



 THE COUNCIL

**COMMERCIAL PROPERTY/
CASUALTY MARKET INDEX**

Q2/2018



EXECUTIVE SUMMARY

The following are key takeaways from The Council of Insurance Agents & Brokers' *Commercial Property/Casualty Market Report Q2 2018 (April 1 – June 30)*:

- Premium pricing across all-sized accounts experienced slight increases during Q2 2018, with an average increase of **1.5 percent**, compared to a 1.7 percent increase in Q1 2018 and 0.3 percent increase in Q4 2017.
- Respondents reported slight premium pricing increases for all lines of business except for workers' compensation, which saw a -2.9 percent decrease in Q2 2018, continuing the downward trend that began in 2014. The average premium pricing increase across all lines was **2.0 percent**, similar to the 2.2 percent average increase in Q1 2018.
- The demand for cyber insurance remained the highest out of all lines of business, according to respondents. **Seventy-seven (77) percent** of respondents reported a "somewhat" or "significant" increase in demand for cyber coverage.
- Q2 2018 was the 28th consecutive quarter of increased commercial auto rates: premium pricing for commercial auto increased **8.2 percent**.
- As with Q1 2018, "**driving organic growth**" and "**recruiting and developing talent**" remained the top two organizational priorities for respondents' firms, with **82 percent** of respondents listing the former and **73 percent** the latter.

[Click here to download](#) the full *Commercial Property/Casualty Market Report Q1 2018*.

The Council relies on data from broker members to create this report. To participate in future surveys or for questions/comments, please contact The Council's Rob Boyce at robert.boyce@ciab.com.

PREMIUM PRICING

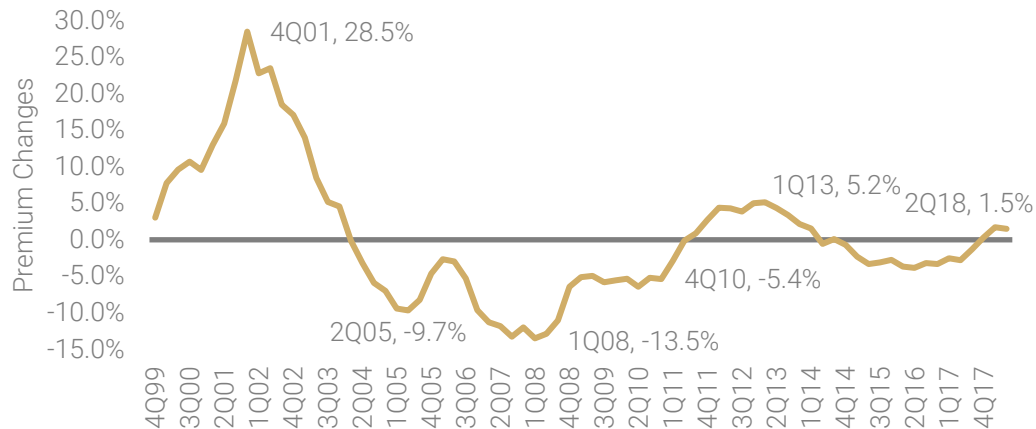
RATE CHANGE BY ACCOUNT SIZE RANGED FROM 0.9% TO 1.8% IN Q2 2018

	SMALL	MEDIUM	LARGE	AVERAGE
Second Quarter 2018	1.8%	1.8%	0.9%	1.5%
First Quarter 2018	1.8%	2.1%	1.2%	1.7%
Forth Quarter 2017	0.7%	0.8%	-0.5%	0.3%
Third Quarter 2017	-0.5%	-1.2%	-2.1%	-1.3%
Second Quarter 2017	-1.0%	-3.1%	-4.3%	-2.8%
High	20.8%	31.7%	33.0%	28.5%
High Date	4Q01	4Q01	4Q01	
Low	-10.0%	-15.0%	-15.9%	-13.6%
Low Date	1Q08	3Q07	3Q07	

Source:
The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

For the third consecutive quarter, average premium rates across all commercial property/casualty lines experienced a slight increase. Likewise, the trend of increasing premiums for all-sized accounts continued for the third consecutive quarter, with an average increase of **1.5 percent**. “Although Commercial Auto Continues to be a concern for brokers and carriers alike, other lines appear to stabilize across the board, following several quarters of soft market conditions,” explained Ken A. Crerar, President/CEO of The Council. “As we enter the 2018 hurricane season, The Council will continue to monitor the impact of natural catastrophes on commercial lines.”

Average Premium Changes, 1999 - Q2 2018



PREMIUM PRICING BY LINE OF BUSINESS

RATE CHANGE FOR FIVE MAJOR LINES RANGED FROM -2.9% TO 8.2% IN Q2 2018

Across five major lines of business—Commercial Auto, Commercial Property, Workers’ Compensation, General Liability, and Umbrella—the average premium rate **increased by 2.0 percent**, a slight decrease from the 2.2 percent increase seen in Q1 2018. As mentioned above, this continued a trend of increasing premiums that began in Q3 2017, though these increases have been mostly due to relatively high increases in Commercial Auto rates, which saw an **8.2 percent** increase in Q2 2018. All other lines, with the exception of Workers’ Compensation (**-2.9 percent**), saw slight increases ranging from 0.8 to 2.2 percent.

One respondent from a large Northeastern firm agreed, saying that “Overall, not any big changes. The exception I would say would be on Commercial Auto,” where “carriers had significantly firmed up on their pricing and appetite.”

	COMM'L AUTO	WORKERS' COMP	COMM'L PROPERTY	GEN'L LIABILITY	UMBRELLA	AVERAGE
Second Quarter 2018	8.2%	-2.9%	2.2%	0.8%	1.5%	2.0%
First Quarter 2018	7.7%	-2.0%	3.4%	0.6%	1.0%	2.2%
Forth Quarter 2017	7.3%	-2.0%	2.4%	0.1%	0.6%	1.7%
Third Quarter 2017	7.3%	-2.3%	0.9%	-0.8%	-0.4%	1.0%
Second Quarter 2017	6.1%	-2.7%	-3.6%	-2.7%	-1.4%	-0.9%
High	28.6%	24.9%	45.4%	26.0%	51.9%	35.3%
Low	-11.6%	-12.3%	-15.0%	-13.6%	-13.5%	-13.2%

Source:

The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

RATE CHANGE BY OTHER LINES

	2Q18	HIGH	LOW
Broker E&O	1.6%	15.4%	-4.5%
Business Interruption	1.0%	28.8%	-10.2%
Construction	1.9%	38.7%	-10.7%
Cyber	0.1%	0.4%	-1.5%
D&O Liability	1.3%	32.4%	-8.7%
Employment Practices	1.9%	21.9%	-8.1%
Flood	1.9%	8.6%	-2.7%
Marine	0.0%	3.0%	-10.6%
Medical Malpractice	0.9%	32.5%	-4.1%
Surety Bonds	0.0%	11.2%	-2.3%
Terrorism	0.0%	10.4%	-3.6%

Source:

The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

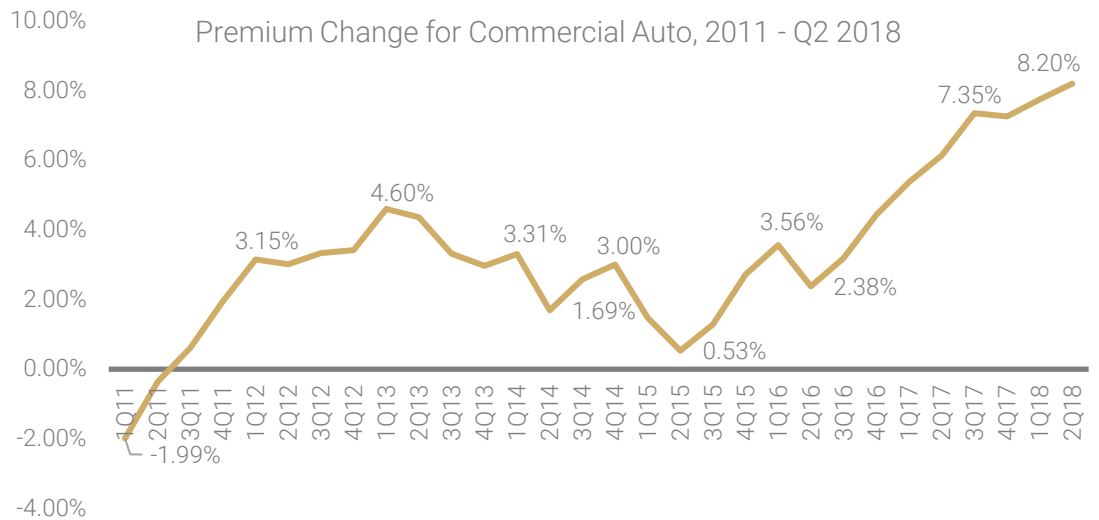
NOTABLE LINES OF BUSINESS

COMMERCIAL AUTO

“Auto was a problem line for a number of companies,” said a respondent from a mid-sized Northwestern firm, and other respondents overwhelmingly agreed. Several noted significant rate increases ranging from 10 percent to 50 percent in Commercial Auto.

The fact that, on average, Commercial Auto premiums saw an increase of **8.2 percent** in Q2 2018 supported the dismal view most respondents had of the Commercial Auto market. This marked the **28th consecutive quarter** of increased Commercial Auto rates, and drove widespread tightening of underwriting for Auto, with one respondent from a mid-sized Southeastern firm noting that carriers were “very selective” about writing new Auto, especially “if the account had losses.”

“Transportation-related risks are under heavy scrutiny” for mid- and large-sized accounts, said one respondent from a mid-sized Midwestern firm. This increased scrutiny, specified another respondent from a larger Northwestern firm, came in the form of “underwriters...paying close attention to MVRs [motor vehicle reports].” A third respondent from a mid-sized Northeastern firm also reported that underwriters were asking “more questions regarding losses, driver hiring, vehicle maintenance, etc.” All in all, as one respondent from a large Southwestern firm put it, “Auto was a challenge.”



