



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

Q1/2019



EXECUTIVE SUMMARY

The following are key takeaways from The Council of Insurance Agents & Brokers' Commercial Property/Casualty Market Report Q1 2019 (January 1 – March 31):

- Premium pricing across all-sized accounts saw **continued increases** during Q1 2019, with an average increase of **3.5 percent**, compared to a 2.4 percent increase in Q4 2018 and a 1.6 percent increase in Q3 2018. This marks the sixth consecutive quarter of increased premium pricing by account size.
- Respondents reported increases in premium pricing for all lines of business except for Workers' Compensation, which saw a 3.3 percent decrease in Q1 2019. Commercial Auto (8.8 percent), Commercial Property (5.9 percent) and Umbrella (3.3 percent) experienced the highest rate increases.
- Q1 2019 was the 31st consecutive quarter of increased Commercial Auto rates, with a nearly **9 percent** increase in premium pricing. This marks the highest rate change since the trend began in Q3 2011.
- **Three-fourths (75 percent)** of respondents said they had seen a somewhat or significant increase in demand for Cyber coverage, demonstrating that interest in Cyber Insurance remained consistently high between Q4 2018 and Q1 2019.
- **"Driving organic growth"** and **"recruiting and developing talent"** were again both the top two priorities and the top two challenges for respondents' firms. On the client side, **cyber risk** and **future premium increases** remained top client concerns.

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

Commercial pricing by account size increased an average of 3.5 percent in Q1 2019, compared to 2.4 percent in Q4 2018 and 1.6 percent in Q3 2018. Additionally, large accounts experienced the greatest rate increase in Q1 at 4.0 percent. Since this trend began in Q3 2017, average rate increase by account size is been increasing moderately, indicating firming market conditions across all-sized accounts.

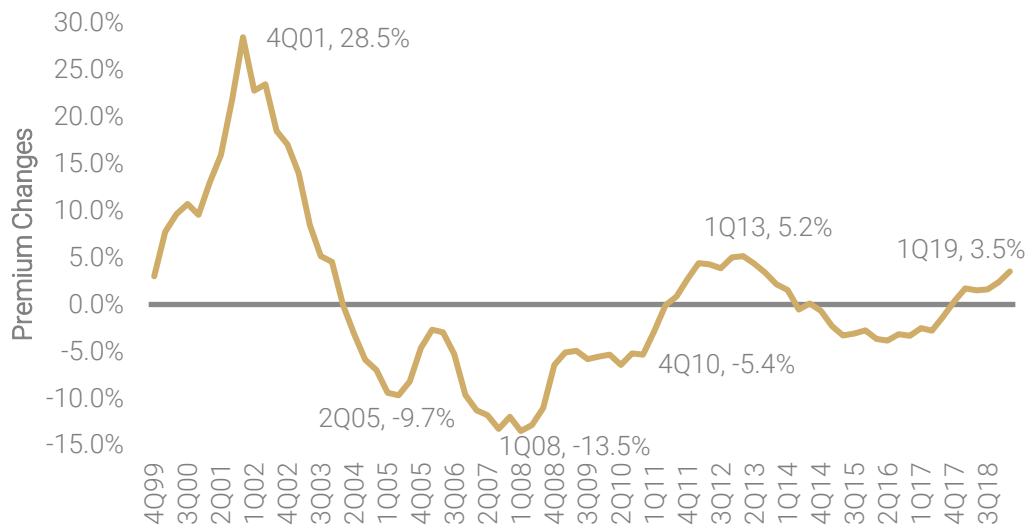
Average First Quarter 2019 Commercial Pricing Increases by Account Size

	By Account Size			
	SMALL	MEDIUM	LARGE	AVERAGE
First Quarter 2019	3.0%	3.5%	4.0%	3.5%
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%
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.

“Trends gathered from this survey’s results, along with other market surveys, events and publications, confirm the growing consensus that there are definitive signs of broad firming in the market in recent quarters,” said Ken A. Crerar, President/CEO of The Council. “However, I believe we are going to have to come up with another way to describe the environment we are operating in now versus characterizing as it a hard or soft market. A confluence of factors and market dynamics illustrate a new story where companies are examining each line of business and making analytical, data-driven decisions. It is a transitioning market with a keen emphasis on new mechanisms to achieve profitable underwriting and improve loss ratios.”

Average Premium Changes, 1999 - Q1 2019



PREMIUM PRICING BY LINE OF BUSINESS

In general, all lines of business (with the usual exception of Workers' Compensation) saw increased levels of premium pricing in Q1 2019 compared to Q4 2018. The average premium pricing increase in Q1 2019 was **3.4 percent**, an uptick from the increases of around 2 percent recorded in all quarters of 2018, again suggesting that the market continues to firm. **Commercial Auto** continued to experience the largest premium price increase at **8.8 percent**, compared to 7.0 percent in Q4 2018.

That being said, **Commercial Property** saw the largest increase relative to its Q4 2018 increase, from a 2.9 percent increase in Q4 2018 to a **5.9 percent increase** in Q1 2019. One respondent from the Northwest summed up the Q1 2019 trends: "appetite is shrinking and pricing is going up on most lines of businesses."

By-Line First Quarter 2019 Rate Changes Ranged from -3.3% to +8.8%

	COMM'L AUTO	WORKERS' COMP	COMM'L PROPERTY	GEN'L LIABILITY	UMBRELLA	AVERAGE
First Quarter 2019	8.8%	-3.3%	5.9%	2.0%	3.3%	3.4%
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%
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 Changes Across Other Lines

	1Q19	HIGH	LOW
Broker E&O	1.3%	15.4%	-4.5%
Business Interruption	2.4%	28.8%	-10.2%
Construction	2.6%	38.7%	-10.7%
Cyber	0.3%	0.4%	-1.5%
D&O Liability	3.2%	32.4%	-8.7%
Employment Practices	2.6%	21.9%	-8.1%
Flood	2.8%	8.6%	-2.7%
Marine	1.1%	3.0%	-10.6%
Medical Malpractice	1.0%	32.5%	-4.1%
Surety Bonds	0.3%	11.2%	-2.3%
Terrorism	0.5%	10.4%	-3.6%

Source:

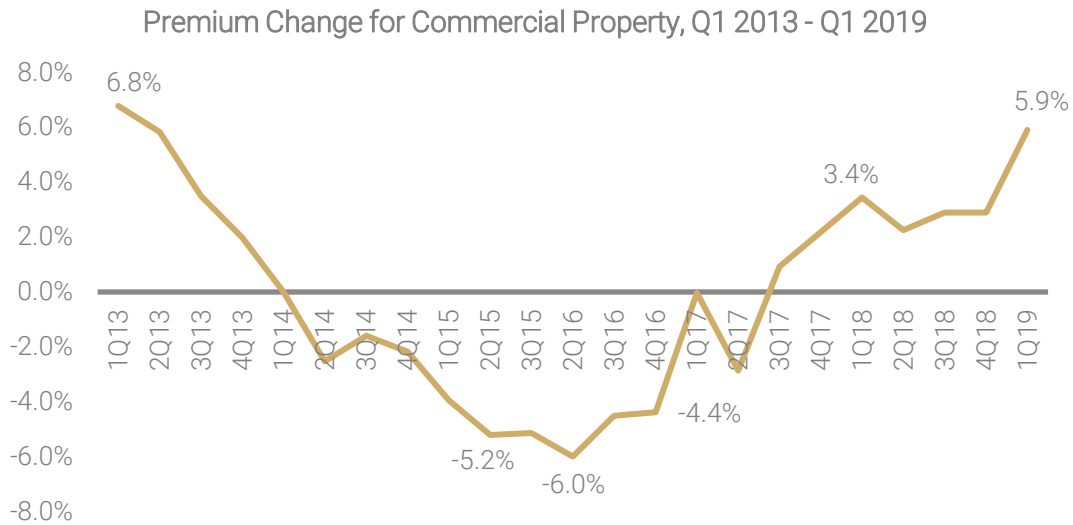
The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

NOTABLE LINES OF BUSINESS

COMMERCIAL PROPERTY

As noted above, the shift in average premium pricing for Commercial Property from 2.9 percent in Q4 2018 to **5.9 percent** in Q1 2019 represents the **largest change for this particular line since 2013**. This marks the seventh consecutive quarter of rising Commercial Property rates.

