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BEST'S REGIONAL COMPOSITE INDEXES WEEK/WEEK: U.S. (AMBUS) ▼ -1.22 • EUROPE (AMBEUR) ▲ 3.84 • ASIA/PACIFIC (AMBAP) ▲ 5.52

Homeowners Writers Eye Hefty Hikes

Insurers in 11 states have filed for rate increases of 18% or more for certain covers.

By Michael Buck

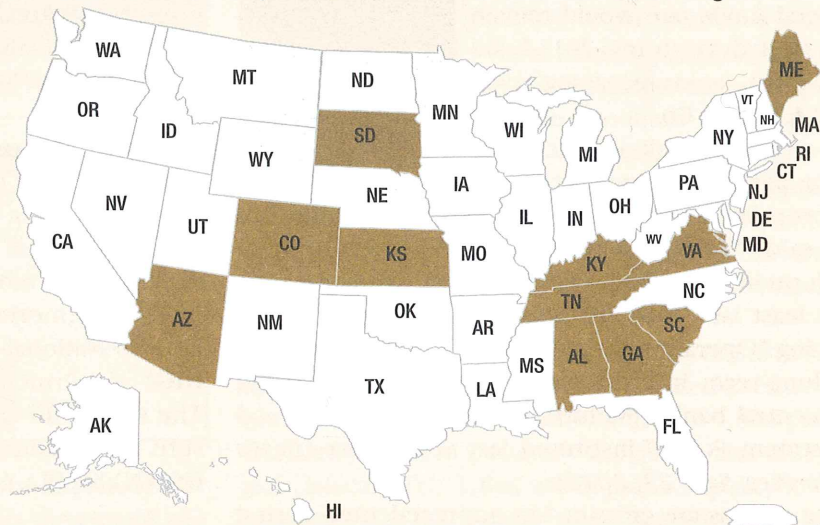
Homeowners rates will climb following record 2011 catastrophes and soft market conditions in recent years.

Some insurance companies will make hikes of 18% or more on specific homeowners insurance coverage in 11 states, according to Best's State Rate Filings since Dec. 1. (See map at right.)

Some rate changes have greater impact than others. For example, Travelers Personal Security Insurance Co. raised one of its homeowners products 25.5% effective Dec. 23, which impacted

Rates Through the Roof?

In 11 states, since Dec. 1, 2011, some insurance companies have filed for rate increases of 18% or more on specific homeowners insurance coverage.



Source: Best's State Rate Filings

Puerto Rico

about 50,000 policyholders, according to Best's filings. Three EMC Insurance Cos. subsidiaries in Alabama raised rates on specific homeowners lines about

20% effective Dec. 1, which impacted about 3,800 policyholders.

Raymond Thomson, an A.M. Best Co. senior financial analyst, said weather in

recent years has been a big factor and is taking a toll on insurance companies. He said the Southeast and Midwest regions have been par-

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Super Risks Face Sunday's Super Bowl Insurers

By Michael Buck

Like coaches crafting game plans, Super Bowl coordinators are identifying myriad risks of producing the biggest game of the season and how to deal with them.

The game, which has been in the planning process

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Video:

Insuring the Big Game Comes With Super Risks: Lance Ewing at

<http://www.bestweek.com/v.asp?v=ewing112>.

Life Insurance

2 Life industry pressured by lock on short-term interest rates.



P/C

5 A.M. Best exec urges underwriting focus, then growth.



Marketing

16 Bruised AIG bounces back with brand new glow.



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■ SUPER BOWL

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for years, will take place Feb. 5 at Lucas Oil Stadium in Indianapolis and will feature the New England Patriots and the New York Giants in a replay of the 2008 National Football League championship.

Super Bowl producers are sure to have activated their special teams and reached deep into their play book to manage a variety of risk, according to experts at London-based insurance broker Aon Corp.

Events like the Super Bowl require everything from general liability to media liability, event cancellation and property coverage, said Lori Shaw, Aon's director of sports and leisure. "Ninety-eight percent of the stuff you can plan for," Shaw said.

It's that 2% of uncharted territory that can expose event planners to enormous amounts of risk, she said. It wouldn't be outrageous for events like the Super Bowl to be covered in the \$100 million range, provided by several providers working together.

"Perils are at the top of the list," said Jerid Schmickle, senior vice president of entertainment and sport for Encino, Calif.-based NAS Insurance Services. "Security. As the insurer you're asking who is the security company? What kind of insurance are they carrying?"

Frank Zuccarello, executive vice president of Mahwah, N.J.-based Exceptional Risk Advisors, said another concern is the possibility of cancellations or delays. Possible causes can range from extreme weather situations to a day of national mourning or myriad unforeseen circumstances, said Zuccarello, whose company has provided contingency coverage in the past for college bowl games and major horse races.

"Not only do you have to have a plan A, but a plan B," Zuccarello said. "The insurance company is there to help you pay for the plan B."

The Super Bowl host committee said in a statement they have been laying a "strategic plan for any possible weather scenario" and has "contingencies for all weather circumstances."



Shaw

"You don't drive your car by looking in the rearview mirror."

Chris Rogers
Aon's director of risk control, on the limitations of past experience.



Zuccarello's role is to work with event coordinators to mitigate and manage risk before it even occurs. That means lots of careful planning.

"You have the event itself ... terrorism, or the scare of terrorism," Zuccarello said. "Abandonment, postponement, relocation, death of any insured person, unavoidable travel delay, damage or disruption to the venue."

Zuccarello said Super Bowl producers likely planned for hiccups with the extravagant half-time show, which will feature pop legend Madonna.

"There is probably going to be some insurance on her in case she doesn't show up or gets sick," he said. "If Madonna doesn't show up, what do you do then?"

Any of the game's moving parts, like the game itself, the half-time show, food vendors, media coverage and several thousand fans, can create unique problems. The tedious planning process begins by looking at past Super Bowls and then adding to or enhancing the experience every year, said Chris Rogers, Aon's director of risk control. But past experiences won't completely help and a certain amount of anticipation is required, he said.

"You don't drive your car by looking in the rearview mirror," Rogers said.

Lance Ewing, vice president of national accounts for Chartis Insurance Co., said in a BestDay Video interview that risk extends beyond the goings on inside the stadium. He said people renting out their homes for Super Bowl-goers is a liability issue. Local Indianapolis hospitals need to prepare for the potential to have 25,000 fall ill. "There are myriad potential risks, some insurable and some need to be risk managed, if you will, more so than others," Ewing said.



Zuccarello

New York Fed Bank Sells \$7 Billion in Former AIG Assets

The Federal Reserve Bank of New York said it has sold \$7.01 billion in face amount of assets from Maiden Lane II LLC, one of the limited liability companies that it created to take on the troubled assets of American International Group in 2008. Credit Suisse Securities (USA) LLC won the \$7.014 billion in assets through a competitive bidding process. The New York Fed had directed BlackRock Solutions, the investment manager for Maiden Lane

II, to conduct the competitive sale after Goldman Sachs & Co. made an unsolicited offer in January to buy a portion of the assets. The four broker-dealers involved in the competitive process were: Barclays Capital Inc., Credit Suisse, Goldman Sachs and Merrill Lynch, Pierce, Fenner & Smith Inc. They were chosen based on their previous expressions of interest for large parcels of the portfolio.

—Meg Green