CYBER

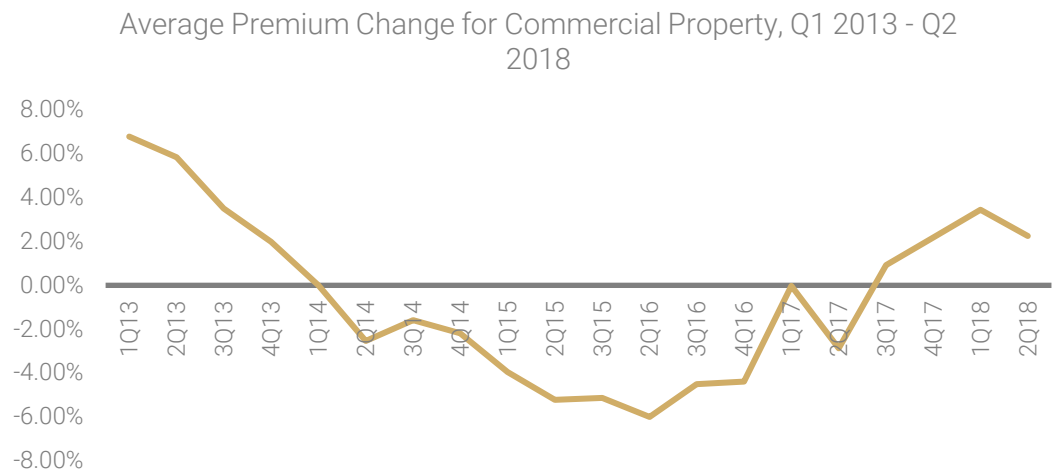
According to a respondent from a large Midwestern firm, “Auto Liability and Cyber are tough markets right now for opposite reasons. AL is up in rate, Cyber is down but demand has increased.” Results showed that this was exactly the case: **77 percent** of respondents reported that there had been an **increase in demand** for cyber insurance, and cyber experienced a rate increase of merely **0.1 percent**.

The lack of significant change in premium pricing was also reflected in The Council’s most recent [Cyber Market Watch Survey](#), released July 2018, where respondents agreed that cyber premium pricing was either flat or down.

COMMERCIAL PROPERTY

After Commercial Auto, said one respondent from a mid-sized Northeastern firm, “property was next in terms of stress. Rates were a little more consistent in the way of increases but carriers trying to narrow coverage offering.” This assessment was supported by survey results; aside from Commercial Auto, Commercial Property had the highest increase in premium pricing in Q2 2018 out of all other lines of business, at **2.2 percent**. In Q1 2018, respondents indicated the same thing: Commercial Auto, followed by Commercial Property, were the two lines of business with the highest premium increases, at 7.7 and 3.4 percent, respectively.

Additionally, several respondents noted that underwriting for Commercial Property had tightened somewhat in Q2 2018, and deductibles for CAT-prone property were more closely examined. One respondent from a large Northeastern firm also said that he had seen an increased number of physical inspections of



properties, reflecting the additional scrutiny in underwriting other respondents described.

From coast to coast, respondents agreed that the pressure on Commercial Property was likely due to repercussions from the hyperactive 2017 natural catastrophe season. “Numerous CAT losses in CA will impact [the] property market on a go-forward basis,” asserted one respondent from a large Northwestern firm, referring to California’s 2017 wildfire season, which was described by the California Department of Forestry and Fire Protection as the most destructive on record. However, [experts predict](#) that the 2018 fire season may be even worse: three times the average number of wildfires recorded at the same time last year are currently burning, and “tens of thousands of more acres have burned across the state this year than at this point in 2017.”

Additionally, a respondent from a midsized Southeastern firm blamed the “higher deductibles on coastal property” on both the 2016 and 2017 hurricane seasons, both of which saw large, costly storms—Hurricane Matthew in 2016, and Hurricanes Maria, Irma, and Harvey in 2017.

WORKERS’ COMPENSATION

According to a respondent from a midsized Midwestern firm, “all the carriers seem to want WC right now.” We also saw the **significant decrease** of 2.9 percent in Workers’ Compensation premium pricing.

Generally, respondents agreed that the Workers’ Compensation market was very competitive, and that carriers were “expanding appetite and lowering minimum premiums to gain market share.” Respondents also mentioned that carriers decreased Workers’ Compensation rates to offset increases in Commercial Auto, a trend we have seen in recent surveys.

UNDERWRITING

UNDERWRITING BY LINE OF BUSINESS

In line with the condition of the Commercial Auto market described above, over half (**52 percent**) of survey respondents said that they had observed a **decrease in capacity** for **Commercial Auto** to some extent in Q2 2018, similar to Q1, where 57 percent of respondents reported a decrease in capacity. However, unlike Q1 2018, the number of respondents that saw a **decrease in capacity** for **Commercial Property** fell by almost half, going from 30 percent to **16 percent**.

Since the Q4 2017 survey, a significant number of respondents have consistently noted an **increase** in capacity for Cyber; in Q2 2018, **43 percent** of respondents noted a capacity increase. Likewise, the number of respondents that saw a capacity increase for Workers’ Compensation remained steady at approximately **30 percent**.

UNDERWRITING BY ACCOUNT SIZE

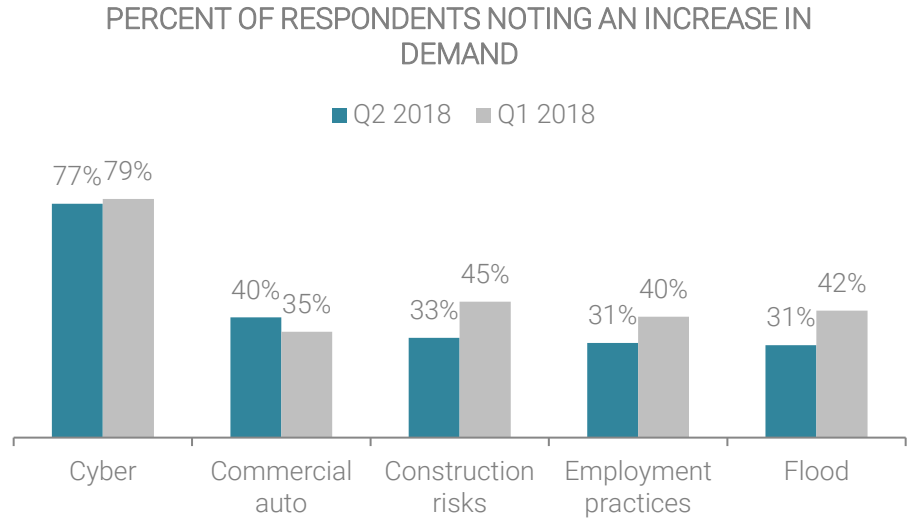
Respondents agreed that for **small accounts**, premium pricing stayed flat, apart from Commercial Auto, which was still producing poor results. Some respondents also said that they were beginning to automate the underwriting for small accounts, and “focus on efficiencies, with less need for applications,” according to one respondent from a large national firm.

Midsized accounts also saw little to no change in pricing, even though a few respondents mentioned that once an account of that size hit the market it became very competitive. Similarly, **large accounts** only experienced increases when the account had a loss; “good accounts received favorable pricing and terms [and] accounts with poor underwriting losses paid the price,” said one respondent from a large national firm.

DEMAND

As mentioned previously, demand for Cyber remained high. **Seventy-seven (77) percent** of respondents reported a “somewhat” or “significant” increase in demand for cyber insurance, compared to 79 percent in Q1 2018 and 74 percent in Q4 2017.

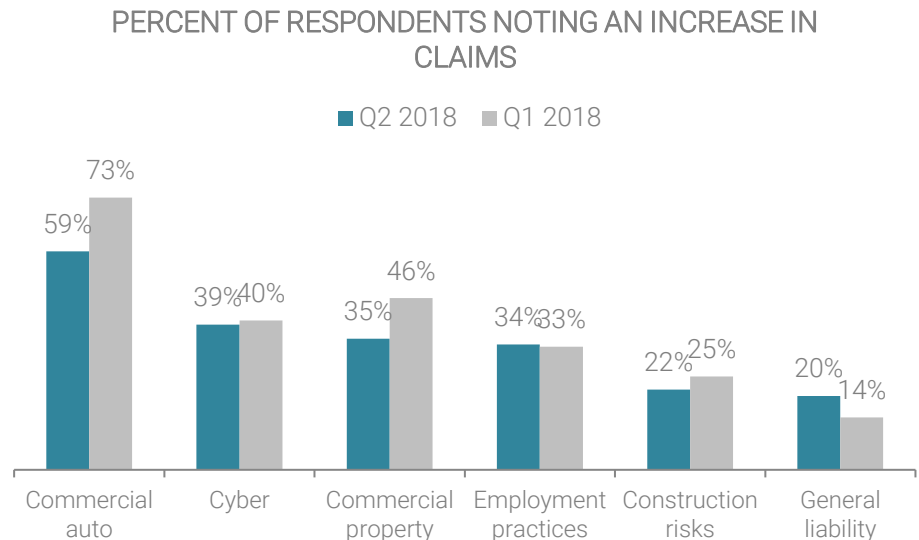
Commercial Auto, Construction Risks, Employment Practices, and Flood also stood out; as seen in the graph above, 40, 33, 31 and 31 percent of respondents noted an increase in demand for those lines of business, respectively. According to more than 90 percent of respondents, demand did not change for lines such as Broker E&O, Marine, Medical Malpractice, and Terrorism.



CLAIMS

The number of claims again saw little to no change for most lines of business. Like Q1 2018 and Q4 2017, those lines that did experience an increase in the number of claims include, Cyber, Commercial Auto, and Employment Practices. Notably, 59 percent of respondents saw an increase in Commercial Auto claims in Q2 2018, compared to a whopping 73 percent in Q1 2018. Nevertheless, in comparison to Cyber (38 percent of respondents) and Employment Practices (33 percent), that number was still significantly high.