CAT-prone property was again identified as a main driver behind the increased premiums for Commercial Property. “Property losses for 2017 and 2018 have impacted many property insurers and rates are increasing in an attempt to secure more rate for the exposures,” said one respondent from a midsized Northwestern firm, possibly referencing the lasting effects of Hurricanes Harvey (2017) and Irma, Michael and Florence (2018), as well as the catastrophic [2017](#) and [2018](#) fire seasons in California.

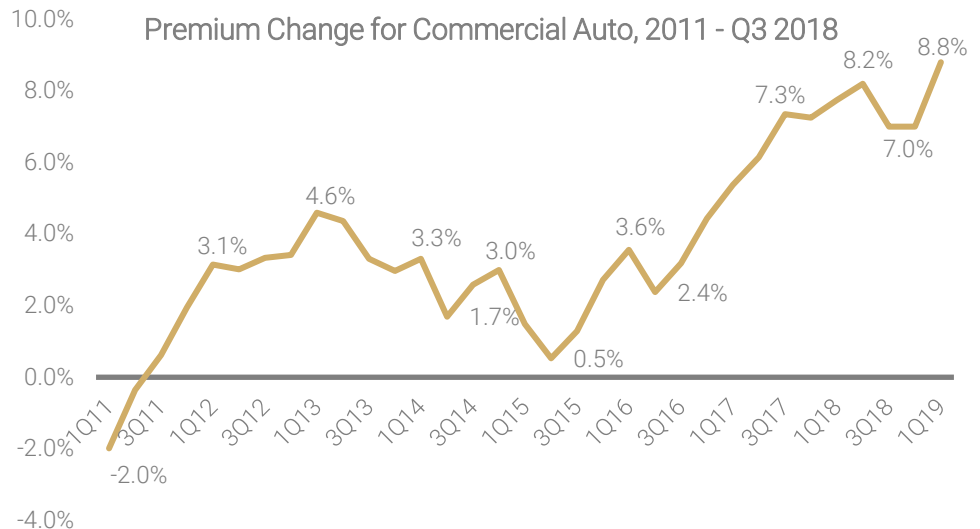


Respondents also suggested that **reinsurer wariness** stemming from natural catastrophes may have also impacted premium pricing for Commercial Property. One respondent from a midsized Midwestern firm, for example, said that some “retraction in North America” was “impacting cost.”

COMMERCIAL AUTO

Trouble continued for Commercial Auto in Q1 2019, with respondents reporting an average premium increase of **8.8 percent**. This marked the 31st quarter of premium increases for Commercial Auto, and respondents seem to have accepted Commercial Auto’s persistent problems as the new normal. And with the ever-increasing complexity of new vehicles and growing distracted driving rates, they may be right.

“Auto deductibles and pricing have continued to charge upward,” one respondent from a large Midwestern firm said, and other respondents had much the same view of the line’s current state, describing carriers as “**much tougher**” on auto. Carriers generally sought increases in premiums and deductibles, especially if the account had more frequent or more severe claims.



Respondents also saw carriers beginning to turn to **newer sources of data**, such as **telematics**, to help support their push for higher rates across all account sizes.

Respondents also mentioned Commercial Auto's effect on other lines. **Umbrella** underwriters, according to one respondent from a large Northwestern firm, were "looking for higher attachment points on some risks, especially ones with large auto fleets," and according to another respondent from a midsized Midwestern firm, "**excess** cost on transportation risks was accelerating."

WORKERS' COMPENSATION

Despite the possible signs of market firming across other lines, Workers' Compensation premium prices decreased by **3.3 percent** this quarter, the same as Q4 2018. One respondent from a midsized Southeastern firm even said that Workers' Compensation prices were the "lowest in 33 years."

UNDERWRITING

UNDERWRITING BY LINE OF BUSINESS

The issues with **Commercial Auto** were reflected in its underwriting capacity: **58 percent** of respondents reported a **decrease in underwriting capacity** in Q1 2019, compared to 56 percent in Q4 2018. **Commercial Property** also saw a significant decrease in underwriting capacity, especially when compared to previous quarters. **Fifty-five (55) percent** of respondents reported a **decrease in underwriting capacity for Commercial Property** in Q1, compared to 23 percent in Q4 2018 and 18 percent in Q3. This was in line with respondents' views that carriers were noticeably warier about taking on new property risks, particularly CAT-prone risks. Additionally, those that did take on those risks often cut limits, changed coverage and added or raised wind/hail deductibles.

Carriers' appetite for Cyber and Workers' Compensation has shifted from Q4 2018 too, though in the opposite direction. Seeing as **47 percent** of respondents said there was increased capacity for Cyber, and **44 percent** of them said the same for Workers' Compensation—both increases compared to Q4 2018—it's clear that carriers had only become more willing to write those lines.

UNDERWRITING BY ACCOUNT SIZE

For both **large and medium accounts**, respondents reported increased scrutiny from carriers during both the renewal process or when soliciting new business. One respondent from a midsized Northeastern firm said there were "**more diligent reviews of underwriting information** & requests for more than 5 years loss runs at times," and another respondent from a large Southwestern firm described carriers as paying "**more attention to underwriting detail (loss experience, exposure data, etc.)**." Understandably, CAT-prone property was mentioned again here, with respondents saying that "CAT-prone property risks are **heavily scrutinized**" and there was "**more stringent underwriting for property**." Carriers also remained "tough on auto."

Small accounts saw **fewer changes** in underwriting practices than did large or medium accounts—perhaps the only similarity was that carriers were tough on Commercial Auto for small accounts as well. Otherwise, **few respondents reported any differences** in underwriting for small accounts compared to the previous quarter. **Automation of small account underwriting** was highlighted by some respondents, a trend observed in previous surveys, and a sign that insurers are increasing their utilization of tech to streamline their business.

One broker from a large Northeastern firm said some of the carriers he worked with **“were now having an MGA handle their small business.”** Considering the recent surge in popularity of the MGA model, about which The Council previously [wrote](#), it will be interesting to see if more carriers go down this path when deciding how to efficiently (and profitably) write small business.

DEMAND

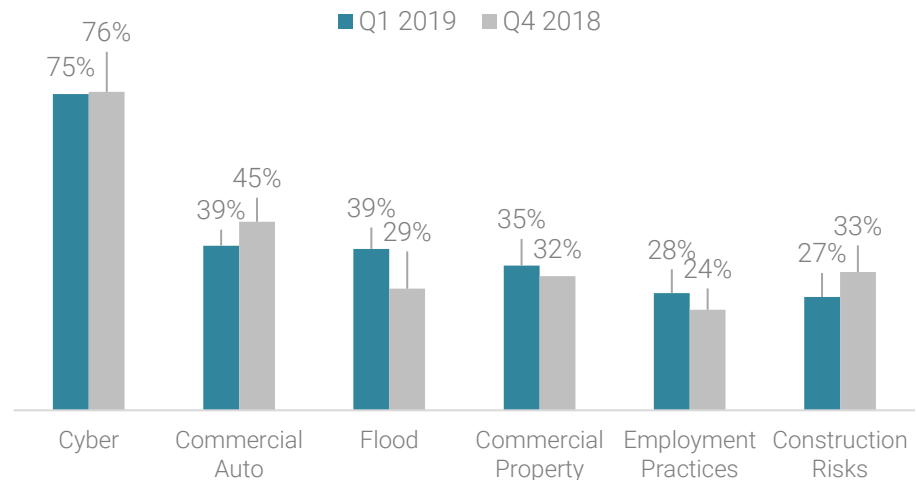
“Cyber continued to be a much-needed product for our customers,” said one respondent from a mid-sized Northwestern firm, and survey results confirmed this assessment. **Seventy-five (75) percent** of respondents reported an increase in demand for cyber insurance in Q1 2019, maintaining the increasing demand reported in both Q4 and Q3 2018. Commercial

Auto also remained in high demand in spite of its runaway premiums, likely due to carriers pulling out of this space, with **39 percent** of respondents reporting an increase in demand for that particular line.

Both Flood and Commercial Property also saw similar increases in demand to Commercial Auto, with **38 percent** and **35 percent** of respondents, respectively, reporting an increase in demand for those lines among their clients. This may link back to catastrophes such as Hurricane Michael or the wildfires in the North and Midwest. Similar to Q3 and Q4 2018, around **20 percent** of respondents said there was an increase in demand for **D&O, Employment Practices, Construction Risk and Umbrella.**

For all other lines aside from those mentioned above, demand did not change significantly in Q1 2019.

