



 THE COUNCIL
**COMMERCIAL PROPERTY/
CASUALTY MARKET INDEX**

Q4/2018



EXECUTIVE SUMMARY

The following are key takeaways from The Council of Insurance Agents & Brokers' Commercial Property/Casualty Market Report Q4 2018 (October 1 – December 31):

- Premium pricing across all-sized accounts again experienced slight increases during Q4 2018, with an average increase of **2.4 percent**, compared to a 1.6 percent increase in Q3 2018 and a 1.5 percent increase in Q2.
- Respondents reported slight premium pricing increases for all lines of business except for Workers' Compensation, which saw a 3.3 percent decrease in Q4 2018, Cyber (0.2 percent decrease), and Terrorism (0.2 percent decrease). The average premium pricing increase across all lines was **2.1 percent**, similar to the 1.9 percent average increase in Q3 2018.
- The demand for cyber insurance remained the highest out of all lines of business, according to respondents. Seventy-six (**76 percent**) of respondents reported a "somewhat" or "significant" increase in demand for cyber coverage in Q4 2018, the same increase recorded in Q3.
- Q4 2018 was the 30th consecutive quarter of increased commercial auto rates: premium pricing for commercial auto increased **7.0 percent**.
- As in 2018, "**driving organic growth**" and "**recruiting and developing talent**" remained the top two organizational priorities for respondents' firms, with **75 percent** of respondents listing the former and **70 percent** the latter.

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

Premium pricing increased across small, medium and large accounts in Q4 2018, marking the fifth consecutive quarter of similarly sized increases. The average increase in premium pricing across all-sized accounts was **2.4 percent**, compared to 1.6 percent in Q3 2018 and 1.5 percent in Q2 2018. This slight increase in commercial property/casualty rates was consistent with other industry reports, including [MarketScout](#), the [IVANS index](#), and [Marsh's global commercial insurance premium price index](#).

Average Fourth Quarter 2018 Commercial Pricing Increases

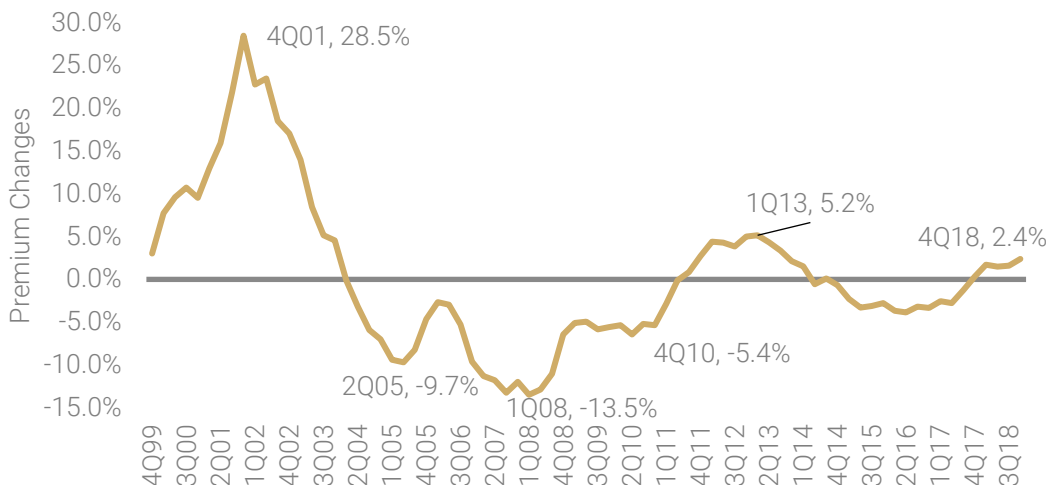
	By Account Size			
	SMALL	MEDIUM	LARGE	AVERAGE
Fourth Quarter 2018	2.3%	2.7%	2.2%	2.4%
Third Quarter 2018	1.4%	1.7%	1.6%	1.6%
Second Quarter 2018	1.8%	1.8%	0.9%	1.5%
First Quarter 2018	1.8%	2.1%	1.2%	1.7%
Fourth Quarter 2017	0.7%	0.8%	-0.5%	0.3%
High	20.8%	31.7%	33.0%	28.5%
High Date	4Q01	4Q01	4Q01	
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.

"Firming continued into the fourth quarter of 2018," said The Council's President/CEO, Ken A. Crerar. "With the exception of Workers' Compensation, Cyber and Terrorism, all lines saw slight to moderate increases in premium pricing. For the past five or so quarters, the Commercial Property/Casualty market has been rebounding from a choppy market, due to excess capital and alternative methods of risk transfer. Additionally, another historic natural catastrophe season most likely affected premium pricing across commercial property lines as well."

Average Premium Changes, 1999 - 2018



PREMIUM PRICING BY LINE OF BUSINESS

By-Line Fourth Quarter 2018 Rate Changes Ranged From -3.3% to +7.0%

	COMM'L AUTO	WORKERS' COMP	COMM'L PROPERTY	GEN'L LIABILITY	UMBRELLA	AVERAGE
Fourth Quarter 2018	7.0%	-3.3%	2.9%	1.4%	2.3%	2.1%
Third Quarter 2018	7.0%	-2.6%	2.9%	0.8%	1.4%	1.9%
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%
Fourth Quarter 2017	7.3%	-2.0%	2.4%	0.1%	0.6%	1.7%
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.

Most lines of business The Council monitors experienced moderate tightening in Q4 2018: the average premium increase for five major lines of business (Commercial Auto, Workers' Compensation, Commercial Property, General Liability and Umbrella) was **2.1 percent**, consistent with Q3 2018's average premium increase of **1.9 percent**. Commercial Auto and Workers' Compensation were again outliers on opposite ends of the spectrum - Commercial Auto premiums **increased by 7.0 percent** while Workers' Comp saw a **3.3 percent decrease**.

According to a respondent from a midsized Midwestern firm, "Carrier results were poor in the 4th Quarter and it starting hitting certain lines."

Rate Changes in Other Lines

	4Q18	HIGH	LOW
Broker E&O	0.9%	15.4%	-4.5%
Business Interruption	1.2%	28.8%	-10.2%
Construction	2.4%	38.7%	-10.7%
Cyber	-0.2%	0.4%	-1.5%
D&O Liability	1.5%	32.4%	-8.7%
Employment Practices	1.8%	21.9%	-8.1%
Flood	2.2%	8.6%	-2.7%
Marine	0.2%	3.0%	-10.6%
Medical Malpractice	0.6%	32.5%	-4.1%
Surety Bonds	0.0%	11.2%	-2.3%
Terrorism	-0.2%	10.4%	-3.6%

Source:

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

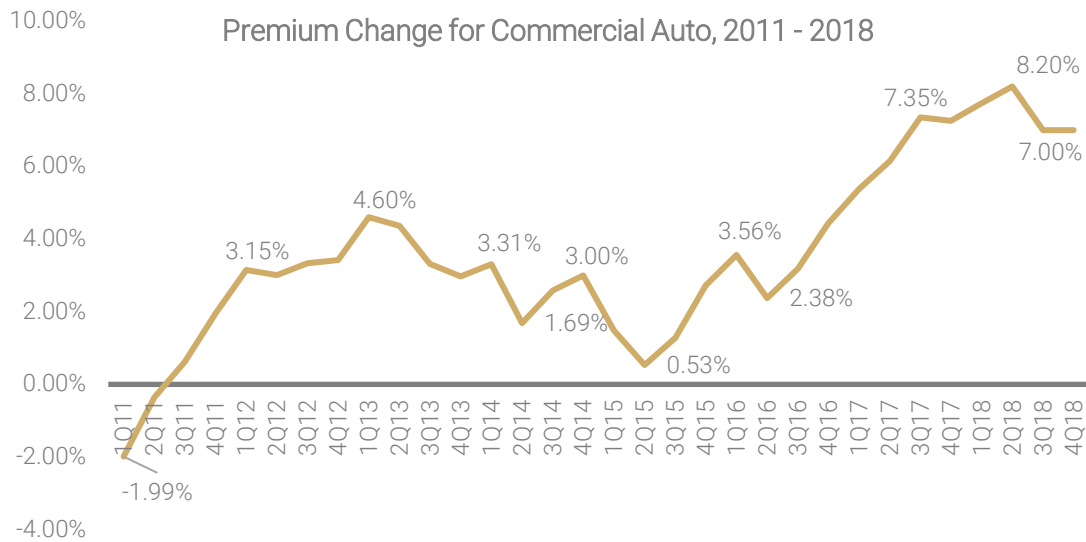
NOTABLE LINES OF BUSINESS

COMMERCIAL AUTO

As mentioned above, Commercial Auto saw an average premium price increase of **7.0 percent**, the same increase recorded in Q3 2018. This marked the **30th consecutive quarter** of premium price increases for Commercial Auto. "Auto continued to deteriorate," one respondent from a large Northwestern firm said, and given this response and

others like it, it is unclear whether there is an end in sight for this troubled line of business.