Similar to Commercial Auto, Commercial Property saw another quarter-over-quarter decrease in the number of claims. Thirty-five (35) percent of respondents observed an increase in claims, compared to 46 percent in Q1 2018 and 62 percent in Q4 2017. This could be attributed to a decrease in the number of claims relating to the historic 2017 NatCat season.

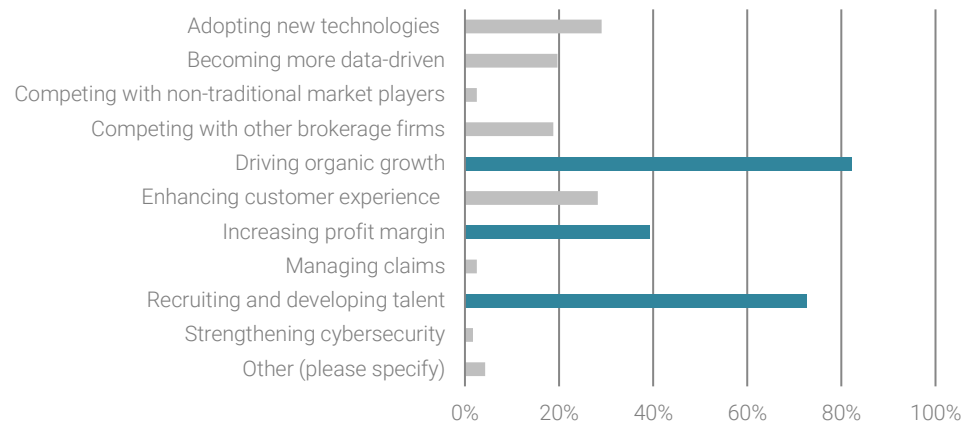


ORGANIZATIONAL PRIORITIES

Driving organic growth and recruiting and developing talent were the top two organizational priorities reported by respondents. **Eighty-two (82) percent** of respondents listed “driving organic growth” as one of the top three priorities for their firm, and **72 percent** of respondents listed “recruiting and developing talent” as one of their top three priorities, consistent with results from the Q1 2018 and Q4 2017 surveys.

Interestingly, “**increasing profit margin**” replaced “**enhancing customer experience**” as a top-three priority for respondents’ firms. Several respondents mentioned a need to reduce expenses and meet profit goals for the year. Additionally, there was a noticeable focus on leveraging technology to increase profit margin, increase efficiency, and “do more with less,” according to one respondent.

What are your organization's TOP 3 priorities for 2018?



Automation was a recurring theme in responses this quarter, and respondents mentioned it multiple times when questioned about strategies they might have to address their priorities. One respondent from a midsized Midwestern firm described “moving smaller accounts to highly automated units that can turn transactions quickly” as a key part of his firm’s strategy to drive organic growth, and another respondent from a large Northwestern firm named “automation” as a crucial component of their plan to increase profit margins.

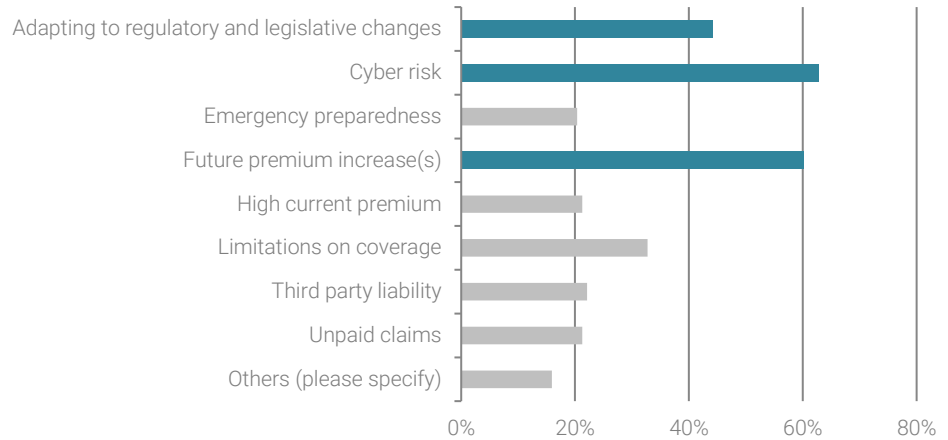
Specialization and recruiting and developing **younger talent** also were frequently mentioned as strategies for respondents to realize their firms’ top priorities. “We feel that specialization will help us find opportunity through industry knowledge and make better decisions with data we collect,” said one respondent from a midsized Midwestern firm, in relation to how his firm might drive organic growth.

Additionally, as many surveys in the past have also shown, the fact that the industry workforce is “getting long in the tooth,” as one respondent from a large Southeastern firm put it, remained a problem that many firms felt they needed to confront. One respondent from a midsized Northwestern firm said that they have “started a program to train young people with no experience from the ground up” in order to develop new, young talent. Another respondent from a large Northeastern firm said that his firm was “committed to hiring risk management and business professionals right out of college” and “committed to [an] internship program.”

CLIENT CONCERNS

Consistent with results from the Q4 2017 and Q1 2018 surveys, the top three client concerns in Q2 2018 were again **cyber risk**, **future premium increases**, and **adapting to regulatory and legislative changes**. Now that the European Union's General Data Protection Regulation (GDPR) and the New York Department of Financial Services' Cybersecurity Rule have been fully implemented, the pressure on firms and their clients alike has become onerous.

What were the TOP 3 concerns from clients in the second quarter of 2018?



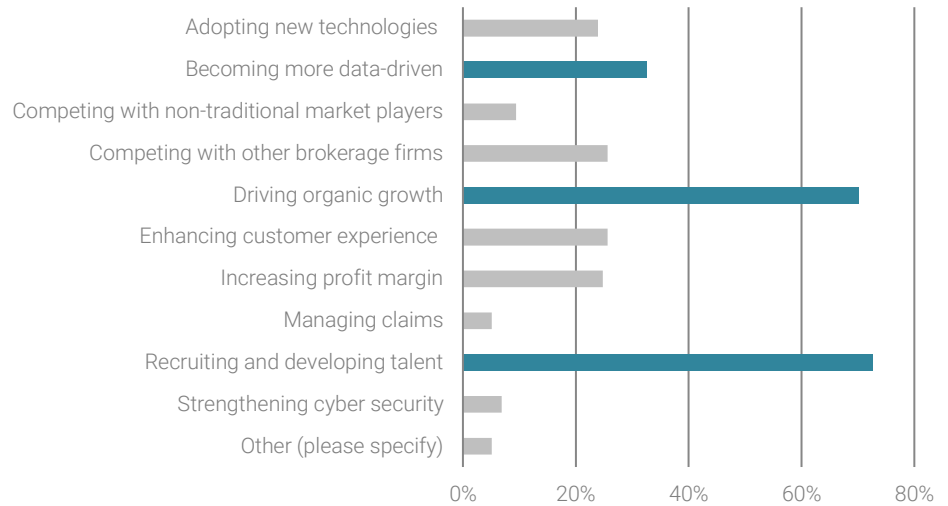
Furthermore, continuing media coverage of both new regulation and past cyberattacks has engendered a profound awareness in firms' clients that they might also be the target of a future cyberattack. Additionally, one respondent from a large Northwestern firm specified that clients that mentioned worries about future premium increases were concerned specifically about "increased auto premiums," reflecting the continuing hard market conditions for Commercial Auto.

ORGANIZATIONAL CHALLENGES

Not only were **driving organic growth** and **recruiting and developing talent** mentioned as two of the top three organizational priorities, they were also among the top three organizational challenges, alongside **becoming more data-driven**. Approximately **73 percent** of respondents listed "recruiting and developing talent" as one of their firm's top challenges; **70 percent** listed "driving organic growth," and **32 percent** listed "becoming more data-driven." Respondents agreed that one of the better solutions was to cast a wider net to catch "recent college graduates," because once hired "good people are staying where they are and it's taking more salary to attract talent." Several respondents also mentioned utilizing recruiters and internships to attract new—and most importantly, young—talent. Lastly, one respondent from another large Southwestern firm cited the importance of "providing a true mentoring experience that allows time for development, but also puts milestones in place for an appropriate, reasonable timeline."

Brokers have also implemented several different solutions to meet the challenge of becoming more data-driven. A common method described by respondents was the aggregation and organization of all the data to which their firm had access. According to one respondent from a midsized Midwestern firm: “We are contacting all of our carrier partners in an effort to collect data (own it), so that we can consult more effectively with our clients.”

What are your organization's TOP 3 challenges for 2018?



Another, from a large Southwestern firm, said that they had “hired a chief digital officer to attempt to bring the myriad of data and information into a single organized format.” A third respondent, from a large Northwestern firm, described centralizing the data involved in the insurance process by “developing an app that clients can access from their phones to get documents, report claims, etc.”

The Council of Insurance Agents & Brokers is the premier association for the top regional, national and international commercial insurance and employee benefits intermediaries worldwide. Council members are market leaders who annually place 85 percent of U.S. commercial property/casualty insurance premiums and administer billions of dollars in employee benefits accounts. With expansive international reach, The Council fosters industry wide relationships around the globe by engaging lawmakers, regulators and stakeholders to promote the interests of its members and the valuable role they play in the mitigation of risk for their clients. Founded in 1913, The Council is based in Washington, D.C.