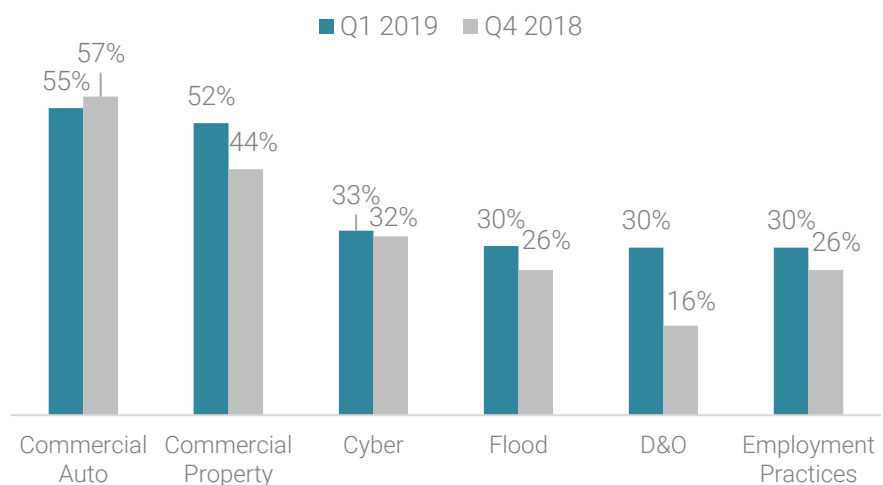
Respondents Noting an Increase in Demand



CLAIMS

In regards to claims in Q4 2018, trends seen in 2019 continued, with Commercial Auto again being an area of concern. As one respondent put it, “Auto claims were out of control in Q1.” Results fell mostly in line with this sentiment: **55 percent** of respondents said they had seen an **increase in Commercial Auto claims** in Q1 2019.

Respondents Noting an Increase in Claims



In past surveys, causes for Auto's trouble with premiums was directly correlated with an increase in frequency and severity of claims, thanks to the greater number of drivers on the road and the increased amount of technology manufacturers were including in their vehicles. It seems that this again contributes to Auto's 8.8 percent increase in premium pricing, according to respondents.

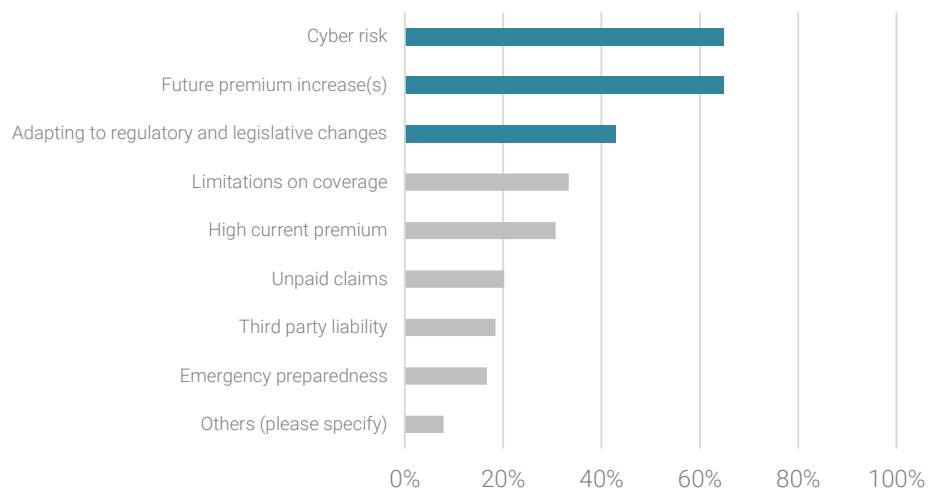
As discussed previously, **Commercial Property** was also troubled in Q1 2019 due to the natural disasters in 2018—nearly as many respondents, **52 percent**, noted an increase in Commercial Property claims as for Commercial Auto.

CLIENT CONCERNS

With the across-the-board premium increases seen in Q1 2019 and the ever-growing threat of cyberattacks (the United States is the [top target](#) for cybercrime), top client concerns this quarter fell in line with results from this survey.

Sixty-five (65) percent of respondents named both **"future premium increases"** and **"cyber risk"** as a top-three client concern, and **43 percent** said **"adapting to regulatory and legislative changes"** was also a major concern for their clients.

What were the TOP 3 concerns from clients in the first quarter of 2019?



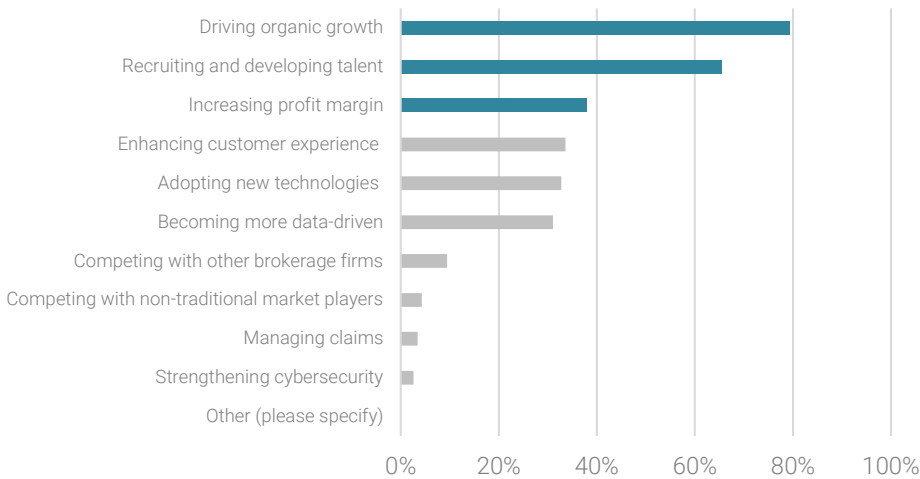
"Limitations on coverage" and **"high current premium"** were also pressing concerns for clients in Q1. In fact, many respondents agreed that carriers were taking a more cautious approach toward underwriting most risks in Q1 2019—including, as mentioned previously, cutting limits and sublimits, raising attachment points and pushing rate on existing accounts—could explain why brokers' clients were more concerned about these issues in Q1 2019 than in late 2018.

PRIORITIES AND CHALLENGES

The top two priorities and challenges for brokers in Q1 2019 remained unchanged from Q4 2018 and from surveys going back to 2016. **Seventy-nine (79) percent** and **66 percent** of respondents said that **"driving organic growth"** and **"recruiting and developing talent"** were a top-three priority for 2019, and **68 percent** and **64 percent** of respondents identified them, respectively, as top-three challenges during Q1.

Many brokerage firms saw these two issues as inextricably linked. "Driving organic growth is so important and [recruiting and developing talent] is a good way to accomplish that," said one respondent from a large Northwestern firm, and as such respondents' strategies focused on efforts effectively addressing both problems at once.

What are your organization's TOP 3 priorities for 2019?



When asked to explain their firm's approach to driving organic growth, more than a few respondents mentioned talent acquisition as well as training and developing their current producers. Those who were asked how their firm handled recruiting and developing talent described heavy investment in **specialized training** of new hires so they are "relevant in the marketplace" and can help the organization access "new business verticals where we have had no or limited focus previously."

"It's not about getting a warm body into the seat, it's about getting them up to speed to be proficient along with productive," as one respondent from a large Northeastern firm put it.

Additionally, "increasing profit margin," has always historically been another top priority and challenge for firms. Other top priorities (and challenges) for brokers this past quarter also include **"adopting new technologies"** and **"becoming more data driven."** Brokers explained that becoming more data driven allows teams to effectively consult with clients, which they viewed as an essential differentiator. Due to increased competition, one broker explained, **"we have to sell the value of our consulting services more than ever before"**. Respondents also agreed that making better use of data would allow them to **"drive better placement decisions and to create efficiencies throughout the workflow,"** and **"make better decisions on market opportunity and movement so we can spot trends and respond quickly."**

Efficiency and quicker response to market trends were also key themes when it came to why brokers were prioritizing the adoption of new technologies. Several respondents mentioned they had incorporated automation into both their renewal process for less-complex accounts and the application

Respondents weigh in on the importance of technology and data for brokers in the future:

From the NORTHEAST:

"Brokers can use an efficient blend of technology assisted enhancement combined with professional consultation to enhance their customers' experience."

From the SOUTHEAST:

"Technology now allows us to leverage our intellectual capital and data intelligence at an unprecedented speed. What once took months is now done in days."

"He who controls the data wins."

From the MIDWEST:

"Incorporation of new technology enables us to observe results more quickly and adapt to changing business environment more quickly."

From the SOUTHWEST:

"Technologies increase efficiency in the back office both for P&C and Commercial divisions."