Though Commercial Auto was not the sole “problem child” last quarter - (Commercial Property was also frequently mentioned in survey responses), it was the most notable of them, with premium increases described as “substantial” or “dramatic,” and Auto underwriting characterized as “much more restrictive.” Across all regions, according to respondents, carriers were pushing for increased deductibles and premiums on Commercial Auto accounts, making the line harder to place and price across the board.



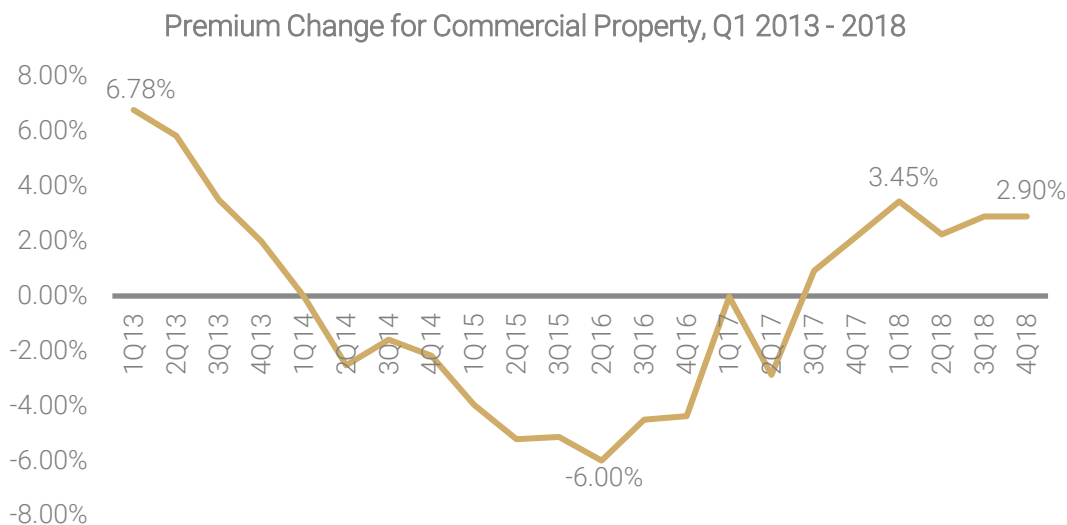
Reasons for Commercial Auto’s difficulties were numerous. Increased congestion on the roads, distracted driving, and road quality all led to an increased number of accidents, resulting in more frequent payouts. Additionally, those payouts were often more severe due to the higher value of modern vehicles.

Two other factors raised at The Council’s Claims & Risk Management Working Group were also associated with increasing Commercial Auto rates. First, nuclear verdicts, which involve extreme punitive damages leveled against insurers, remained a burden for carriers.

Second, Investor-financed litigation, where investors fund litigation for plaintiffs that may not be able to afford taking insurers to court in return for a share of any settlement or damage, has also been on the rise. Investor-financed litigation often results in settlements in the tens of millions, or more, because investors in this situation also often artificially inflate claims costs along the way by paying for, among other things, unnecessary medical treatments for the plaintiffs.

COMMERCIAL PROPERTY

Like last quarter, Commercial Property saw the **second-largest** premium price increase out of all the other lines (the largest being Commercial Auto), at **2.9 percent**. This marked the fifth consecutive quarter that Commercial Property saw a premium price increase of over 2 percent. One respondent from a large Midwestern firm said that she “started to see a repositioning with Property carriers - reduced capacity; rate mandates, etc.”



Respondents identified a focus on **CAT-prone property** as one of the reasons for this repositioning and for the increased premiums, with one respondent from a large Northwestern firm noting “for property there was continued scrutiny on what is a CAT area and if so deemed, retentions and pricing will be up.” Another respondent from the same region concurred, stating that “due to the Northern California fires, carriers were starting to **pay close attention to wildfire zones** - even those with moderate or less risk - rural locations were being looked at more closely for this.”

Not only did respondents note upward pressure on premium prices, they also observed efforts by carriers to obtain higher deductibles, particularly for property risks for large accounts, as well as for property in hail/wind-prone areas—something that was seen in the Q3 2018 survey as well. Additionally, a respondent from a large Southwestern firm noted “property has seen the biggest change in approach with higher deductibles being pushed by carriers as a way to offset pricing increases.”

WORKERS’ COMPENSATION

Though premium prices were up in Q4 2018 for almost all lines, carriers again sought to offset these increases by leveraging Workers’ Compensation rates. Aside from Cyber and Terrorism, both of which saw very slight decreases of 0.2 percent, Workers’ Compensation was the only line to exhibit a notable decrease in rate, at **3.3 percent**.

Premium pricing for Worker’s Compensation also decreased “due to state filed rates and carriers’ strong appetite to write WC,” according to a respondent from a mid-sized Southeastern firm. Lastly, for a respondent from a large Midwestern firm, “WC continued to be the most competitive line.”

UNDERWRITING

UNDERWRITING BY LINE OF BUSINESS

According to respondents, underwriting tightened across most lines in Q4 2018, with the usual exception of Workers’ Compensation. Consistent with results from the Q3 2018 survey, Commercial Auto saw the biggest **decrease in underwriting capacity**, with approximately **56 percent** of respondents stating they had seen a decrease in Commercial Auto underwriting capacity. Additionally, in line with the issues with Commercial Property discussed in the previous section, **23 percent** of respondents reported a decrease in underwriting capacity for that particular line, compared to **18 percent** in Q3 2018.

Cyber and **Workers' Compensation** were the two lines which respondents said carriers had an increased appetite for. **Thirty-eight (38) percent** of respondents said there was an increase in capacity for Cyber, and **30 percent** said the same for Workers' Compensation, consistent with the view of respondents that Workers' Compensation was still very soft in Q4 2018.

UNDERWRITING BY ACCOUNT SIZE

One theme in responses regarding underwriting changes by account size this quarter was that carriers, as a whole, were beginning to ask more questions and "be more attentive" when it came to the loss histories of accounts of all sizes. "Carriers want more information when providing additional limits," said one respondent from a large Midwestern firm, which may include worksheets or surveys to paint a more complete picture of an account or particular line's risk profile.

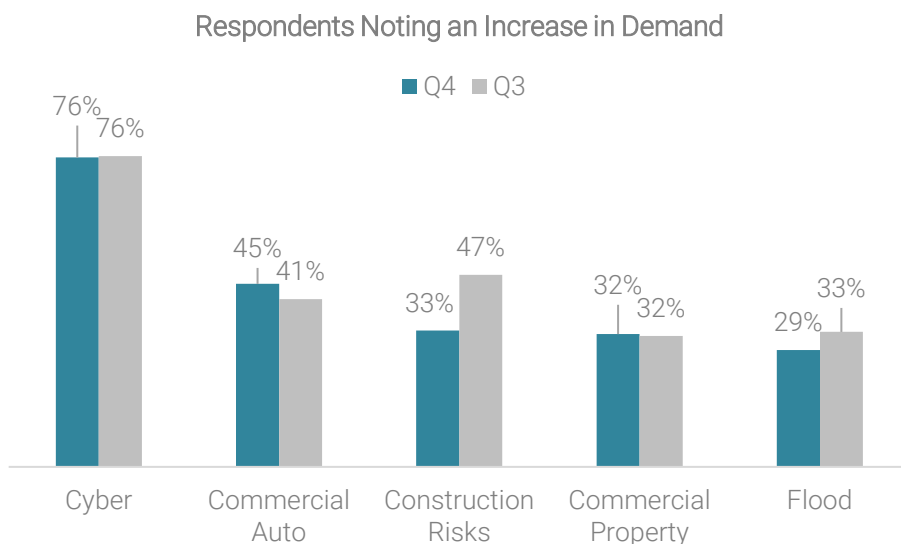
Overall, respondents agreed that either there had been few changes in the underwriting process in Q4 2018, or that carriers were underwriting slightly more conservatively for accounts of all sizes. Many respondents attributed this tightening in underwriting to carriers attempting to "get rate on the auto risk" as well as the risk for large or CAT-prone property, demonstrating that Commercial Auto's continuing difficulties have had an outsized impact.

DEMAND

Three-quarters (75 percent) of respondents said that they had seen an **increase in demand for cyber insurance**, continuing the trend of high demand in this particular line seen in all previous quarters of 2018. And though Commercial Auto remained a troubled line last quarter, demand for it was still relatively high, with **45 percent** of respondents noting an increase in demand and zero noting a decrease, likely due to decreased underwriting capacity for this particular line.

Other lines of business for which respondents observed a relatively high increase in demand include **Commercial Property** (32 percent of respondents reported an increase in demand) and **Construction Risks** (33 percent).

