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Natural disasters will lead to property rate hikes, The Hartford president says

By Calvin Trice

Natural catastrophes during the third quarter will force the The Hartford Financial Services Group Inc. to look at property insurance premium rate hikes, President Douglas Elliot said.

The destruction from flooding, wind and wildfires will result in a change in underwriting, Elliot said during a conference call to discuss earnings and an acquisition agreement.

"I expect our property prices will go up in the ensuing months," he said.

The Hartford also continues to look at its general liability business for possible rate hikes after discerning problems in certain sectors within its middle market and small commercial books of business, Elliot said.

The year-to-date auto combined loss ratio of 101.5% includes nearly 3 percentage points from catastrophes. The company's full-year auto combined ratio outlook of up to 103% had included just 1 percentage point for catastrophes.

"We expect to be above this range for the full year due to higher cat losses," Elliot said. The company is on track to achieve some improvement in its actual underlying auto loss ratio for the full year," he said.

The company's loss ratio in its personal lines edged upward, but management believes the change is due entirely to seasonality and that its underwriting fundamentals are solid.

"We feel very good about the progress we've made," Elliot said.

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