From the NORTHWEST:

"Brokers can use data for client analysis and to identify opportunities with carriers for increased compensation or coverage differences."

process for new clients. **"We are looking at technologies that increase efficiency (placement, service, communication) and directly contribute to a differentiated client experience,"** said one broker from a large Midwestern firm. Another respondent from a large Southeastern firm predicted they would use technology to **"replace lower level tasks."**

Respondents emphasized that there are many opportunities for brokers in the future in the realm of new technologies and big data. Now that "technology is controlling more of the transactions in the insurance industry," brokers are "in the best position to deliver on the customer experience" by developing the risk advising and consulting side of their business. "The smarter brokers who wrap [themselves] around automation to help clients and attract clients will be big winners in the future," said one respondent from a midsized Southeastern firm. **"Insurtech is just not a word, it is a way of doing 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.

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APPENDIX

BELOW ARE THE SURVEY RESULTS FOR: ALL REGIONS

1. During the first quarter of 2019 (January 1 – March 31), on average, did premiums go up or down for each of the following account sizes, compared to the fourth quarter of 2018 (October 1 – December 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%	1.79%	5.36%	25.89%	64.29%	1.79%	0.89%	0.00%	0.00%	0.00%
Medium Account (Between \$25k to \$100k in commission and fees)	0.00%	0.00%	1.74%	8.70%	12.17%	73.04%	4.35%	0.00%	0.00%	0.00%	0.00%
Large Account (More than \$100k in commission and fees)	0.00%	0.00%	0.87%	7.83%	20.87%	59.13%	9.57%	0.87%	0.00%	0.00%	0.87%

2. During the first quarter of 2019 (January 1 – March 31), on average, did premiums go up or down for each of the following lines of business, compared to the fourth quarter of 2018 (October 1 – December 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%	1.77%	53.98%	38.94%	4.42%	0.00%	0.00%	0.00%	0.88%
Broker E&O	0.00%	0.00%	0.00%	1.83%	66.06%	23.85%	1.83%	0.00%	0.00%	0.00%	6.42%
Commercial auto	0.00%	0.00%	0.00%	0.88%	5.31%	54.87%	32.74%	6.19%	0.00%	0.00%	0.00%
Commercial property	0.00%	0.00%	0.00%	1.77%	15.04%	64.60%	16.81%	1.77%	0.00%	0.00%	0.00%
Construction risks	0.00%	0.00%	0.00%	4.59%	43.12%	43.12%	5.50%	0.00%	0.00%	0.00%	3.67%
Cyber	0.00%	0.00%	0.89%	13.39%	62.50%	20.54%	0.89%	0.00%	0.00%	0.00%	1.79%
D&O	0.00%	0.00%	0.00%	1.79%	43.75%	44.64%	6.25%	0.89%	0.89%	0.00%	1.79%
Flood	0.00%	0.00%	0.00%	1.79%	52.68%	31.25%	5.36%	2.68%	0.00%	0.00%	6.25%
Employment practices	0.00%	0.00%	0.00%	2.65%	52.21%	34.51%	7.08%	0.00%	0.00%	0.00%	3.54%
General liability	0.00%	0.00%	0.00%	6.25%	50.00%	40.18%	2.68%	0.00%	0.00%	0.00%	0.89%
Marine	0.00%	0.00%	0.00%	2.73%	72.73%	13.64%	2.73%	0.91%	0.91%	0.00%	6.36%
Medical malpractice	0.00%	0.00%	0.00%	1.85%	70.37%	15.74%	2.78%	0.00%	0.00%	0.00%	9.26%
Surety bonds	0.00%	0.00%	0.00%	1.87%	83.18%	5.61%	0.93%	0.00%	0.00%	0.00%	8.41%
Terrorism	0.00%	0.00%	0.00%	0.93%	86.11%	4.63%	0.93%	0.93%	0.00%	0.00%	6.48%
Umbrella	0.00%	0.00%	0.00%	0.00%	41.96%	50.89%	6.25%	0.00%	0.00%	0.00%	0.89%
Workers' compensation	0.00%	0.00%	10.81%	47.75%	34.23%	4.50%	1.80%	0.00%	0.00%	0.00%	0.90%

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

1. During the first quarter of 2019 (January 1 – March 31), on average, did premiums go up or down for each of the following account sizes, compared to the fourth quarter of 2018 (October 1 – December 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

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Small Account (Less than \$25k in commission and fees)	0.00%	0.00%	4.76%	9.52%	19.05%	57.14%	9.52%	0.00%	0.00%	0.00%	0.00%
Medium Account (Between \$25k to \$100k in commission and fees)	0.00%	0.00%	4.76%	9.52%	9.52%	71.43%	4.76%	0.00%	0.00%	0.00%	0.00%
Large Account (More than \$100k in commission and fees)	0.00%	0.00%	0.00%	9.52%	9.52%	52.38%	19.05%	4.76%	0.00%	0.00%	4.76%

2. During the first quarter of 2019 (January 1 – March 31), on average, did premiums go up or down for each of the following lines of business, compared to the fourth quarter of 2018 (October 1 – December 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%	0.00%	28.57%	57.14%	14.29%	0.00%	0.00%	0.00%	0.00%
Broker E&O	0.00%	0.00%	0.00%	5.00%	55.00%	30.00%	5.00%	0.00%	0.00%	0.00%	5.00%
Commercial auto	0.00%	0.00%	0.00%	5.00%	5.00%	55.00%	35.00%	0.00%	0.00%	0.00%	0.00%
Commercial property	0.00%	0.00%	0.00%	0.00%	0.00%	80.95%	19.05%	0.00%	0.00%	0.00%	0.00%
Construction risks	0.00%	0.00%	0.00%	10.00%	20.00%	60.00%	10.00%	0.00%	0.00%	0.00%	0.00%
Cyber	0.00%	0.00%	0.00%	5.00%	45.00%	45.00%	5.00%	0.00%	0.00%	0.00%	0.00%
D&O	0.00%	0.00%	0.00%	0.00%	25.00%	65.00%	5.00%	0.00%	0.00%	0.00%	5.00%
Flood	0.00%	0.00%	0.00%	0.00%	42.86%	28.57%	14.29%	0.00%	0.00%	0.00%	14.29%
Employment practices	0.00%	0.00%	0.00%	5.00%	30.00%	45.00%	10.00%	0.00%	0.00%	0.00%	10.00%
General liability	0.00%	0.00%	0.00%	15.00%	25.00%	40.00%	15.00%	0.00%	0.00%	0.00%	5.00%
Marine	0.00%	0.00%	0.00%	4.76%	52.38%	19.05%	14.29%	0.00%	0.00%	0.00%	9.52%
Medical malpractice	0.00%	0.00%	0.00%	0.00%	55.00%	25.00%	5.00%	0.00%	0.00%	0.00%	15.00%
Surety bonds	0.00%	0.00%	0.00%	5.00%	70.00%	0.00%	5.00%	0.00%	0.00%	0.00%	20.00%
Terrorism	0.00%	0.00%	0.00%	0.00%	75.00%	5.00%	5.00%	0.00%	0.00%	0.00%	15.00%
Umbrella	0.00%	0.00%	0.00%	0.00%	25.00%	65.00%	5.00%	0.00%	0.00%	0.00%	5.00%
Workers' compensation	0.00%	0.00%	15.00%	40.00%	20.00%	10.00%	10.00%	0.00%	0.00%	0.00%	5.00%

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

1. During the first quarter of 2019 (January 1 – March 31), on average, did premiums go up or down for each of the following account sizes, compared to the fourth quarter of 2018 (October 1 – December 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%	3.45%	24.14%	72.41%	0.00%	0.00%	0.00%	0.00%	0.00%
Medium Account (Between \$25k to \$100k in commission and fees)	0.00%	0.00%	3.33%	3.33%	16.67%	70.00%	6.67%	0.00%	0.00%	0.00%	0.00%
Large Account (More than \$100k in commission and fees)	0.00%	0.00%	3.33%	3.33%	26.67%	53.33%	13.33%	0.00%	0.00%	0.00%	0.00%