These numbers are generally consistent with Q3 2018. **D&O, Flood, and Employment Practices** were also lines for which more than 20 percent of respondents reported an increase in demand, also similar to Q3 2018. "The hurricanes have brought attention to flood and related business income coverage," said one respondent from a large Southeastern firm. "Construction is up due to strong development growth in the Southeast." A few respondents also attributed the increase in demand for Employment Practices (and General Liability) to the "Me Too" movement.



Finally, for other lines not mentioned above, more than **80 percent** of respondents said they had seen no change in demand.

CLAIMS

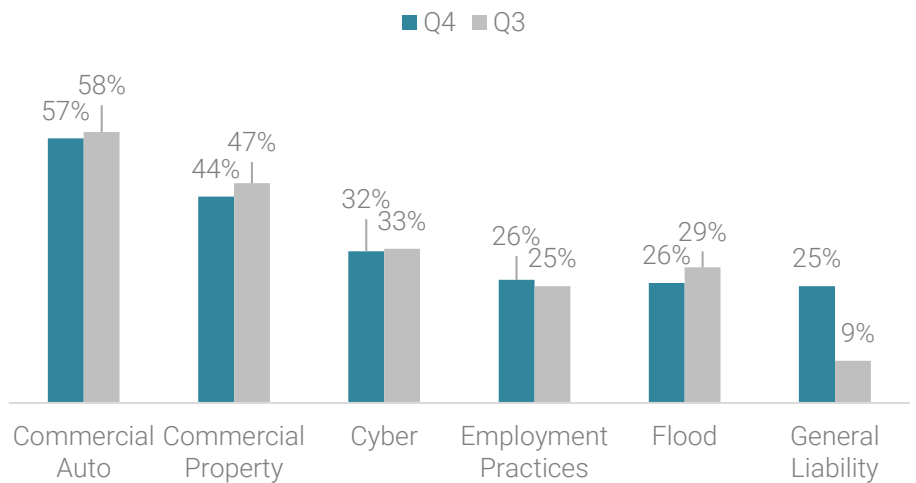
Commercial Auto and Commercial Property were standout lines in the claims realm as well. **Fifty-seven (57) percent** of respondents reported an increase in claims for Commercial Auto, suggesting that an increased number of accidents were indeed one cause of the steadily increasing Commercial Auto premiums. The survey has still not seen a number comparable to Q1 2018, where 73 percent of respondents reported an increase in Commercial Auto claims.

For Commercial Property, **44 percent** of respondents reported an increase

in claims, which was likely due in part to the California wildfires mentioned by respondents from the Northwest and Southwest regions. This number was similar to what was reported last quarter (**47 percent**), when the industry was experiencing the aftereffects of Hurricane Florence and Michael, which itself was a noticeable increase from the usual approximately 30 to 35 percent—and several respondents did mention hurricane-related claims in their comments regarding claims increases.

The number of respondents reporting an increase in claims for **Cyber** and **Employment Practices** remained steady at **32 percent** and **26 percent**. **Flood** also saw a moderate decrease in claims, with **25 percent** of respondents reporting an increase in flood-related claims, compared to 35 percent last quarter. **General Liability** also saw a relatively significant change in claims: **25 percent** of respondents reported an increase in claims for General Liability in Q4, compared to **just 9 percent** in Q3 2018.

Respondents Noting an Increase in Claims

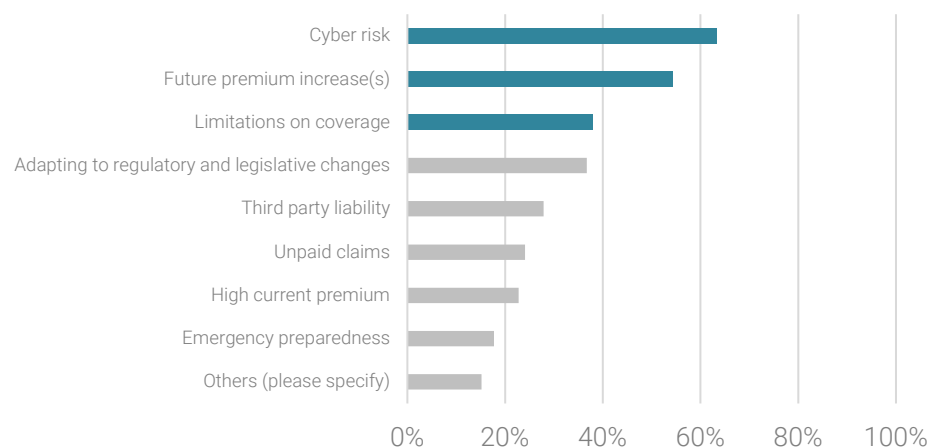


CLIENT CONCERNS

“Cyber risk” and “future premium increases” remained top-of-mind for brokers’ clients this quarter. **Sixty-three (63) percent** of respondents identified the former as a top-three concern for their clients and **54 percent** the latter - consistent with results from the previous 2018 surveys.

While respondents did not specifically name a reason for why clients were more concerned about coverage

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



limitations, the answer may lie in responses to previous surveys. In Q1 and Q2 2018, respondents said that in an effort to remain competitive, a number of carriers were increasing their coverage levels while keeping their premium prices relatively flat. Compare this to Q4, where respondents' general view was that underwriting was tightening and carriers were more cautious.

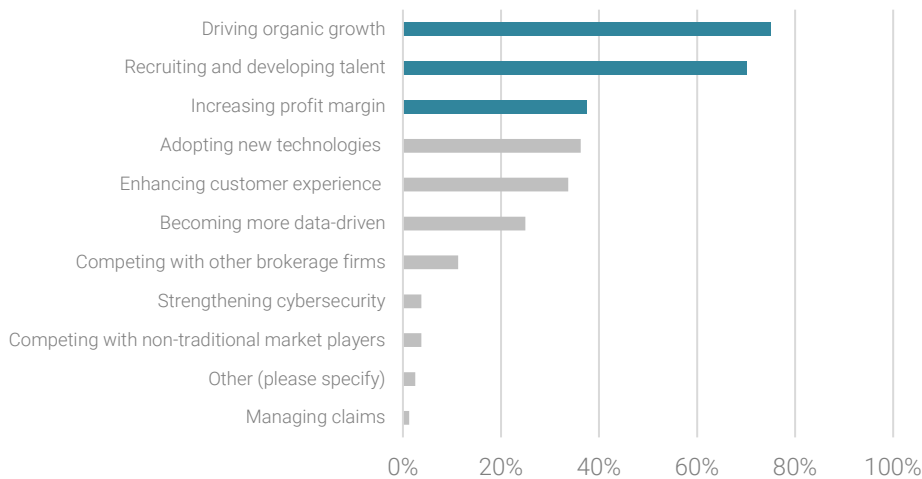
PRIORITIES AND CHALLENGES

“Driving organic growth,” “recruiting and developing talent,” and “increasing profit margin” were respondents’ top three priorities and top three challenges for Q4 2018. Three-quarters of respondents named “driving organic growth” and 70 percent of respondents listed “recruiting and developing talent” as top-three priorities, results that have remained basically unchanged since the survey’s inception. “Increasing profit margin” was a top-three priority for 38 percent of respondents and a top-three challenge for 33 percent, but this was no more significant than the other results, as “increasing profit margin” has been at around the same level for years, along with “adopting new technologies” and “enhancing customer experience.”

It’s no surprise that these results were consistent with almost every past survey: driving organic growth as well as recruitment have always been the lifeblood of any firm or organization, not just those in the insurance industry, and naturally are essential to increasing a firm’s profit margin. “This is always front and center,” said one respondent from a large Midwestern firm. “We believe that driving organic growth and the development of new talent go hand in hand. Hence, we concentrate on both,” said another respondent from a large Southeastern firm, and a third respondent from a large Northwestern firm stated “[Recruiting and developing talent] is our number one priority and is helping to drive our organic growth success.”

In responses, firms made clear that the most important aspect of their efforts to confront this double-headed issue was beginning their recruiting efforts early, by “targeting Millennial and Gen X talent,” as one respondent from a midsized firm in the Southeast put it. Many firms also leverage internships to introduce “junior/senior level college students” to the industry and to foster a familiarity with the industry that

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



What opportunities for commercial insurance brokers do you see?

From the NORTHEAST:

“Changes in technology will create new opportunities to manage risk for our clients. Better access to data we already have will create opportunities to increase sales.”

From the SOUTHEAST:

“Many businesses need the counsel of brokers due to the complex environment we are in. Global growth, cyber threats, lack of quality workers and automobile losses are generating many challenges to clients. We need to help them manage the risks with risk management techniques and insurance products.”

will help interested students transition more easily into roles as producers or otherwise once they graduate. In-house training programs as well as carrier-sponsored producer training and mentoring programs have also seen success, according to respondents.

