insurance exchange.



Market sources [say](#) buyers of excess liability and umbrella coverage faced the one-two punch of soaring rates and a capacity crunch at July 1 renewals.

Among other lines, directors and officers liability rates increased 9.3% in the second quarter, with insureds seeing rate increases as high as 50%, Mr. Kerr said.

Experts have [reported](#) that the already-hardening D&O liability insurance market is becoming even tougher for buyers during the COVID-19 pandemic, with rates increasing further, available limits contracting, retentions rising and in some cases insolvency exclusions being inserted.

Business interruption rates increased to more than 6% in the second quarter from 4% in the first quarter, possibly because of concerns about COVID-19 claims, the MarketScout report said.

Other rate hikes reported were professional liability, 6.7%; commercial property and employment practices liability, 5% each; business owners policies and inland marine, 4.6% each; general liability, 4.3%; umbrella/excess and crime, 4% each; fiduciary, 2.6%; and surety, 1.3%. Workers compensation was flat, according to the report.

By industry group, transportation accounts had the largest rate increase, at more than 8.3% in the second quarter, followed by habitation, 7%; contracting, 6.3%; public entity, 4.7%; service, 4.3%; manufacturing, 4%; and energy, 3%.

Large accounts of between \$250,000 through \$1 million had the largest increases, 4.8%; followed by medium accounts, of \$25,001-\$250,000, 4.6%; jumbo accounts of more than \$1 million, 4.3%; and small accounts of up to \$25,000, 4%.

The Austin, Texas-based National Alliance for Insurance Education and Research conducted pricing surveys used in MarketScout's analysis of market conditions, according to the report.

More insurance and risk management news on the coronavirus crisis [here](#).