2. During the first quarter of 2019 (January 1 – March 31), on average, did premiums go up or down for each of the following lines of business, compared to the fourth quarter of 2018 (October 1 – December 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%	0.00%	68.97%	27.59%	3.45%	0.00%	0.00%	0.00%	0.00%
Broker E&O	0.00%	0.00%	0.00%	0.00%	67.86%	28.57%	0.00%	0.00%	0.00%	0.00%	3.57%
Commercial auto	0.00%	0.00%	0.00%	0.00%	6.90%	55.17%	31.03%	6.90%	0.00%	0.00%	0.00%
Commercial property	0.00%	0.00%	0.00%	0.00%	13.79%	68.97%	13.79%	3.45%	0.00%	0.00%	0.00%
Construction risks	0.00%	0.00%	0.00%	0.00%	39.29%	46.43%	7.14%	0.00%	0.00%	0.00%	7.14%
Cyber	0.00%	0.00%	0.00%	10.00%	50.00%	36.67%	0.00%	0.00%	0.00%	0.00%	3.33%
D&O	0.00%	0.00%	0.00%	3.33%	33.33%	50.00%	13.33%	0.00%	0.00%	0.00%	0.00%
Flood	0.00%	0.00%	0.00%	6.90%	34.48%	48.28%	3.45%	3.45%	0.00%	0.00%	3.45%
Employment practices	0.00%	0.00%	0.00%	3.33%	46.67%	40.00%	6.67%	0.00%	0.00%	0.00%	3.33%
General liability	0.00%	0.00%	0.00%	3.45%	51.72%	44.83%	0.00%	0.00%	0.00%	0.00%	0.00%
Marine	0.00%	0.00%	0.00%	0.00%	85.71%	10.71%	0.00%	0.00%	0.00%	0.00%	3.57%
Medical malpractice	0.00%	0.00%	0.00%	3.45%	68.97%	20.69%	0.00%	0.00%	0.00%	0.00%	6.90%
Surety bonds	0.00%	0.00%	0.00%	3.57%	78.57%	14.29%	0.00%	0.00%	0.00%	0.00%	3.57%
Terrorism	0.00%	0.00%	0.00%	0.00%	85.71%	3.57%	0.00%	3.57%	0.00%	0.00%	7.14%
Umbrella	0.00%	0.00%	0.00%	0.00%	44.83%	51.72%	3.45%	0.00%	0.00%	0.00%	0.00%
Workers' compensation	0.00%	0.00%	3.45%	51.72%	37.93%	6.90%	0.00%	0.00%	0.00%	0.00%	0.00%

**BELOW ARE THE SURVEY RESULTS FOR:
SOUTHWEST (SO. CA, AZ, NM, OK, TX)**

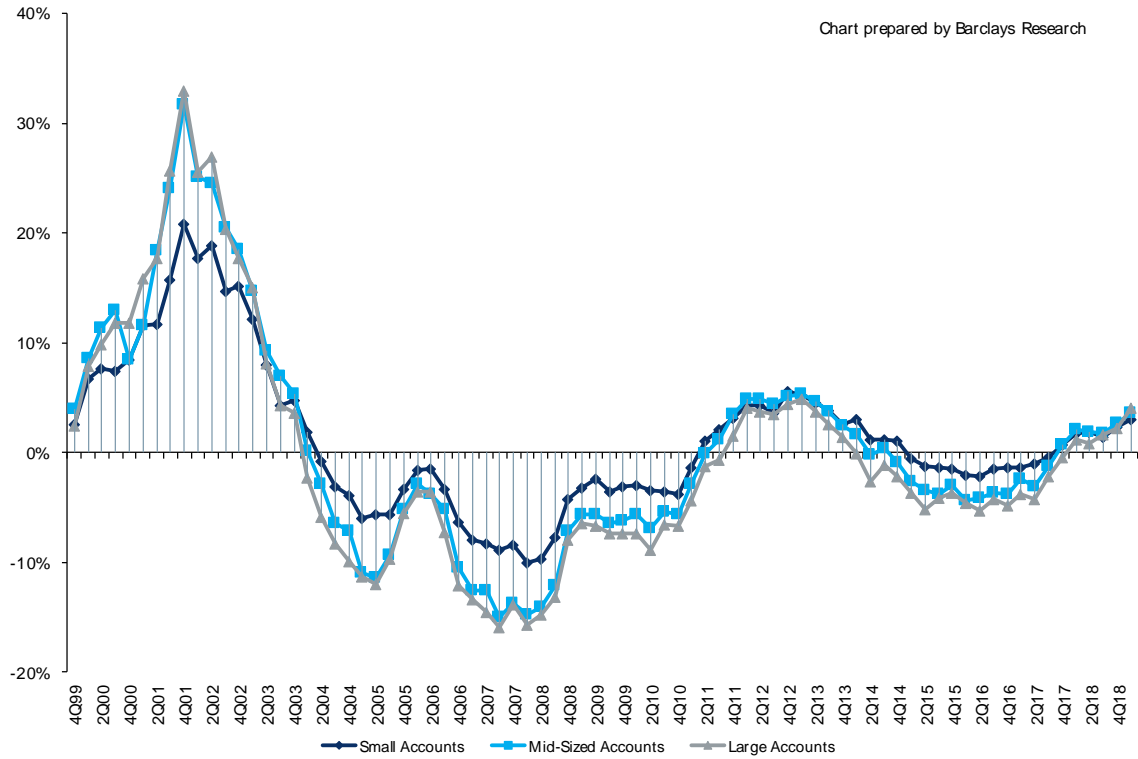
1. During the first quarter of 2019 (January 1 – March 31), on average, did premiums go up or down for each of the following account sizes, compared to the fourth quarter of 2018 (October 1 – December 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

	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%	6.67%	26.67%	66.67%	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%	13.33%	6.67%	80.00%	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%	6.67%	13.33%	80.00%	0.00%	0.00%	0.00%	0.00%	0.00%

2. During the first quarter of 2019 (January 1 – March 31), on average, did premiums go up or down for each of the following lines of business, compared to the fourth quarter of 2018 (October 1 – December 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

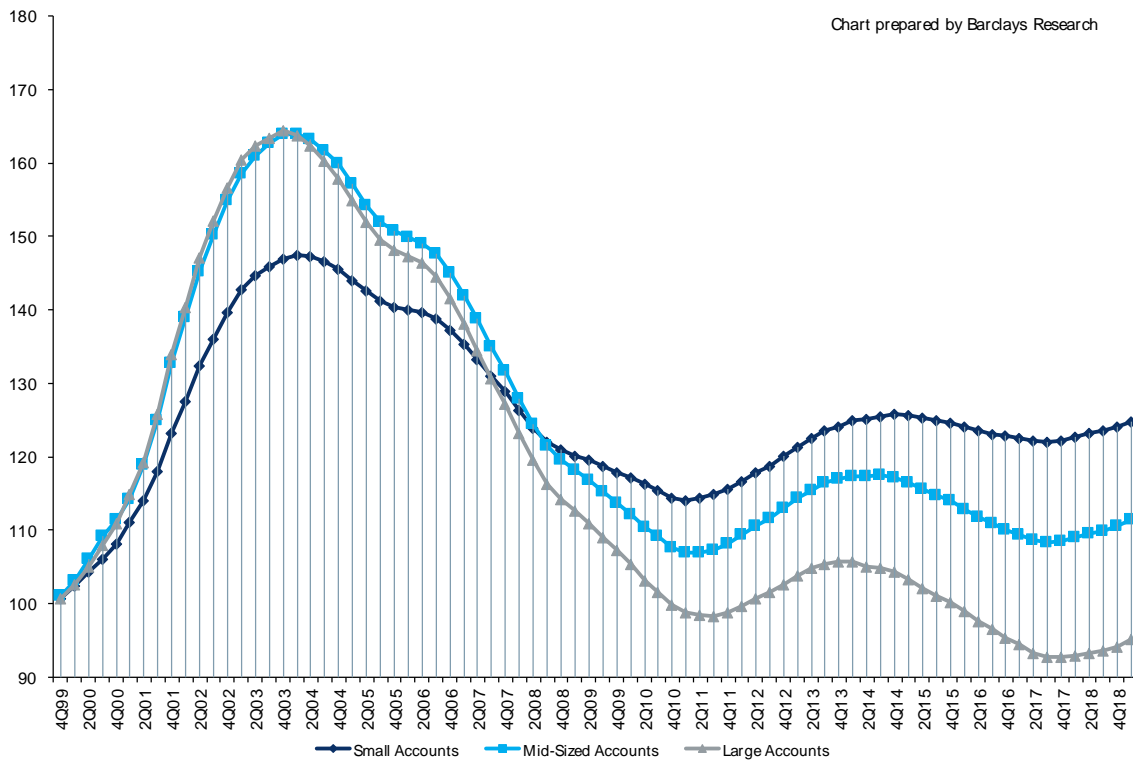
	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No Change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not Sure
Business interruption	0.00%	0.00%	0.00%	0.00%	53.33%	33.33%	6.67%	0.00%	0.00%	0.00%	6.67%
Broker E&O	0.00%	0.00%	0.00%	0.00%	53.33%	26.67%	0.00%	0.00%	0.00%	0.00%	20.00%
Commercial auto	0.00%	0.00%	0.00%	0.00%	6.67%	53.33%	20.00%	20.00%	0.00%	0.00%	0.00%
Commercial property	0.00%	0.00%	0.00%	0.00%	26.67%	53.33%	13.33%	6.67%	0.00%	0.00%	0.00%
Construction risks	0.00%	0.00%	0.00%	6.67%	46.67%	33.33%	6.67%	0.00%	0.00%	0.00%	6.67%
Cyber	0.00%	0.00%	0.00%	20.00%	60.00%	13.33%	0.00%	0.00%	0.00%	0.00%	6.67%
D&O	0.00%	0.00%	0.00%	6.67%	46.67%	33.33%	0.00%	0.00%	6.67%	0.00%	6.67%
Flood	0.00%	0.00%	0.00%	0.00%	60.00%	26.67%	0.00%	6.67%	0.00%	0.00%	6.67%
Employment practices	0.00%	0.00%	0.00%	6.67%	40.00%	33.33%	13.33%	0.00%	0.00%	0.00%	6.67%
General liability	0.00%	0.00%	0.00%	6.67%	53.33%	40.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Marine	0.00%	0.00%	0.00%	0.00%	73.33%	13.33%	0.00%	0.00%	0.00%	0.00%	13.33%
Medical malpractice	0.00%	0.00%	0.00%	0.00%	60.00%	13.33%	0.00%	0.00%	0.00%	0.00%	26.67%
Surety bonds	0.00%	0.00%	0.00%	0.00%	86.67%	0.00%	0.00%	0.00%	0.00%	0.00%	13.33%
Terrorism	0.00%	0.00%	0.00%	6.67%	73.33%	6.67%	0.00%	0.00%	0.00%	0.00%	13.33%
Umbrella	0.00%	0.00%	0.00%	0.00%	46.67%	40.00%	13.33%	0.00%	0.00%	0.00%	0.00%
Workers' compensation	0.00%	0.00%	13.33%	60.00%	20.00%	6.67%	0.00%	0.00%	0.00%	0.00%	0.00%