As a bonus, focusing on recruiting younger individuals also helps tackle the problem of an aging workforce with which the industry has had to contend—one respondent from a large Southeastern firm acknowledged, “In my office, the youngest producer/account executive is 55 years old.” Firms recognize that by tapping into the “new business generation” ahead of time, they are, as one respondent from a midsized Northeastern firm said, “building for the future.”

From the MIDWEST:

“Bringing more and more value to the customer. Moving away from “just selling insurance” to managing business risk from wherever it appears.”

From the NORTHWEST:

“Good growth opportunity for brokerage firms who can keep up with their outside competition and technology.”

“Maximize use of technologies and analytics to grow business and do so with reduced expenses. Increased ability to target growth in select industries via use of data and analytics. Identify new ways via technology, and through use of data and analytics to solicit, write and service business.”

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.

**BELOW ARE THE SURVEY RESULTS FOR:
ALL REGIONS**

1. During the fourth quarter of 2018 (October 1 – December 31), on average, did premiums go up or down for each of the following account sizes, compared to the third quarter of 2018 (July 1 – September 30)? (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%	1.27%	6.33%	34.18%	56.96%	0.00%	0.00%	0.00%	0.00%	1.27%
Medium Account (Between \$25k to \$100k in commission and fees)	0.00%	0.00%	1.27%	13.92%	17.72%	64.56%	2.53%	0.00%	0.00%	0.00%	0.00%
Large Account (More than \$100k in commission and fees)	0.00%	0.00%	1.27%	11.39%	32.91%	51.90%	2.53%	0.00%	0.00%	0.00%	0.00%

2. During the fourth quarter of 2018 (October 1 – December 31), on average, did premiums go up or down for each of the following lines of business, compared to the third quarter of 2018 (July 1 – September 30)? (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%	8.97%	55.13%	30.77%	1.28%	0.00%	0.00%	0.00%	3.85%
Broker E&O	0.00%	0.00%	0.00%	2.70%	62.16%	18.92%	1.35%	0.00%	0.00%	0.00%	14.86%
Commercial auto	0.00%	0.00%	0.00%	1.32%	3.95%	67.11%	22.37%	2.63%	2.63%	0.00%	0.00%
Commercial property	0.00%	0.00%	2.56%	5.13%	20.51%	69.23%	1.28%	0.00%	0.00%	0.00%	1.28%
Construction risks	0.00%	0.00%	0.00%	7.89%	40.79%	43.42%	5.26%	0.00%	0.00%	0.00%	2.63%
Cyber	0.00%	0.00%	0.00%	20.51%	62.82%	15.38%	0.00%	0.00%	0.00%	0.00%	1.28%
D&O	0.00%	0.00%	0.00%	3.85%	62.82%	28.21%	2.56%	0.00%	0.00%	0.00%	2.56%
Flood	0.00%	0.00%	0.00%	3.95%	60.53%	25.00%	6.58%	1.32%	0.00%	0.00%	2.63%
Employment practices	0.00%	0.00%	0.00%	2.60%	62.34%	28.57%	3.90%	0.00%	0.00%	0.00%	2.60%
General liability	0.00%	0.00%	0.00%	7.89%	55.26%	34.21%	1.32%	0.00%	0.00%	0.00%	1.32%
Marine	0.00%	0.00%	0.00%	4.05%	81.08%	9.46%	0.00%	0.00%	0.00%	0.00%	5.41%
Medical malpractice	0.00%	0.00%	0.00%	5.48%	64.38%	13.70%	1.37%	0.00%	0.00%	0.00%	15.07%
Surety bonds	0.00%	0.00%	0.00%	2.70%	87.84%	2.70%	0.00%	0.00%	0.00%	0.00%	6.76%
Terrorism	0.00%	0.00%	1.35%	2.70%	86.49%	1.35%	0.00%	0.00%	0.00%	0.00%	8.11%
Umbrella	0.00%	0.00%	0.00%	3.95%	50.00%	40.79%	3.95%	0.00%	0.00%	0.00%	1.32%
Workers' compensation	0.00%	0.00%	7.89%	51.32%	34.21%	5.26%	0.00%	0.00%	0.00%	0.00%	1.32%

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

1. During the fourth quarter of 2018 (October 1 – December 31), on average, did premiums go up or down for each of the following account sizes, compared to the third quarter of 2018 (July 1 – September 30)? (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%	6.25%	0.00%	25.00%	68.75%	0.00%	0.00%	0.00%	0.00%	0.00%
Medium Account (Between \$25k to \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	25.00%	75.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Large Account (More than \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	37.50%	62.50%	0.00%	0.00%	0.00%	0.00%	0.00%

2. During the fourth quarter of 2018 (October 1 – December 31), on average, did premiums go up or down for each of the following lines of business, compared to the third quarter of 2018 (July 1 – September 30)? (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%	0.00%	56.25%	43.75%	0.00%	0.00%	0.00%	0.00%	0.00%
Broker E&O	0.00%	0.00%	0.00%	0.00%	66.67%	13.33%	0.00%	0.00%	0.00%	0.00%	20.00%
Commercial auto	0.00%	0.00%	0.00%	0.00%	13.33%	60.00%	20.00%	6.67%	0.00%	0.00%	0.00%
Commercial property	0.00%	0.00%	0.00%	0.00%	31.25%	68.75%	0.00%	0.00%	0.00%	0.00%	0.00%
Construction risks	0.00%	0.00%	0.00%	0.00%	46.67%	53.33%	0.00%	0.00%	0.00%	0.00%	0.00%
Cyber	0.00%	0.00%	0.00%	20.00%	80.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
D&O	0.00%	0.00%	0.00%	0.00%	66.67%	33.33%	0.00%	0.00%	0.00%	0.00%	0.00%
Flood	0.00%	0.00%	0.00%	6.25%	68.75%	6.25%	12.50%	0.00%	0.00%	0.00%	6.25%
Employment practices	0.00%	0.00%	0.00%	0.00%	73.33%	26.67%	0.00%	0.00%	0.00%	0.00%	0.00%
General liability	0.00%	0.00%	0.00%	13.33%	40.00%	46.67%	0.00%	0.00%	0.00%	0.00%	0.00%
Marine	0.00%	0.00%	0.00%	0.00%	73.33%	26.67%	0.00%	0.00%	0.00%	0.00%	0.00%
Medical malpractice	0.00%	0.00%	0.00%	6.67%	53.33%	26.67%	0.00%	0.00%	0.00%	0.00%	13.33%
Surety bonds	0.00%	0.00%	0.00%	6.67%	86.67%	0.00%	0.00%	0.00%	0.00%	0.00%	6.67%
Terrorism	0.00%	0.00%	6.67%	0.00%	73.33%	0.00%	0.00%	0.00%	0.00%	0.00%	20.00%
Umbrella	0.00%	0.00%	0.00%	0.00%	40.00%	53.33%	6.67%	0.00%	0.00%	0.00%	0.00%
Workers' compensation	0.00%	0.00%	13.33%	46.67%	26.67%	13.33%	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)**

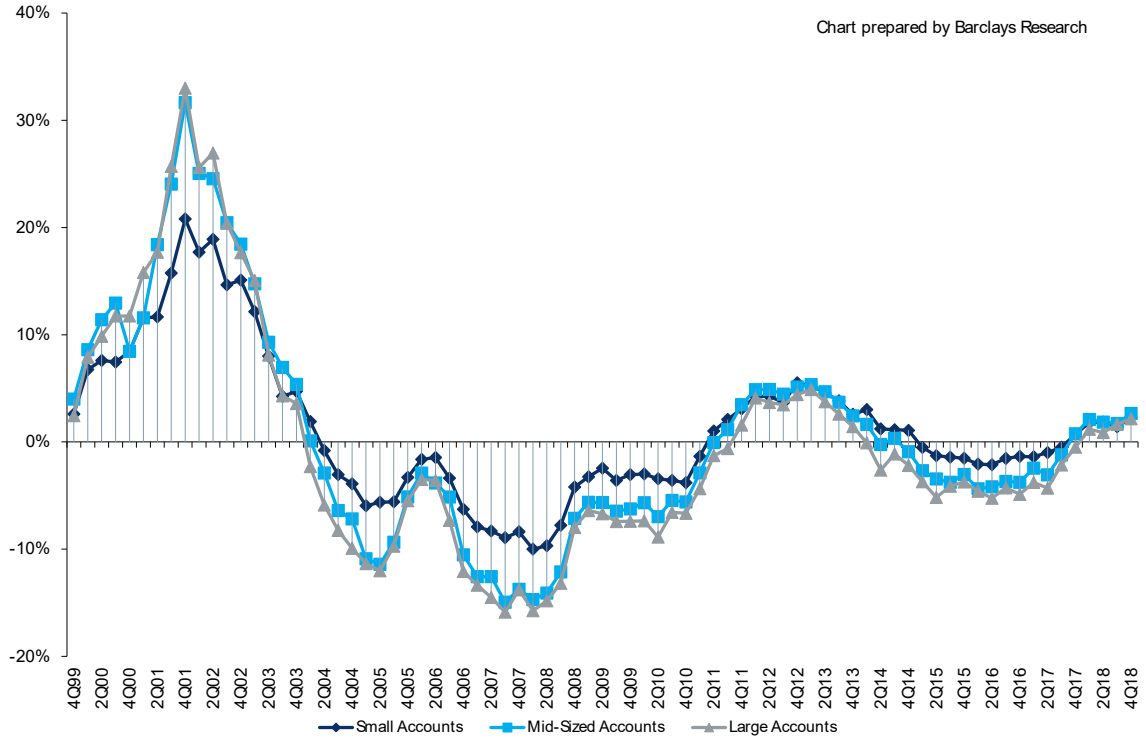
1. During the fourth quarter of 2018 (October 1 – December 31), on average, did premiums go up or down for each of the following account sizes, compared to the third quarter of 2018 (July 1 – September 30)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