APPENDIX

BELOW ARE THE SURVEY RESULTS FOR: ALL REGIONS

1. During the second quarter of 2018 (April 1 – June 30), on average, did premiums go up or down for each of the following account sizes, compared to the first quarter of 2018 (January 1 – March 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not sure
Small Account (Less than \$25k in commission and fees)	0.00%	0.00%	0.85%	12.82%	32.48%	47.01%	1.71%	0.00%	0.00%	0.00%	5.13%
Medium Account (Between \$25k to \$100k in commission and fees)	0.00%	0.00%	3.42%	16.24%	19.66%	55.56%	2.56%	0.00%	0.00%	0.00%	2.56%
Large Account (More than \$100k in commission and fees)	0.00%	0.00%	6.84%	16.24%	23.93%	46.15%	2.56%	0.00%	0.00%	0.00%	4.27%

2. During the second quarter of 2018 (April 1 - June 30), on average, did premiums go up or down for each of the following lines of business, compared to the first quarter of 2018 (January 1 - March 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No Change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not Sure
Business interruption	0.00%	0.00%	0.88%	8.85%	56.64%	29.20%	0.88%	0.00%	0.00%	0.00%	3.54%
Broker E&O	0.00%	0.00%	0.00%	1.80%	66.67%	19.82%	0.90%	0.00%	0.00%	0.90%	9.91%
Commercial auto	0.00%	0.00%	0.00%	3.54%	5.31%	55.75%	29.20%	4.42%	1.77%	0.00%	0.00%
Commercial property	0.00%	0.00%	0.88%	13.27%	25.66%	58.41%	1.77%	0.00%	0.00%	0.00%	0.00%
Construction risks	0.00%	0.00%	0.00%	9.91%	51.35%	33.33%	1.80%	0.00%	0.00%	0.90%	2.70%
Cyber	0.00%	0.00%	1.74%	20.00%	53.04%	23.48%	1.74%	0.00%	0.00%	0.00%	0.00%
D&O	0.00%	0.00%	0.00%	4.35%	62.61%	30.43%	0.87%	0.00%	0.00%	0.00%	1.74%
Flood	0.00%	0.00%	0.00%	1.83%	62.39%	29.36%	3.67%	0.92%	0.00%	0.00%	1.83%
Employment practices	0.00%	0.00%	0.00%	2.61%	60.00%	33.04%	1.74%	0.87%	0.00%	0.00%	1.74%
General liability	0.00%	0.00%	0.00%	12.39%	58.41%	29.20%	0.00%	0.00%	0.00%	0.00%	0.00%
Marine	0.00%	0.00%	0.00%	9.17%	77.98%	9.17%	0.00%	0.00%	0.00%	0.00%	3.67%
Medical malpractice	0.00%	0.00%	0.00%	4.72%	75.47%	11.32%	0.00%	0.00%	0.00%	0.94%	7.55%
Surety bonds	0.00%	0.00%	0.00%	4.67%	85.98%	3.74%	0.00%	0.00%	0.00%	0.00%	5.61%
Terrorism	0.00%	0.00%	0.00%	3.70%	89.81%	2.78%	0.00%	0.00%	0.00%	0.00%	3.70%
Umbrella	0.00%	0.00%	0.00%	4.42%	58.41%	36.28%	0.00%	0.00%	0.00%	0.00%	0.88%
Workers' compensation	0.00%	0.00%	7.14%	51.79%	30.36%	10.71%	0.00%	0.00%	0.00%	0.00%	0.00%

**BELOW ARE THE SURVEY RESULTS FOR:
NORTHEAST (CT, DE, DC, MA, ME, MD, NH, NJ, NY, PA, RI)**

1. During the second quarter of 2018 (April 1 – June 30), on average, did premiums go up or down for each of the following account sizes, compared to the first quarter of 2018 (January 1 – March 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not sure
Small Account (Less than \$25k in commission and fees)	0.00%	0.00%	0.00%	13.64%	36.36%	36.36%	4.55%	0.00%	0.00%	0.00%	9.09%
Medium Account (Between \$25k to \$100k in commission and fees)	0.00%	0.00%	4.55%	18.18%	18.18%	54.55%	0.00%	0.00%	0.00%	0.00%	4.55%
Large Account (More than \$100k in commission and fees)	0.00%	0.00%	9.09%	9.09%	13.64%	63.64%	0.00%	0.00%	0.00%	0.00%	4.55%

2. During the second quarter of 2018 (April 1 - June 30), on average, did premiums go up or down for each of the following lines of business, compared to the first quarter of 2018 (January 1 - March 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No Change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not Sure
Business interruption	0.00%	0.00%	0.00%	23.81%	42.86%	33.33%	0.00%	0.00%	0.00%	0.00%	0.00%
Broker E&O	0.00%	0.00%	0.00%	4.76%	61.90%	28.57%	0.00%	0.00%	0.00%	0.00%	4.76%
Commercial auto	0.00%	0.00%	0.00%	9.52%	4.76%	66.67%	19.05%	0.00%	0.00%	0.00%	0.00%
Commercial property	0.00%	0.00%	0.00%	28.57%	14.29%	57.14%	0.00%	0.00%	0.00%	0.00%	0.00%
Construction risks	0.00%	0.00%	0.00%	4.76%	52.38%	38.10%	4.76%	0.00%	0.00%	0.00%	0.00%
Cyber	0.00%	0.00%	4.76%	38.10%	33.33%	19.05%	4.76%	0.00%	0.00%	0.00%	0.00%
D&O	0.00%	0.00%	0.00%	4.76%	57.14%	38.10%	0.00%	0.00%	0.00%	0.00%	0.00%
Flood	0.00%	0.00%	0.00%	4.76%	57.14%	38.10%	0.00%	0.00%	0.00%	0.00%	0.00%
Employment practices	0.00%	0.00%	0.00%	4.76%	71.43%	23.81%	0.00%	0.00%	0.00%	0.00%	0.00%
General liability	0.00%	0.00%	0.00%	19.05%	57.14%	23.81%	0.00%	0.00%	0.00%	0.00%	0.00%
Marine	0.00%	0.00%	0.00%	15.79%	57.89%	26.32%	0.00%	0.00%	0.00%	0.00%	0.00%
Medical malpractice	0.00%	0.00%	0.00%	4.76%	71.43%	23.81%	0.00%	0.00%	0.00%	0.00%	0.00%
Surety bonds	0.00%	0.00%	0.00%	4.76%	95.24%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Terrorism	0.00%	0.00%	0.00%	4.76%	90.48%	0.00%	0.00%	0.00%	0.00%	0.00%	4.76%
Umbrella	0.00%	0.00%	0.00%	4.76%	52.38%	42.86%	0.00%	0.00%	0.00%	0.00%	0.00%
Workers' compensation	0.00%	0.00%	4.76%	52.38%	28.57%	14.29%	0.00%	0.00%	0.00%	0.00%	0.00%

**BELOW ARE THE SURVEY RESULTS FOR:
SOUTHEAST (AL, FL, GA, KY, LA, MS, NC, SC, TN, VA, WV)**

1. During the second quarter of 2018 (April 1 – June 30), on average, did premiums go up or down for each of the following account sizes, compared to the first quarter of 2018 (January 1 – March 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not sure
Small Account (Less than \$25k in commission and fees)	0.00%	0.00%	0.00%	8.00%	32.00%	52.00%	0.00%	0.00%	0.00%	0.00%	8.00%
Medium Account (Between \$25k to \$100k in commission and fees)	0.00%	0.00%	4.00%	8.00%	24.00%	56.00%	4.00%	0.00%	0.00%	0.00%	4.00%
Large Account (More than \$100k in commission and fees)	0.00%	0.00%	4.00%	12.00%	28.00%	48.00%	4.00%	0.00%	0.00%	0.00%	4.00%

2. During the second quarter of 2018 (April 1 - June 30), on average, did premiums go up or down for each of the following lines of business, compared to the first quarter of 2018 (January 1 - March 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No Change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not Sure
Business interruption	0.00%	0.00%	4.00%	0.00%	64.00%	28.00%	0.00%	0.00%	0.00%	0.00%	4.00%
Broker E&O	0.00%	0.00%	0.00%	0.00%	72.00%	12.00%	4.00%	0.00%	0.00%	0.00%	12.00%
Commercial auto	0.00%	0.00%	0.00%	0.00%	4.00%	60.00%	24.00%	12.00%	0.00%	0.00%	0.00%
Commercial property	0.00%	0.00%	4.00%	4.00%	40.00%	52.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Construction risks	0.00%	0.00%	0.00%	4.00%	72.00%	16.00%	4.00%	0.00%	0.00%	0.00%	4.00%
Cyber	0.00%	0.00%	0.00%	12.00%	56.00%	32.00%	0.00%	0.00%	0.00%	0.00%	0.00%
D&O	0.00%	0.00%	0.00%	4.00%	68.00%	24.00%	0.00%	0.00%	0.00%	0.00%	4.00%
Flood	0.00%	0.00%	0.00%	4.00%	60.00%	24.00%	8.00%	0.00%	0.00%	0.00%	4.00%
Employment practices	0.00%	0.00%	0.00%	0.00%	76.00%	20.00%	0.00%	0.00%	0.00%	0.00%	4.00%
General liability	0.00%	0.00%	0.00%	8.00%	68.00%	24.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Marine	0.00%	0.00%	0.00%	8.00%	84.00%	4.00%	0.00%	0.00%	0.00%	0.00%	4.00%
Medical malpractice	0.00%	0.00%	0.00%	0.00%	88.00%	8.00%	0.00%	0.00%	0.00%	0.00%	4.00%
Surety bonds	0.00%	0.00%	0.00%	4.00%	92.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.00%
Terrorism	0.00%	0.00%	0.00%	0.00%	92.00%	4.00%	0.00%	0.00%	0.00%	0.00%	4.00%
Umbrella	0.00%	0.00%	0.00%	0.00%	68.00%	32.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Workers' compensation	0.00%	0.00%	4.17%	45.83%	45.83%	4.17%	0.00%	0.00%	0.00%	0.00%	0.00%

**BELOW ARE THE SURVEY RESULTS FOR:
MIDWEST (AR, IL, IN, IA, KS, MI, MO, MN, NE, ND, SD, OH, WI)**

1. During the second quarter of 2018 (April 1 – June 30), on average, did premiums go up or down for each of the following account sizes, compared to the first quarter of 2018 (January 1 – March 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not sure
Small Account (Less than \$25k in commission and fees)	0.00%	0.00%	0.00%	18.92%	37.84%	40.54%	0.00%	0.00%	0.00%	0.00%	2.70%
Medium Account (Between \$25k to \$100k in commission and fees)	0.00%	0.00%	2.70%	18.92%	24.32%	54.05%	0.00%	0.00%	0.00%	0.00%	0.00%
Large Account (More than \$100k in commission and fees)	0.00%	0.00%	8.11%	21.62%	24.32%	43.24%	0.00%	0.00%	0.00%	0.00%	2.70%