Average Commercial Premium Rate Changes by Account Size



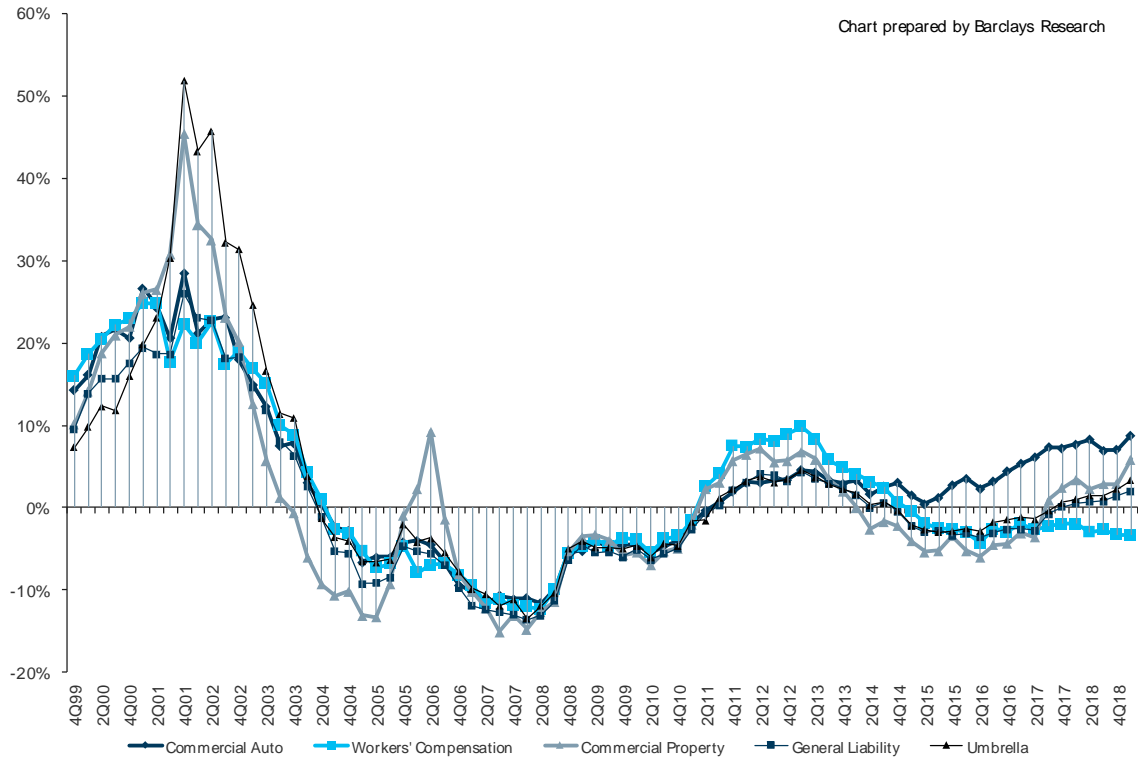
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

Cumulative Quarterly Rate Increases by Account Size



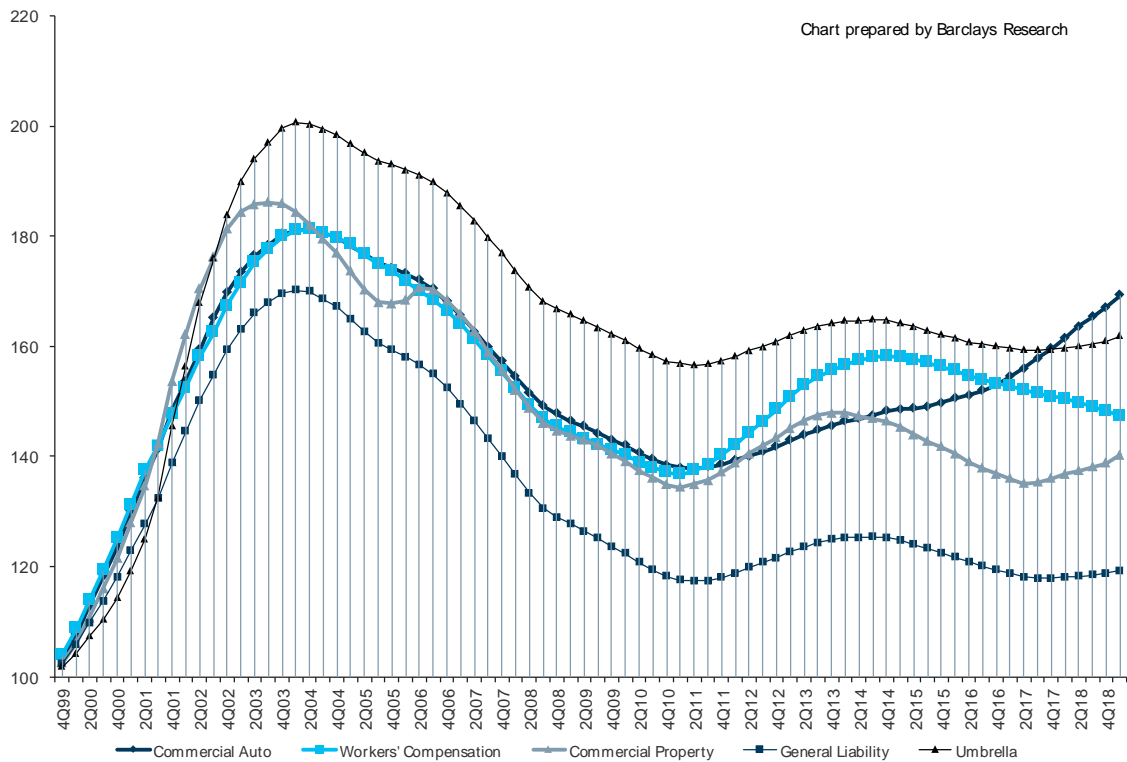
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