	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%	56.00%	0.00%	0.00%	0.00%	0.00%	4.00%
Medium Account (Between \$25k to \$100k in commission and fees)	0.00%	0.00%	0.00%	12.00%	20.00%	68.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Large Account (More than \$100k in commission and fees)	0.00%	0.00%	0.00%	4.00%	32.00%	60.00%	4.00%	0.00%	0.00%	0.00%	0.00%

2. During the fourth quarter of 2018 (October 1 – December 31), on average, did premiums go up or down for each of the following lines of business, compared to the third quarter of 2018 (July 1 – September 30)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

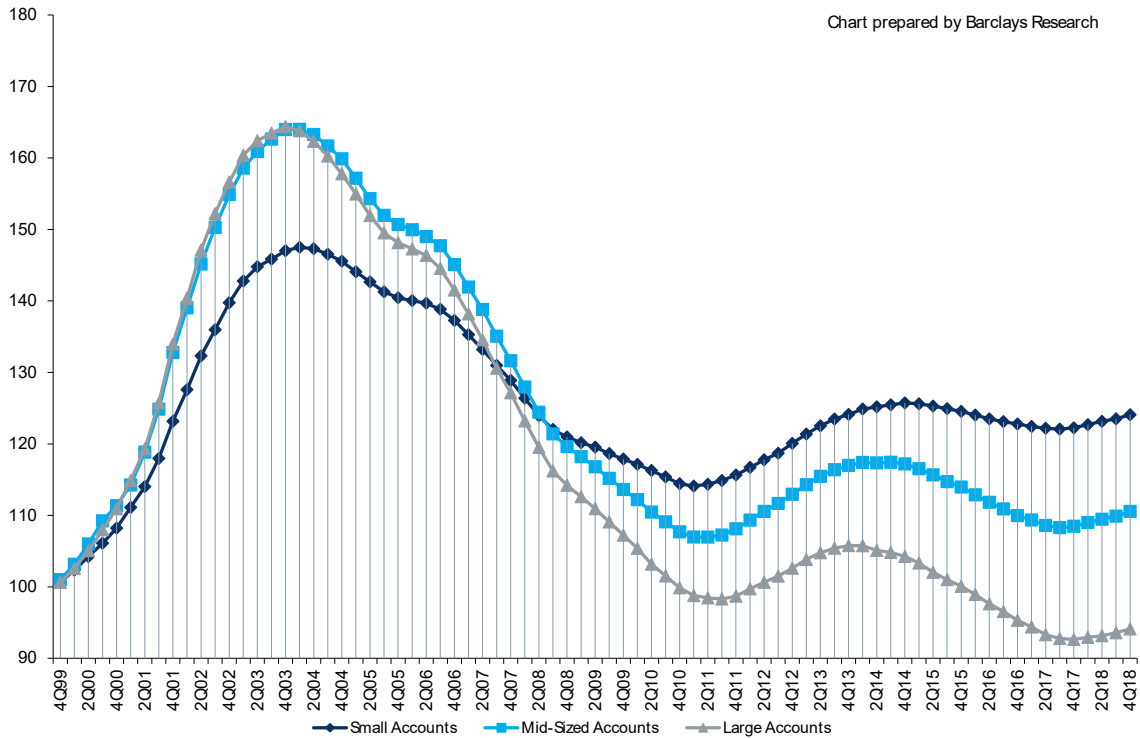
	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No Change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not Sure
Business interruption	0.00%	0.00%	0.00%	4.00%	56.00%	32.00%	4.00%	0.00%	0.00%	0.00%	4.00%
Broker E&O	0.00%	0.00%	0.00%	4.17%	54.17%	29.17%	4.17%	0.00%	0.00%	0.00%	8.33%
Commercial auto	0.00%	0.00%	0.00%	4.17%	4.17%	66.67%	20.83%	0.00%	4.17%	0.00%	0.00%
Commercial property	0.00%	0.00%	0.00%	4.00%	8.00%	84.00%	0.00%	0.00%	0.00%	0.00%	4.00%
Construction risks	0.00%	0.00%	0.00%	8.00%	32.00%	56.00%	0.00%	0.00%	0.00%	0.00%	4.00%
Cyber	0.00%	0.00%	0.00%	8.33%	62.50%	25.00%	0.00%	0.00%	0.00%	0.00%	4.17%
D&O	0.00%	0.00%	0.00%	0.00%	50.00%	41.67%	4.17%	0.00%	0.00%	0.00%	4.17%
Flood	0.00%	0.00%	0.00%	0.00%	58.33%	33.33%	4.17%	0.00%	0.00%	0.00%	4.17%
Employment practices	0.00%	0.00%	0.00%	0.00%	54.17%	33.33%	4.17%	0.00%	0.00%	0.00%	8.33%
General liability	0.00%	0.00%	0.00%	0.00%	62.50%	33.33%	4.17%	0.00%	0.00%	0.00%	0.00%
Marine	0.00%	0.00%	0.00%	0.00%	95.65%	4.35%	0.00%	0.00%	0.00%	0.00%	0.00%
Medical malpractice	0.00%	0.00%	0.00%	4.35%	65.22%	17.39%	4.35%	0.00%	0.00%	0.00%	8.70%
Surety bonds	0.00%	0.00%	0.00%	4.35%	82.61%	8.70%	0.00%	0.00%	0.00%	0.00%	4.35%
Terrorism	0.00%	0.00%	0.00%	4.35%	86.96%	4.35%	0.00%	0.00%	0.00%	0.00%	4.35%
Umbrella	0.00%	0.00%	0.00%	0.00%	45.83%	54.17%	0.00%	0.00%	0.00%	0.00%	0.00%
Workers' compensation	0.00%	0.00%	4.17%	50.00%	37.50%	8.33%	0.00%	0.00%	0.00%	0.00%	0.00%

Average Commercial Premium Rate Changes by Account Size



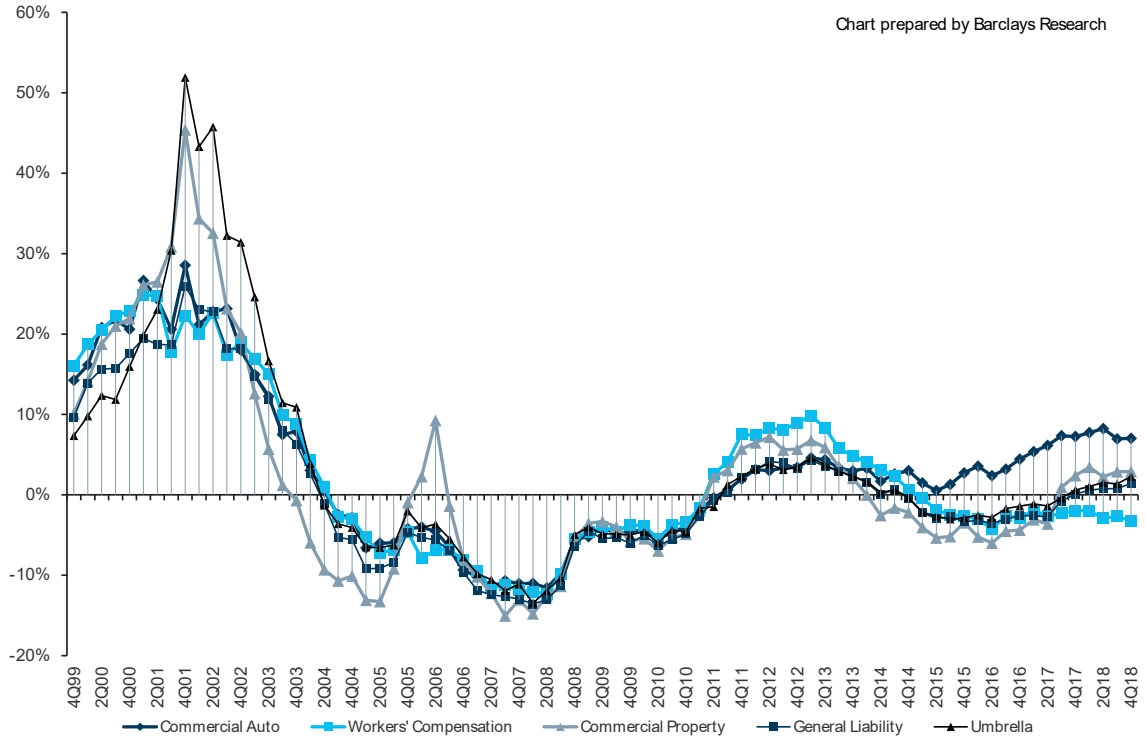
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

