

Admitted vs. Non-Admitted

Insured Issues Faced by Utilizing Non-Admitted Carriers

Claims Paid	<ul style="list-style-type: none">▪ Non-admitted carriers are not as regulated as admitted carriers.▪ Increased regulation increases the likelihood claims are paid.▪ States strictly monitor premium to surplus ratio of admitted companies.
Insolvency	<ul style="list-style-type: none">▪ From 1991 – 2008, 75% greater likelihood of insolvency if a non-admitted carrier.▪ Insolvencies often follow large catastrophes.
Surplus Line Tax	<ul style="list-style-type: none">▪ Surplus line tax is 3.25% of premium that you don't have to pay when going with an admitted company (includes stamping fee)
No Back Up	<ul style="list-style-type: none">▪ Admitted carriers are backed up in certain areas by Guaranty Associations.▪ Non-admitted carriers have no back up.
Consistency	<ul style="list-style-type: none">▪ Non-admitted carriers can charge any price they want, which has historically meant high volatility in premiums year over year and results in higher price to customer.