2. During the second quarter of 2018 (April 1 - June 30), on average, did premiums go up or down for each of the following lines of business, compared to the first quarter of 2018 (January 1 - March 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No Change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not Sure
Business interruption	0.00%	0.00%	0.00%	8.82%	61.76%	26.47%	0.00%	0.00%	0.00%	0.00%	2.94%
Broker E&O	0.00%	0.00%	0.00%	2.94%	73.53%	14.71%	0.00%	0.00%	0.00%	0.00%	8.82%
Commercial auto	0.00%	0.00%	0.00%	2.94%	5.88%	55.88%	32.35%	2.94%	0.00%	0.00%	0.00%
Commercial property	0.00%	0.00%	0.00%	14.71%	29.41%	55.88%	0.00%	0.00%	0.00%	0.00%	0.00%
Construction risks	0.00%	0.00%	0.00%	14.71%	50.00%	35.29%	0.00%	0.00%	0.00%	0.00%	0.00%
Cyber	0.00%	0.00%	2.78%	16.67%	50.00%	30.56%	0.00%	0.00%	0.00%	0.00%	0.00%
D&O	0.00%	0.00%	0.00%	8.33%	55.56%	33.33%	0.00%	0.00%	0.00%	0.00%	2.78%
Flood	0.00%	0.00%	0.00%	0.00%	69.70%	24.24%	6.06%	0.00%	0.00%	0.00%	0.00%
Employment practices	0.00%	0.00%	0.00%	2.78%	47.22%	44.44%	2.78%	0.00%	0.00%	0.00%	2.78%
General liability	0.00%	0.00%	0.00%	14.71%	52.94%	32.35%	0.00%	0.00%	0.00%	0.00%	0.00%
Marine	0.00%	0.00%	0.00%	5.88%	88.24%	5.88%	0.00%	0.00%	0.00%	0.00%	0.00%
Medical malpractice	0.00%	0.00%	0.00%	9.68%	74.19%	12.90%	0.00%	0.00%	0.00%	0.00%	3.23%
Surety bonds	0.00%	0.00%	0.00%	9.68%	80.65%	6.45%	0.00%	0.00%	0.00%	0.00%	3.23%
Terrorism	0.00%	0.00%	0.00%	3.13%	93.75%	3.13%	0.00%	0.00%	0.00%	0.00%	0.00%
Umbrella	0.00%	0.00%	0.00%	5.88%	58.82%	35.29%	0.00%	0.00%	0.00%	0.00%	0.00%
Workers' compensation	0.00%	0.00%	11.76%	41.18%	29.41%	17.65%	0.00%	0.00%	0.00%	0.00%	0.00%

BELOW ARE THE SURVEY RESULTS FOR:

PACIFIC NORTHWEST (NO. CA, AK, CO, HI, ID, MT, NV, OR, UT, WA, WY)

1. During the second quarter of 2018 (April 1 – June 30), on average, did premiums go up or down for each of the following account sizes, compared to the first quarter of 2018 (January 1 – March 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

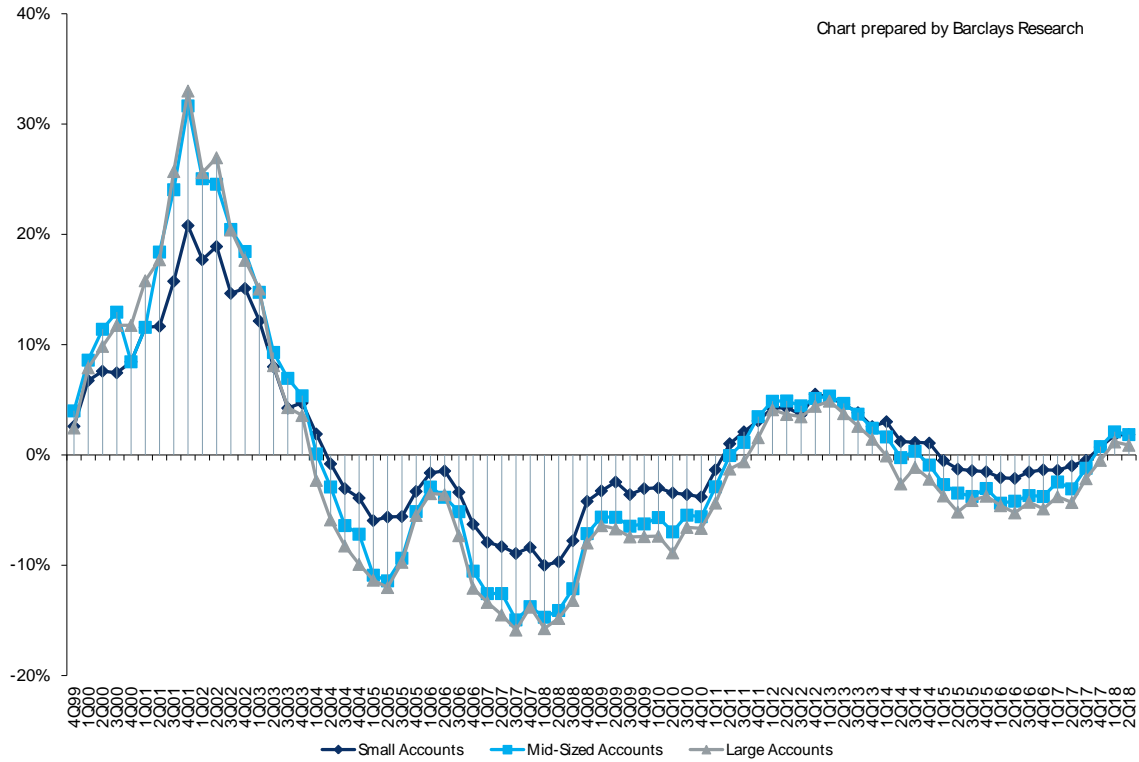
	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not sure
Small Account (Less than \$25k in commission and fees)	0.00%	0.00%	0.00%	12.50%	16.67%	66.67%	0.00%	0.00%	0.00%	0.00%	4.17%
Medium Account (Between \$25k to \$100k in commission and fees)	0.00%	0.00%	4.17%	16.67%	4.17%	66.67%	4.17%	0.00%	0.00%	0.00%	4.17%
Large Account (More than \$100k in commission and fees)	0.00%	0.00%	8.33%	8.33%	29.17%	45.83%	0.00%	0.00%	0.00%	0.00%	8.33%

2. During the second quarter of 2018 (April 1 - June 30), on average, did premiums go up or down for each of the following lines of business, compared to the first quarter of 2018 (January 1 - March 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No Change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not Sure
Business interruption	0.00%	0.00%	0.00%	8.33%	45.83%	37.50%	0.00%	0.00%	0.00%	0.00%	8.33%
Broker E&O	0.00%	0.00%	0.00%	0.00%	45.45%	36.36%	0.00%	0.00%	0.00%	0.00%	18.18%
Commercial auto	0.00%	0.00%	0.00%	4.17%	8.33%	41.67%	41.67%	0.00%	4.17%	0.00%	0.00%
Commercial property	0.00%	0.00%	0.00%	12.50%	12.50%	70.83%	4.17%	0.00%	0.00%	0.00%	0.00%
Construction risks	0.00%	0.00%	0.00%	13.64%	31.82%	50.00%	0.00%	0.00%	0.00%	0.00%	4.55%
Cyber	0.00%	0.00%	0.00%	20.83%	62.50%	12.50%	4.17%	0.00%	0.00%	0.00%	0.00%
D&O	0.00%	0.00%	0.00%	0.00%	66.67%	29.17%	4.17%	0.00%	0.00%	0.00%	0.00%
Flood	0.00%	0.00%	0.00%	0.00%	59.09%	31.82%	0.00%	4.55%	0.00%	0.00%	4.55%
Employment practices	0.00%	0.00%	0.00%	4.17%	45.83%	41.67%	4.17%	4.17%	0.00%	0.00%	0.00%
General liability	0.00%	0.00%	0.00%	8.33%	50.00%	41.67%	0.00%	0.00%	0.00%	0.00%	0.00%
Marine	0.00%	0.00%	0.00%	9.09%	72.73%	4.55%	0.00%	0.00%	0.00%	0.00%	13.64%
Medical malpractice	0.00%	0.00%	0.00%	4.76%	66.67%	4.76%	0.00%	0.00%	0.00%	0.00%	23.81%
Surety bonds	0.00%	0.00%	0.00%	0.00%	77.27%	9.09%	0.00%	0.00%	0.00%	0.00%	13.64%
Terrorism	0.00%	0.00%	0.00%	4.55%	86.36%	4.55%	0.00%	0.00%	0.00%	0.00%	4.55%
Umbrella	0.00%	0.00%	0.00%	8.33%	41.67%	45.83%	0.00%	0.00%	0.00%	0.00%	4.17%
Workers' compensation	0.00%	0.00%	4.17%	70.83%	16.67%	8.33%	0.00%	0.00%	0.00%	0.00%	0.00%