Average Commercial Rate Increases by Line



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

Cumulative Quarterly Rate Increases by Line

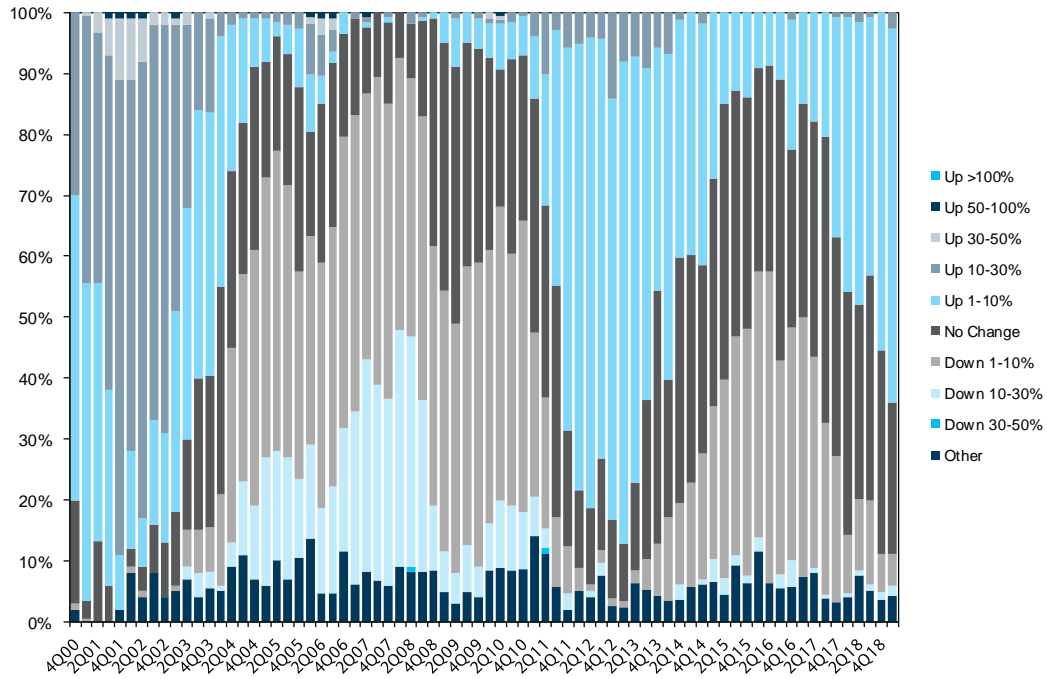


Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

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)

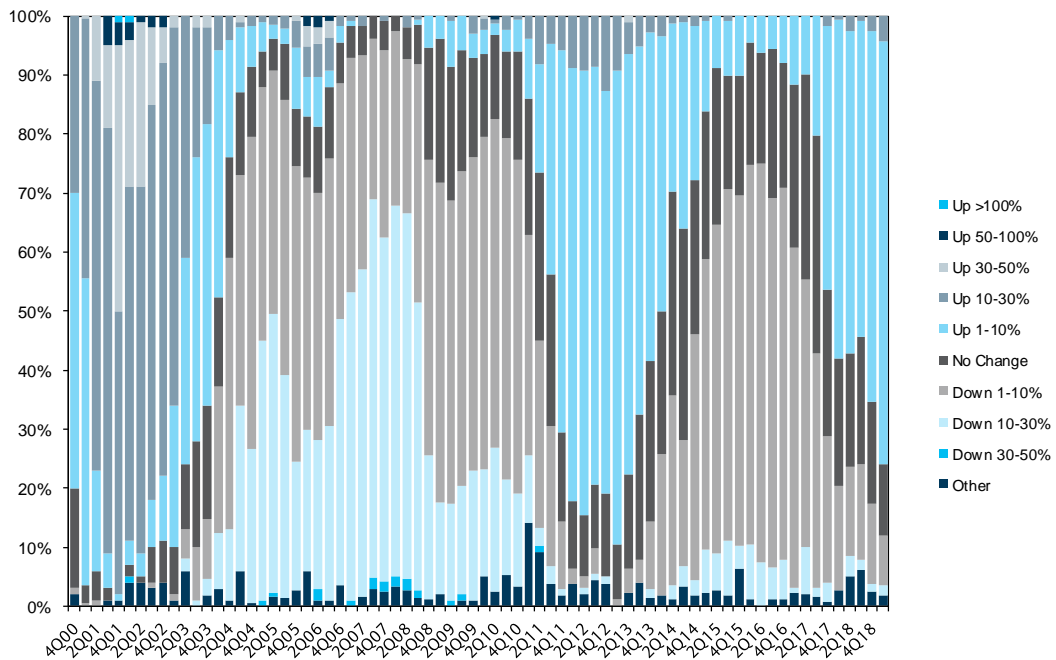


Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

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)

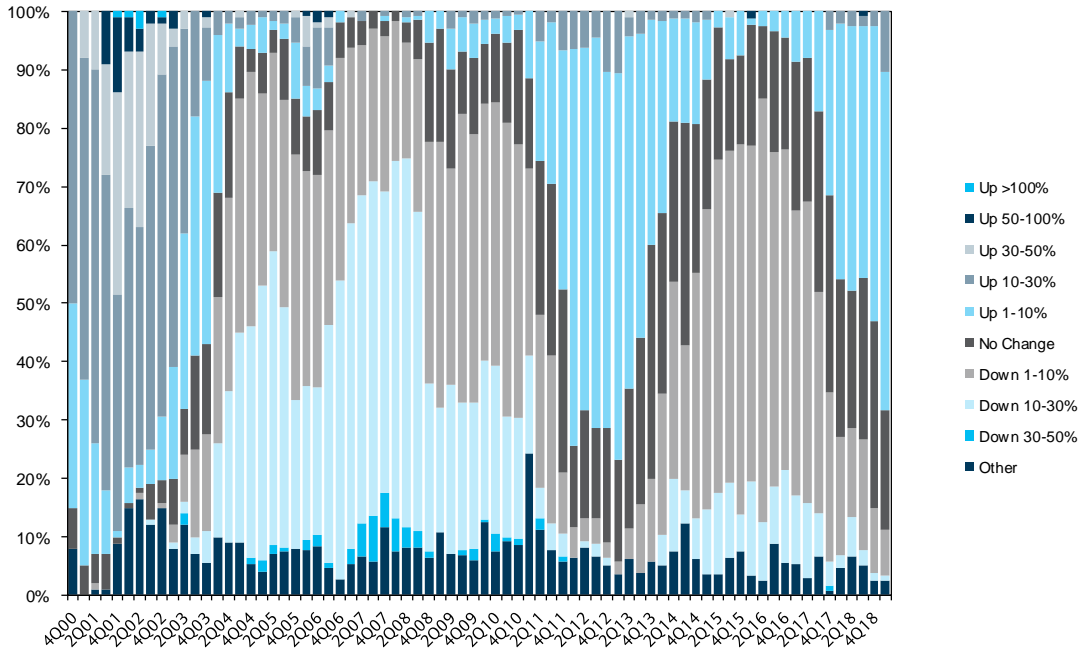


Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

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)