Cumulative Quarterly Rate Increases by Account Size



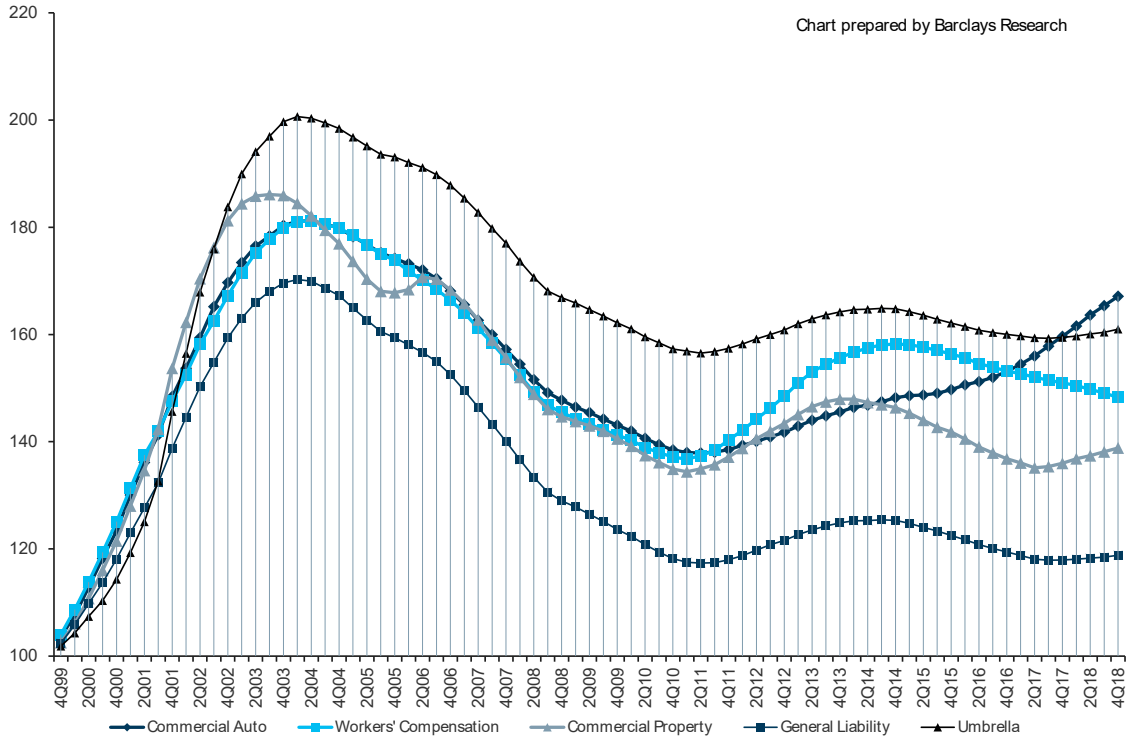
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

Average Commercial Rate Increases by Line

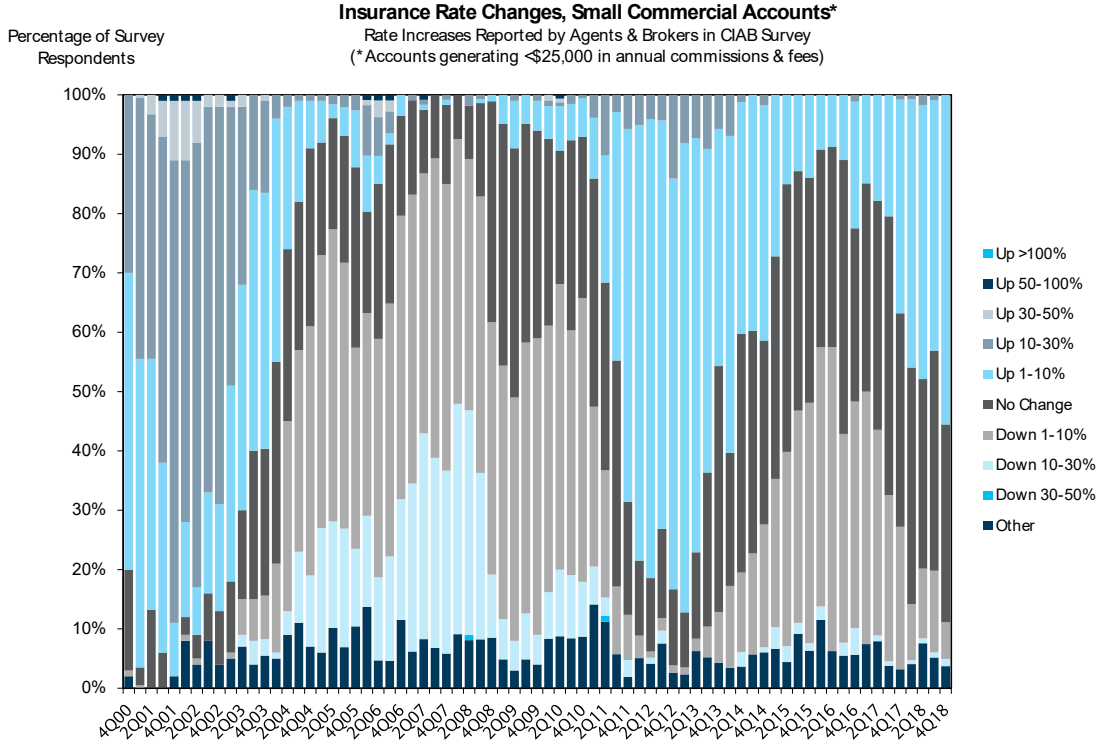


Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

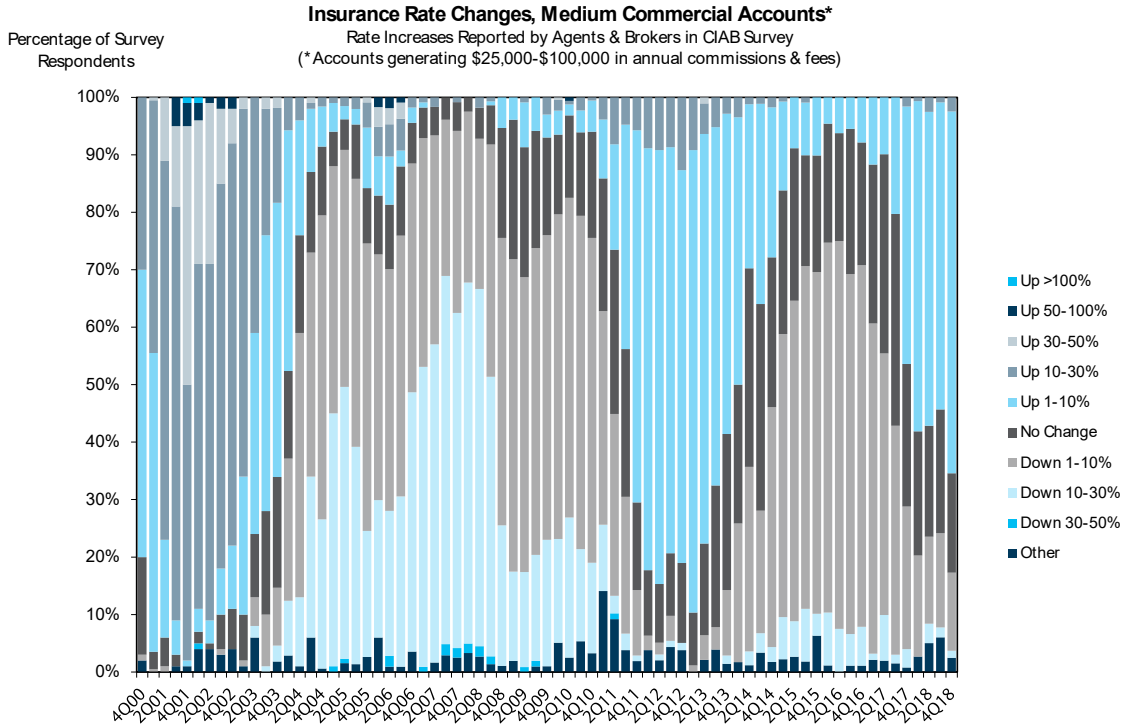
Cumulative Quarterly Rate Increases by Line



