

## Information on Premium Rates and Insurer Ratings

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National Insurance of Insurance Commissioners

Mr. Nordman was aware of no literature on a relationship between insurance company ratings and premiums. The difficulty is the enormous variation in premiums across states and the difficulty of interpreting premium schedules between companies. He noted that the Commission had earlier done research on insurer insolvencies and recommended a call to Robert Klein at Georgia State University. ([rwklein@gsu.edu](mailto:rwklein@gsu.edu))

Robert Hartwig, Vice President and Chief Economist (212) 669-9214  
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Mr. Hartwig had not seen a study of the relationship between ratings of the insurer and premiums. He also noted that for excess and surplus lines insurance [such as closure insurance] the premiums are generally not publically available. He did note that for insurers entering insolvency there often was a period in which they had underpriced the coverage they offered. On the issue of ratings, he noted that companies often have minimum ratings for companies offering them coverage and was surprised that EPA's regulations do not have minimum ratings. For further information he recommended the Journal of Risk and Insurance which is maintained by the American Risk and Insurance Association ([www.aria.org](http://www.aria.org)).

Information obtained by Dale Ruhter, Permits Branch, Office of Solid Waste, in September, 2000