Average Commercial Premium Rate Changes by Account Size

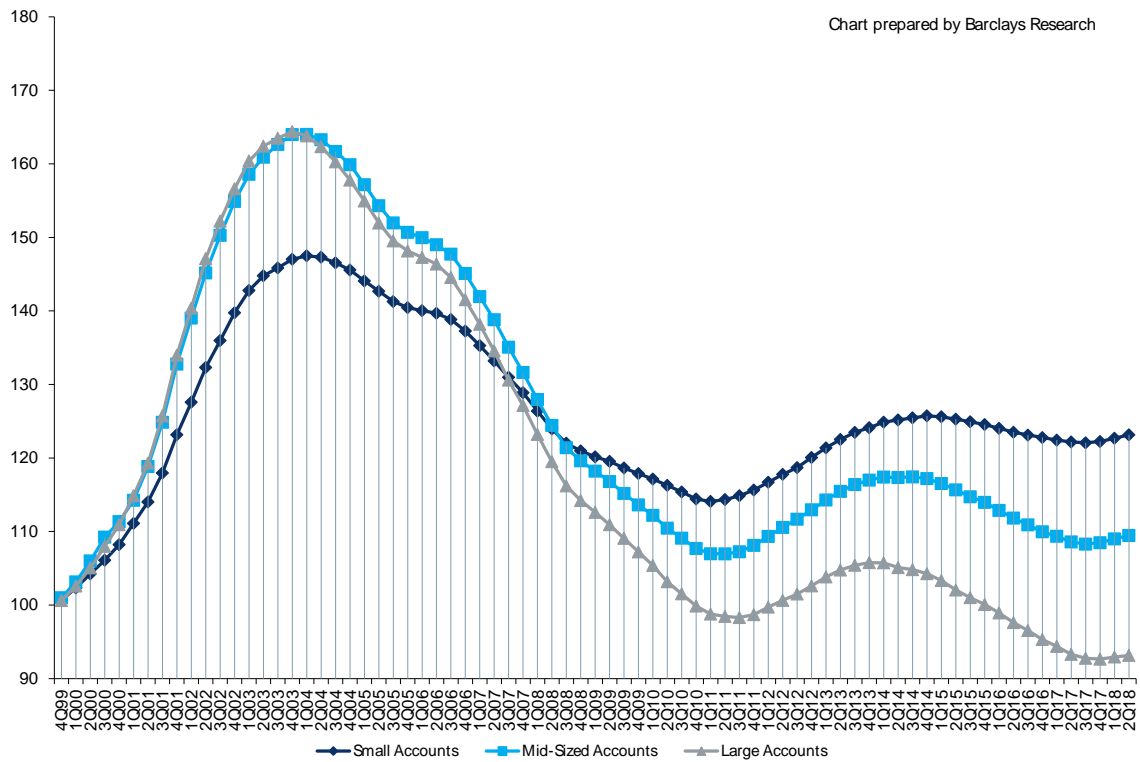
Chart prepared by Barclays Research



Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

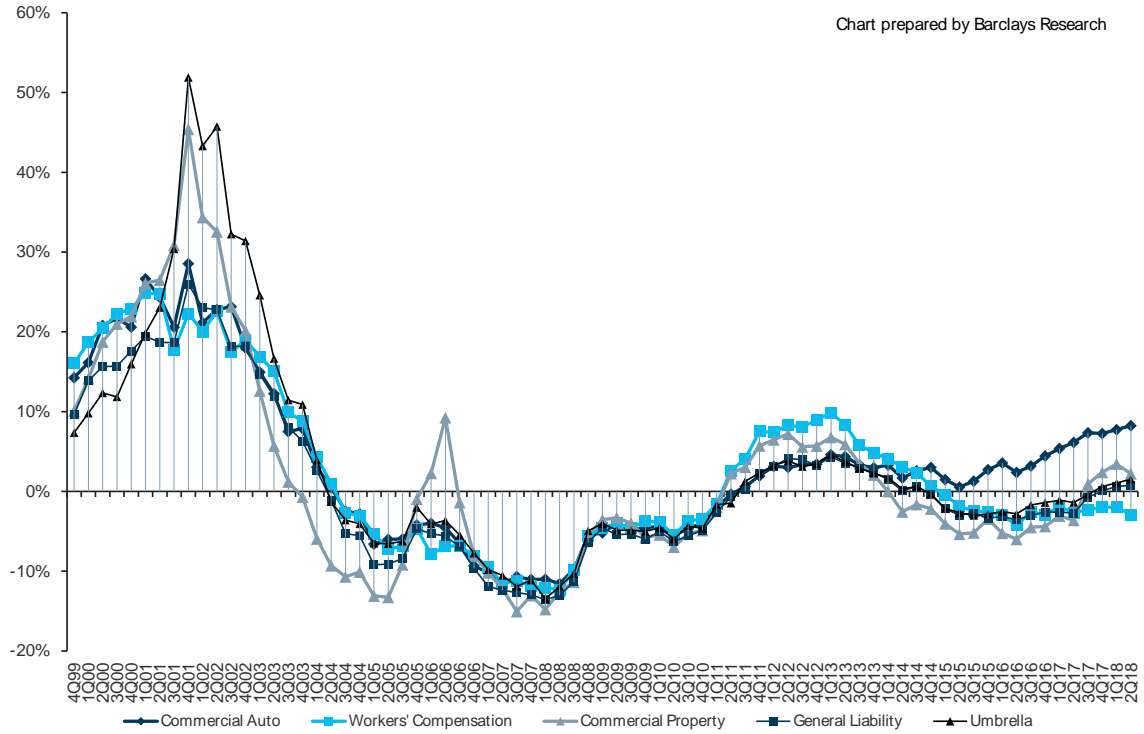
Cumulative Quarterly Rate Increases by Account Size

Chart prepared by Barclays Research



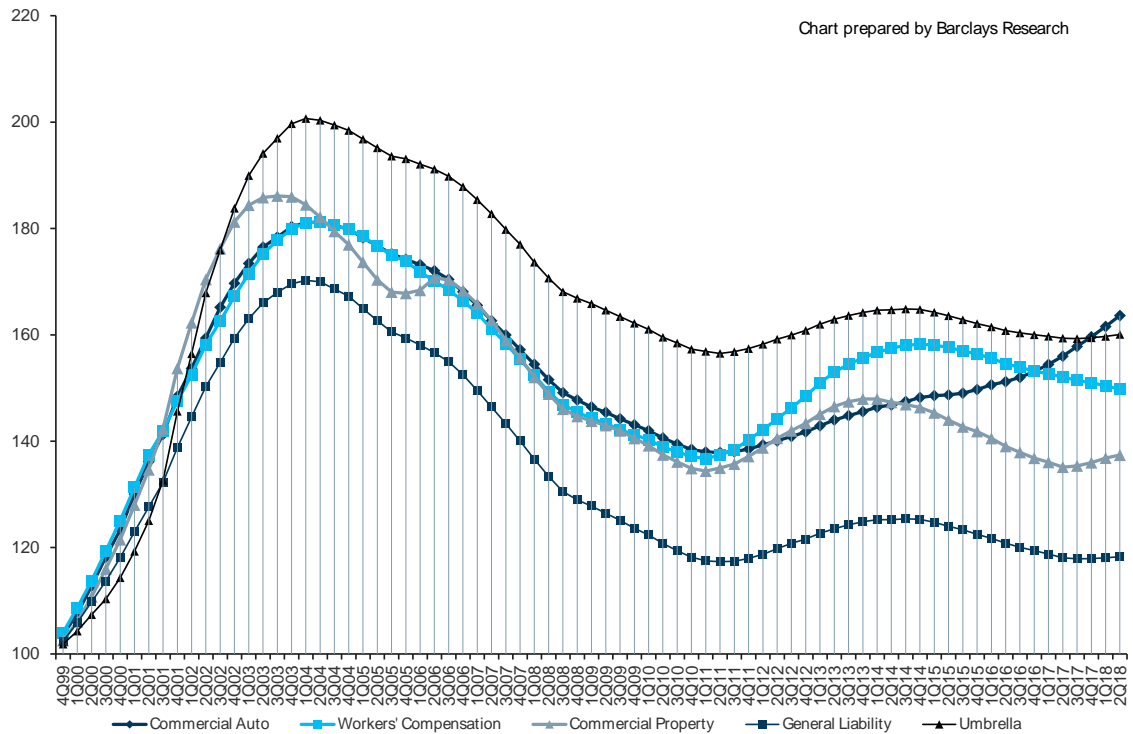
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

Average Commercial Rate Increases by Line



Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

Cumulative Quarterly Rate Increases by Line

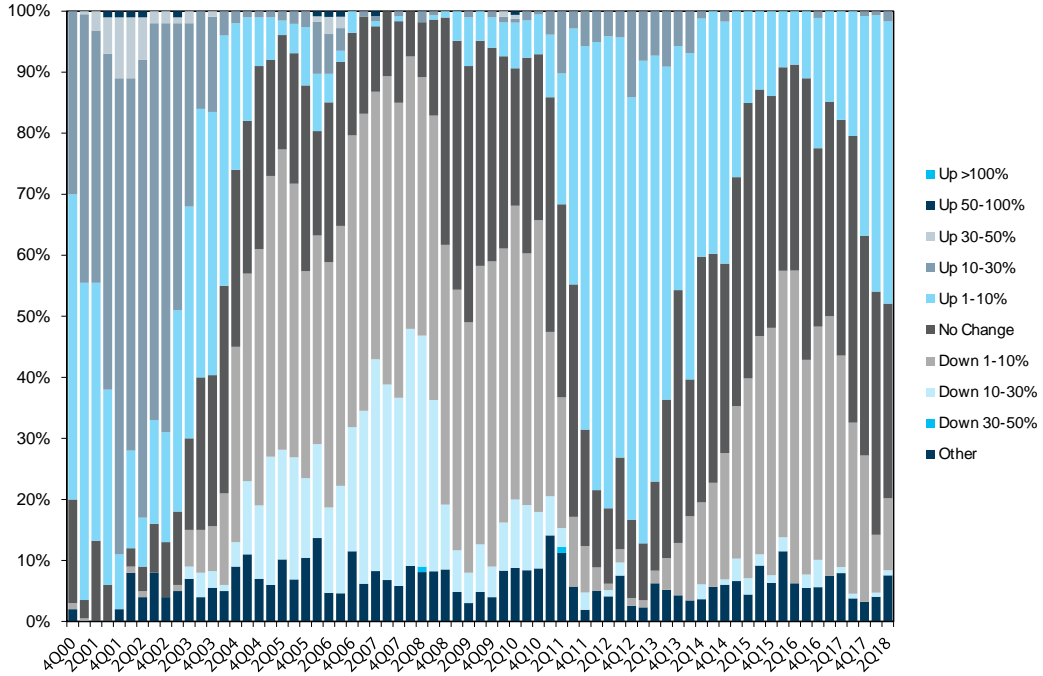


Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

Insurance Rate Changes, Small Commercial Accounts*

Percentage of Survey Respondents

Rate Increases Reported by Agents & Brokers in CIAB Survey
 (* Accounts generating <\$25,000 in annual commissions & fees)