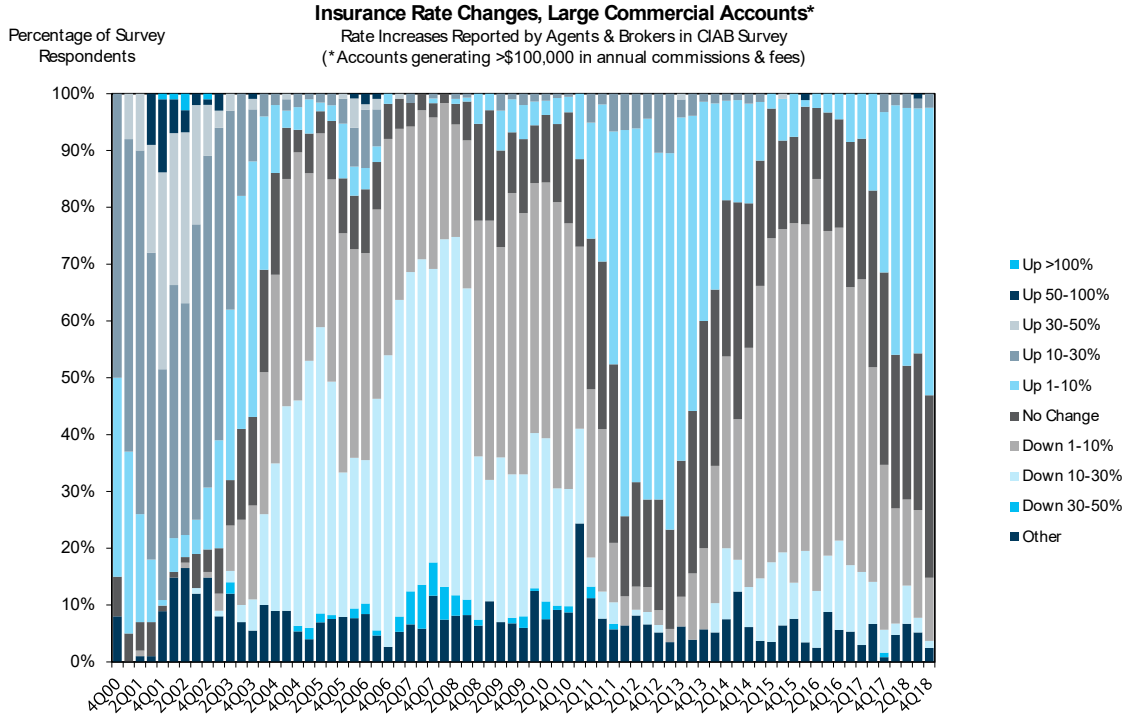
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



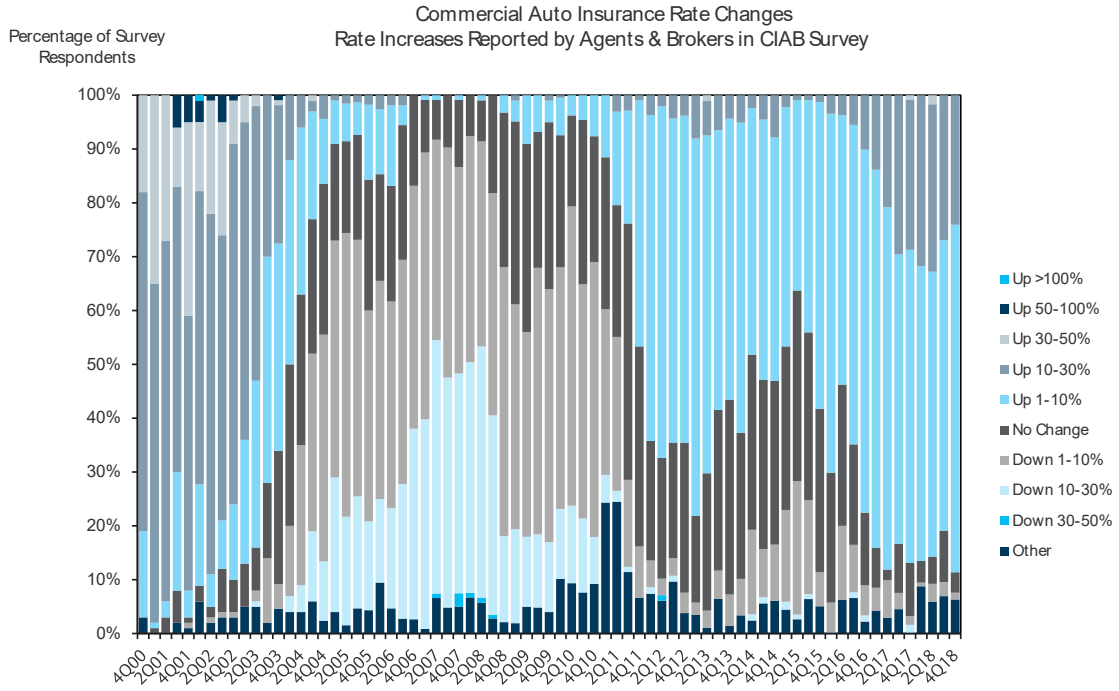
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



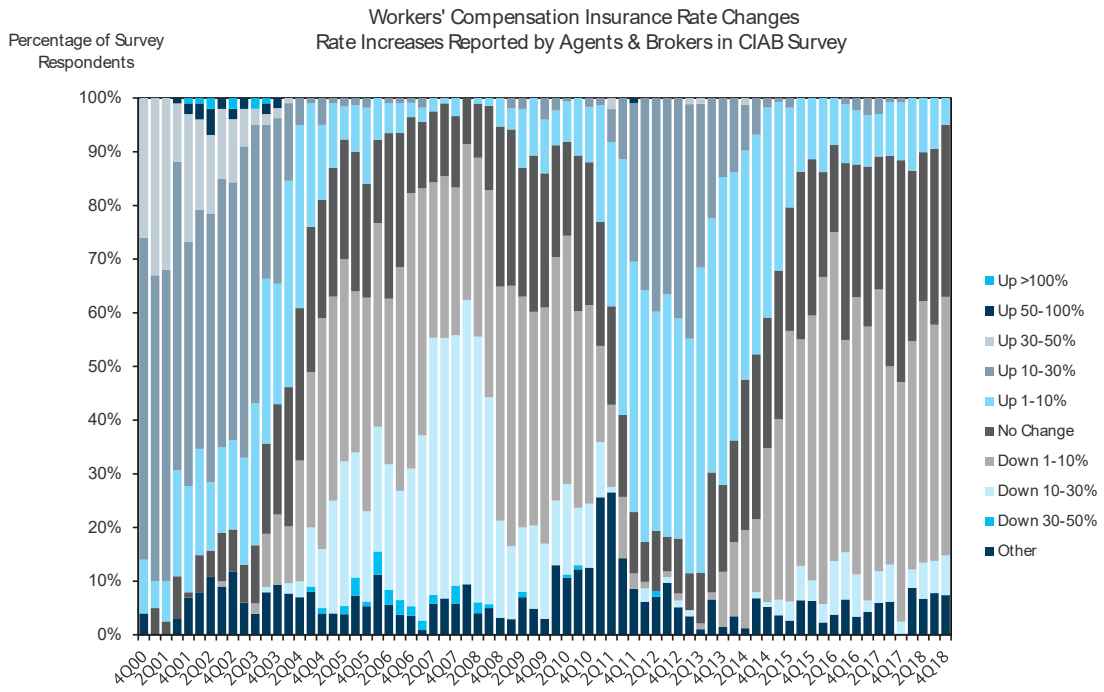
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