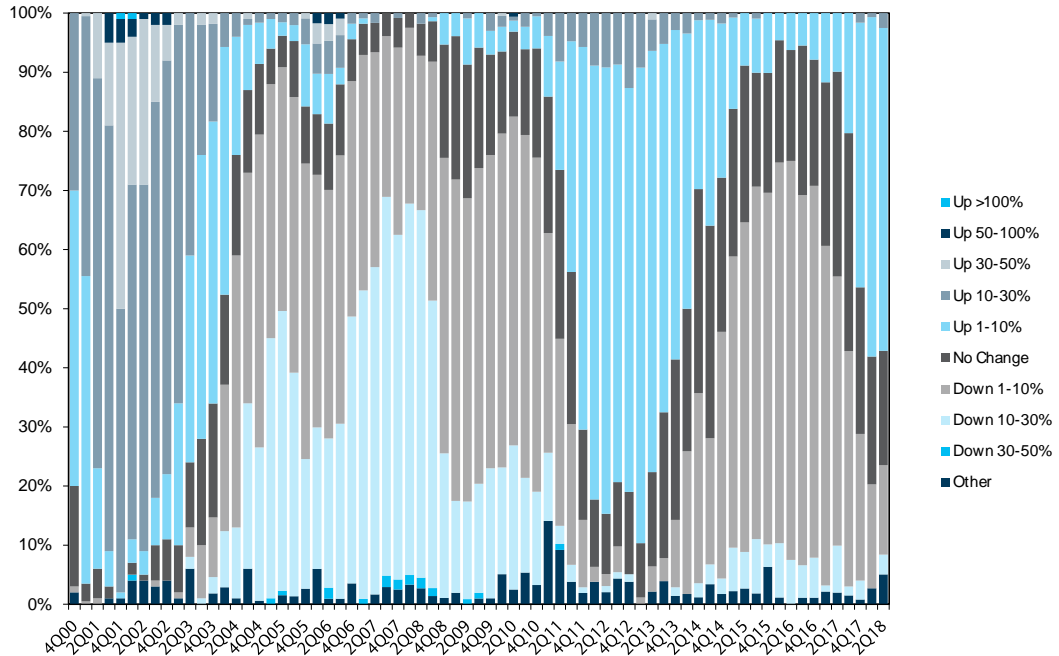


Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

Insurance Rate Changes, Medium Commercial Accounts*

Percentage of Survey Respondents

Rate Increases Reported by Agents & Brokers in CIAB Survey
 (* Accounts generating \$25,000-\$100,000 in annual commissions & fees)

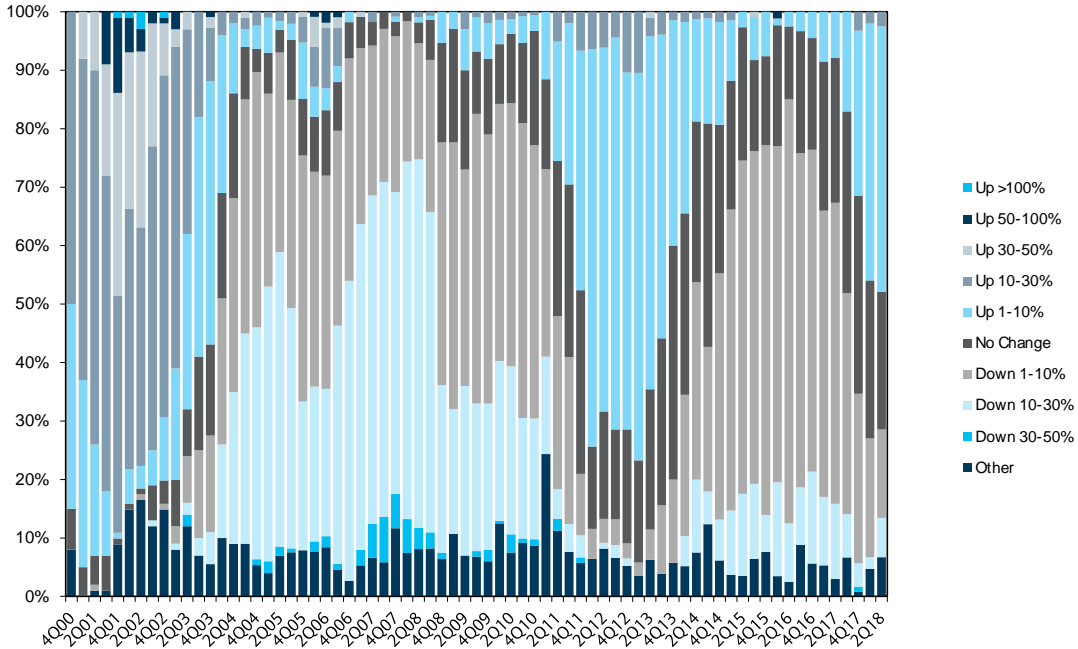


Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

Insurance Rate Changes, Large Commercial Accounts*

Percentage of Survey Respondents

Rate Increases Reported by Agents & Brokers in CIAB Survey
 (* Accounts generating >\$100,000 in annual commissions & fees)

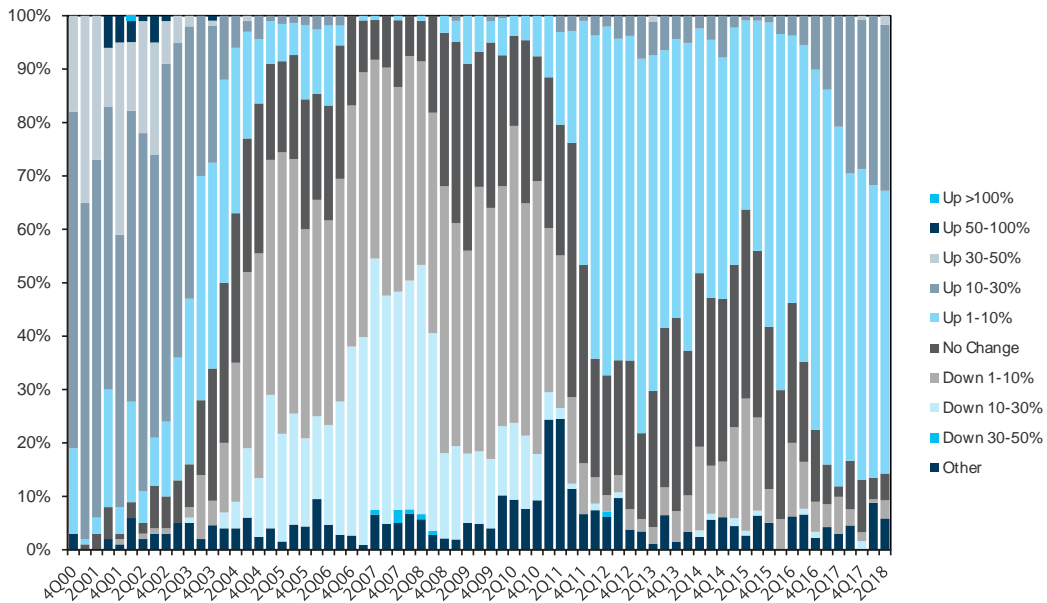


Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

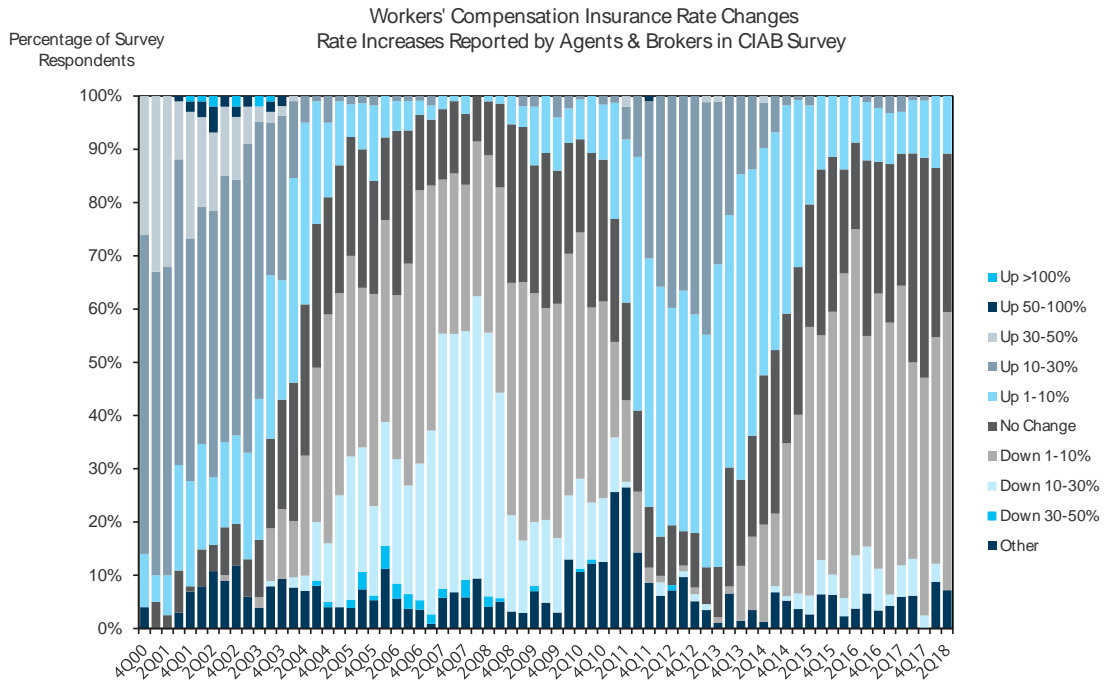
Commercial Auto Insurance Rate Changes

Percentage of Survey Respondents

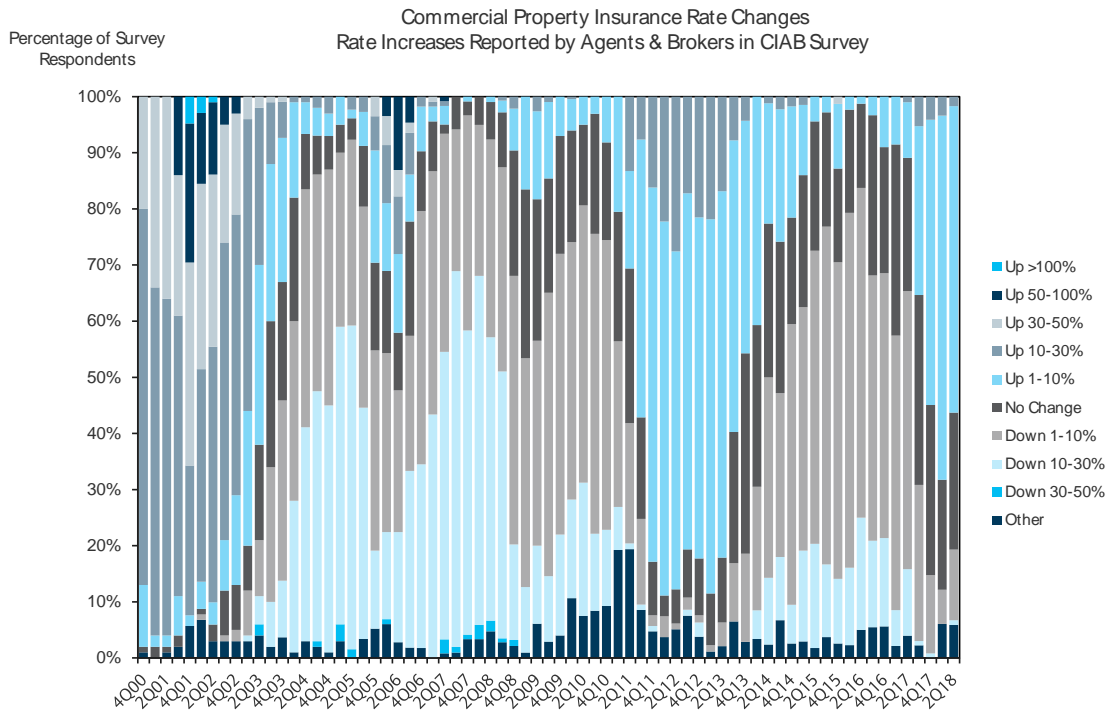
Rate Increases Reported by Agents & Brokers in CIAB Survey



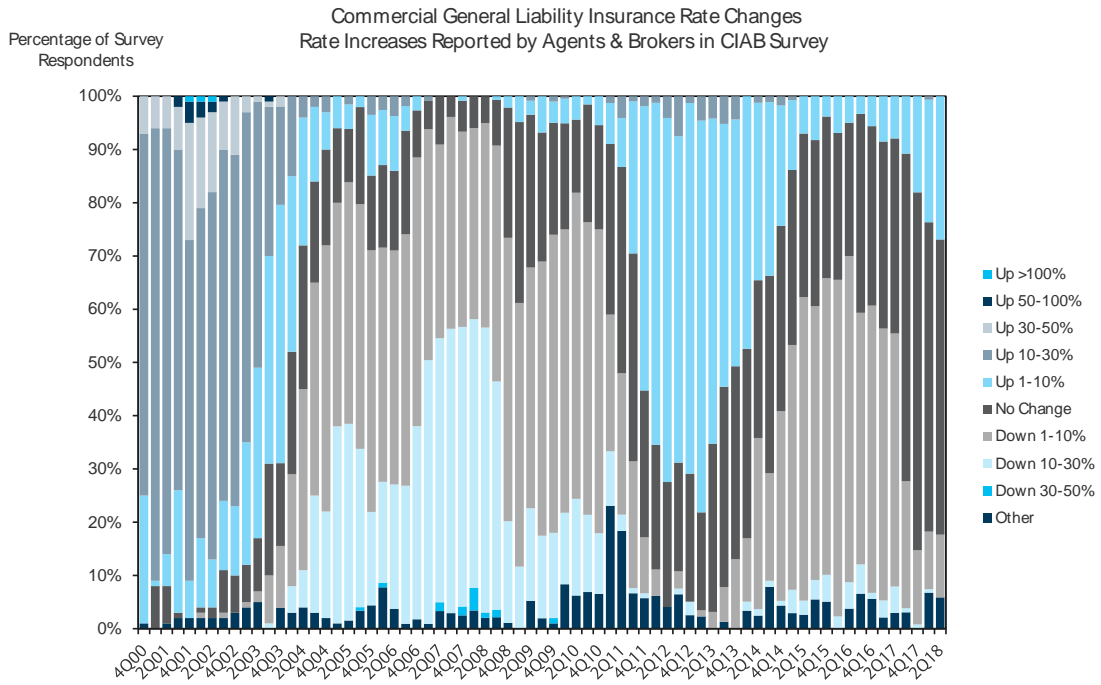
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



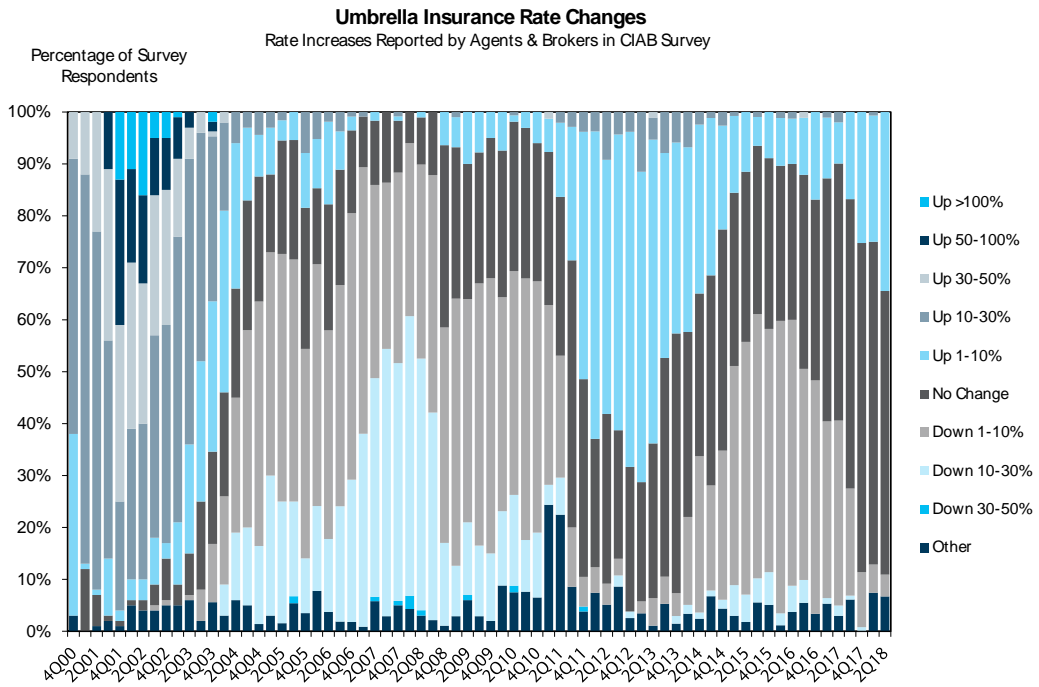
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



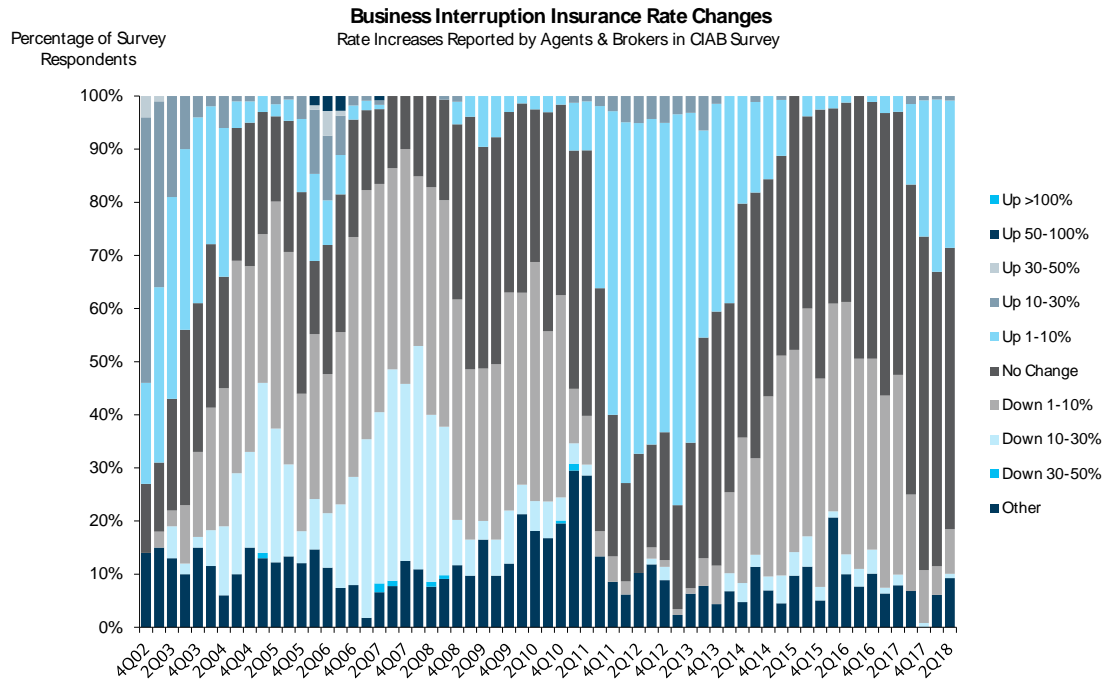
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



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