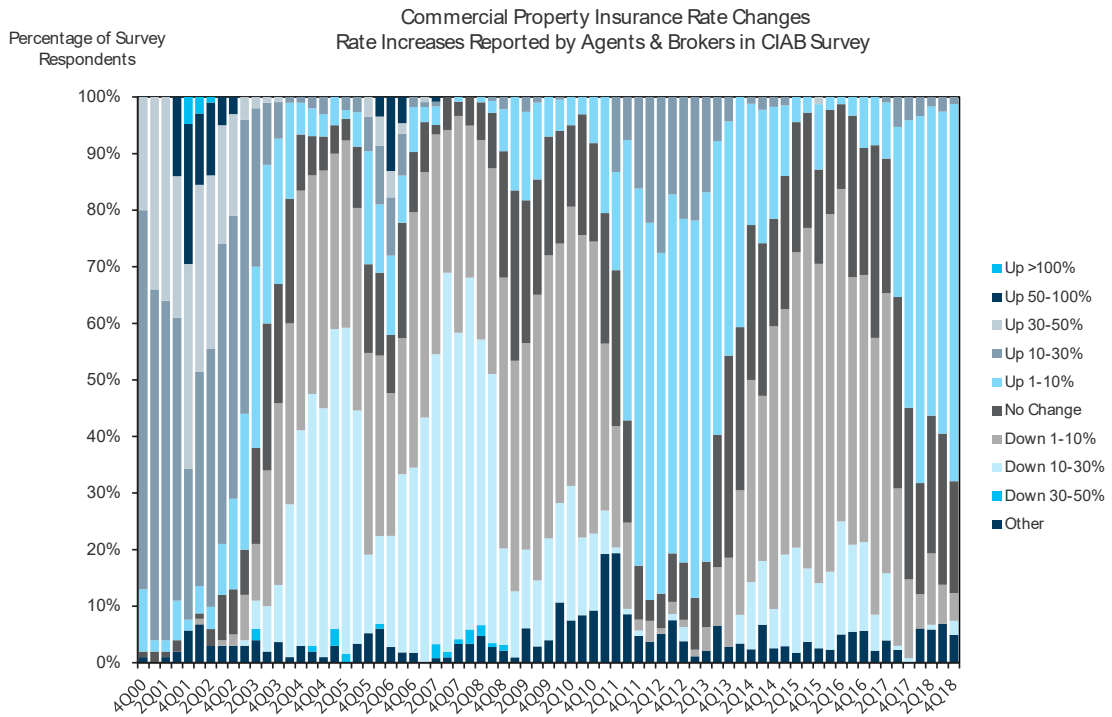
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



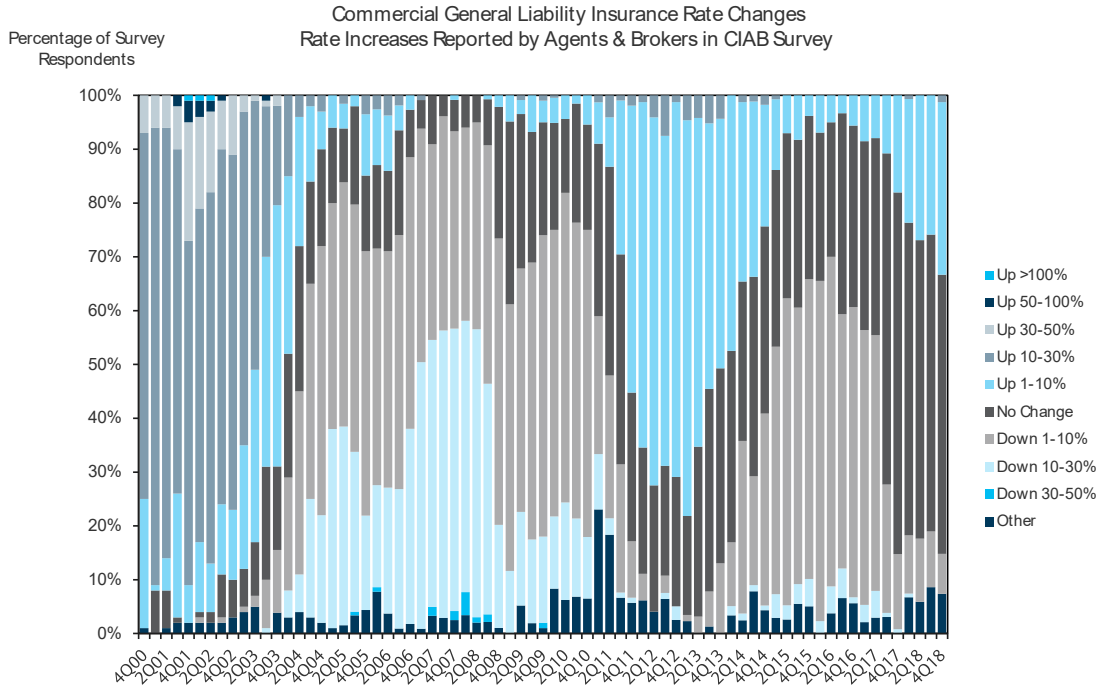
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



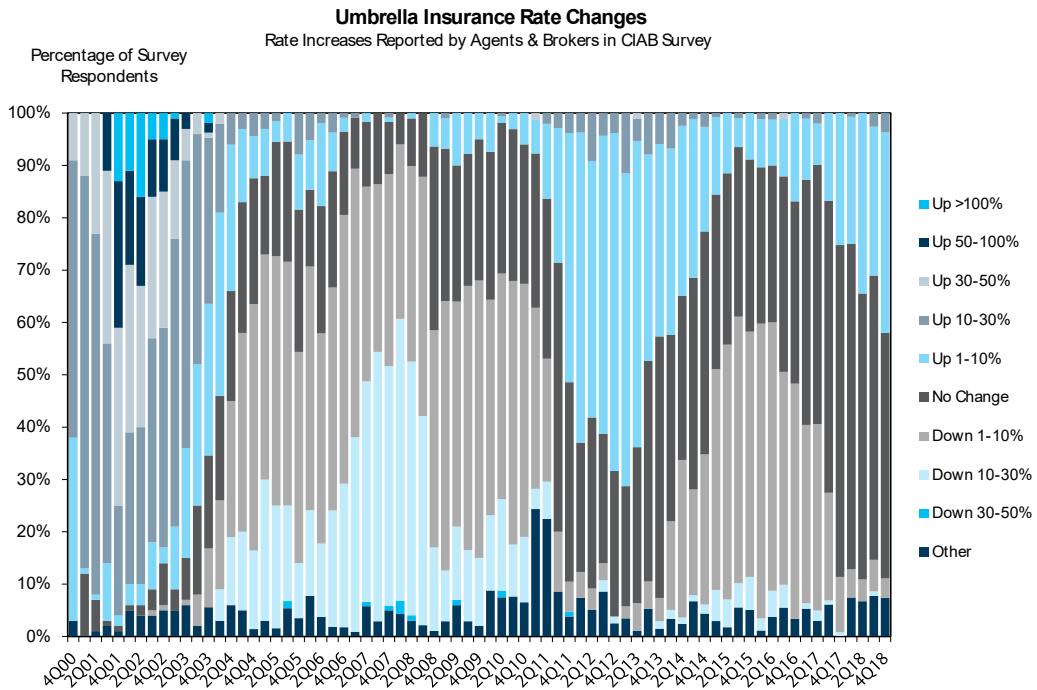
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



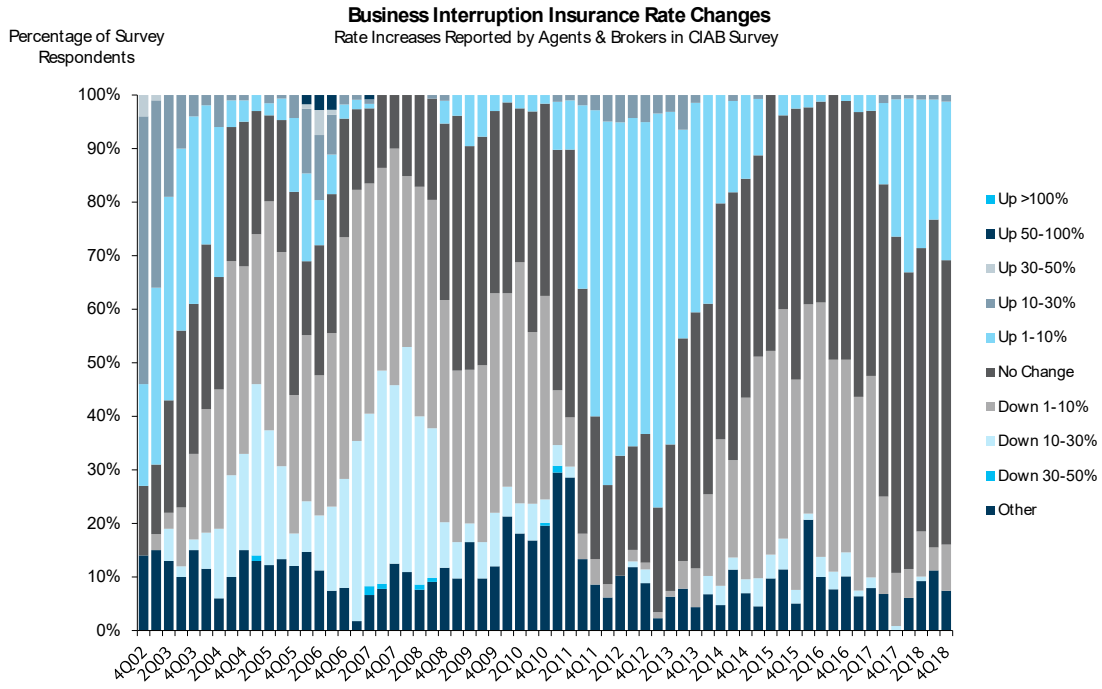
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