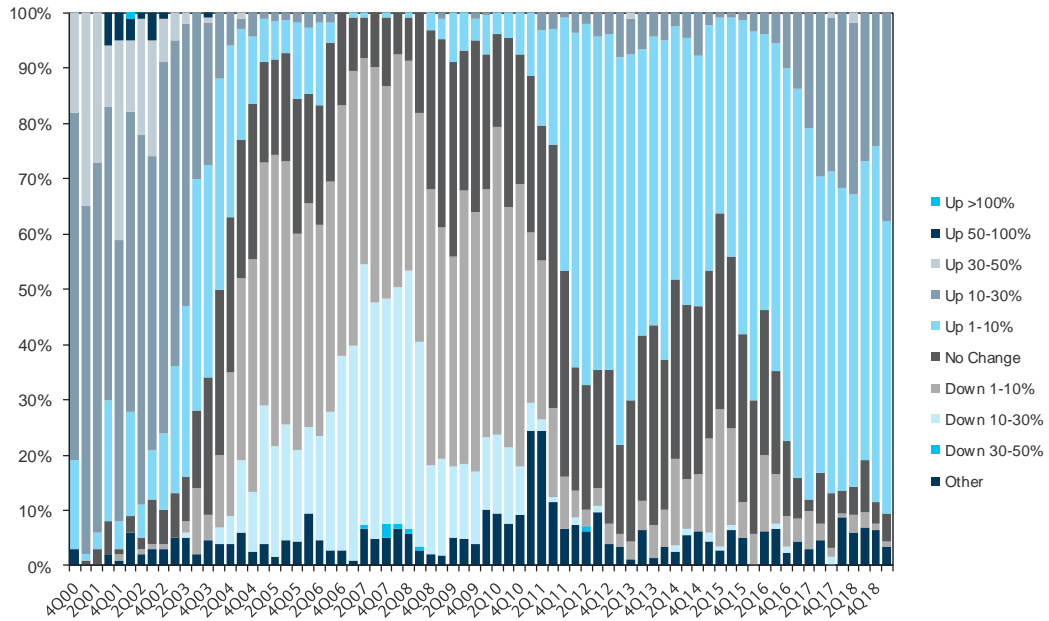


Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

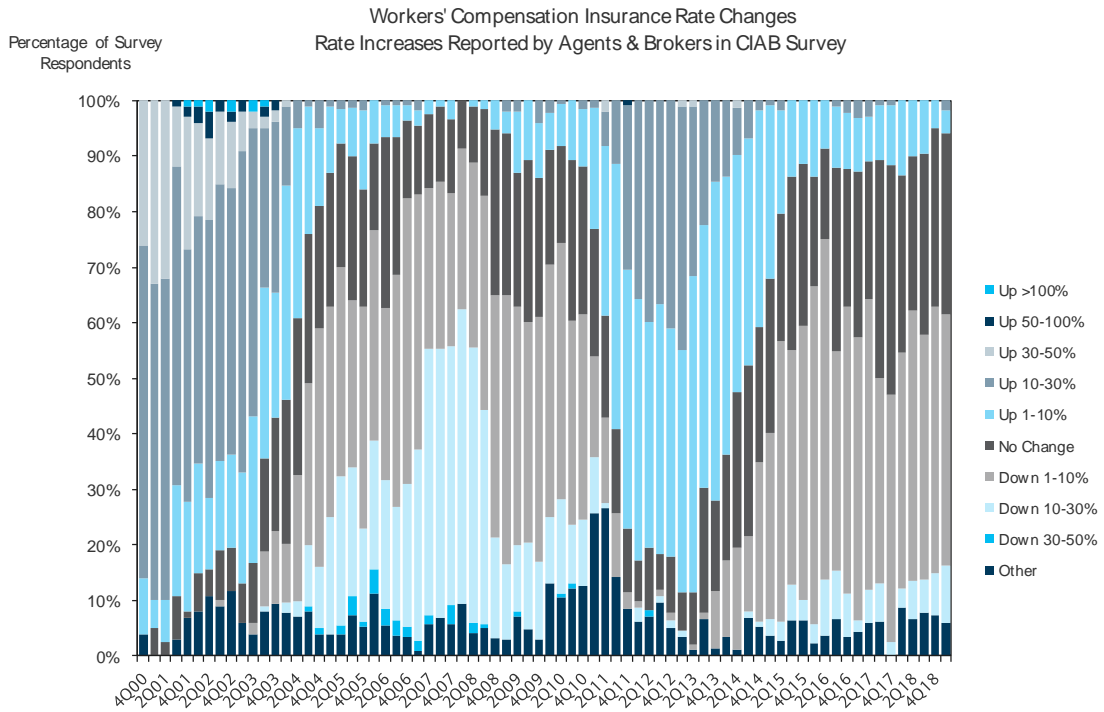
Commercial Auto Insurance Rate Changes

Percentage of Survey Respondents

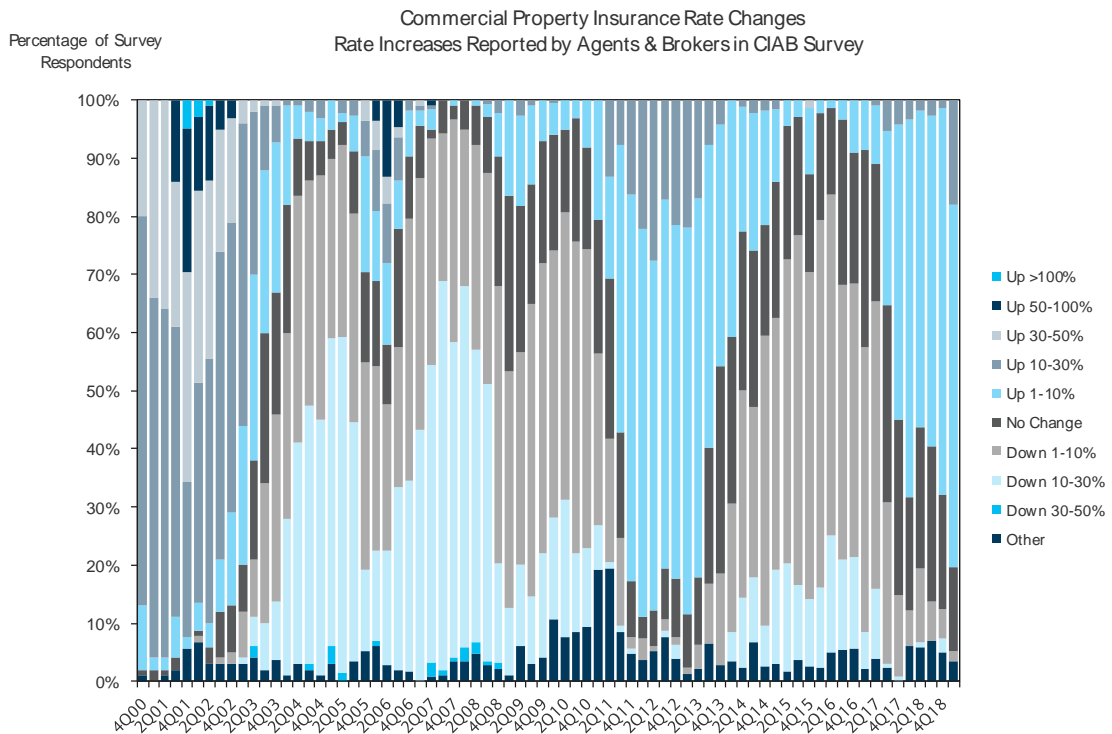
Rate Increases Reported by Agents & Brokers in CIAB Survey



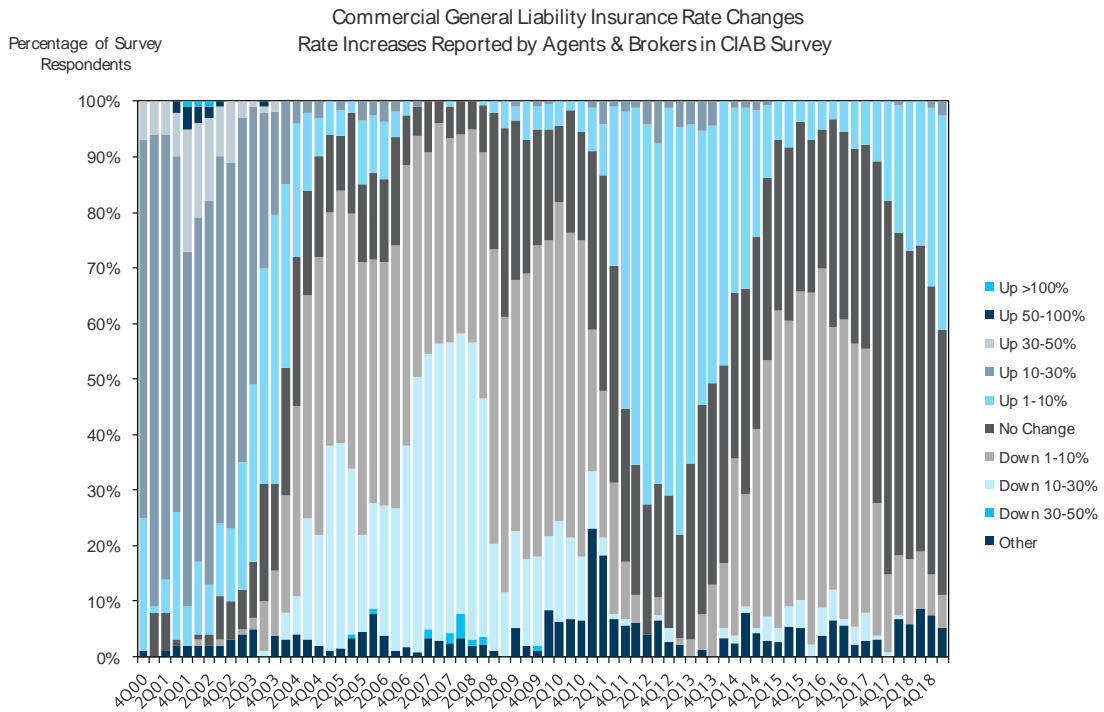
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



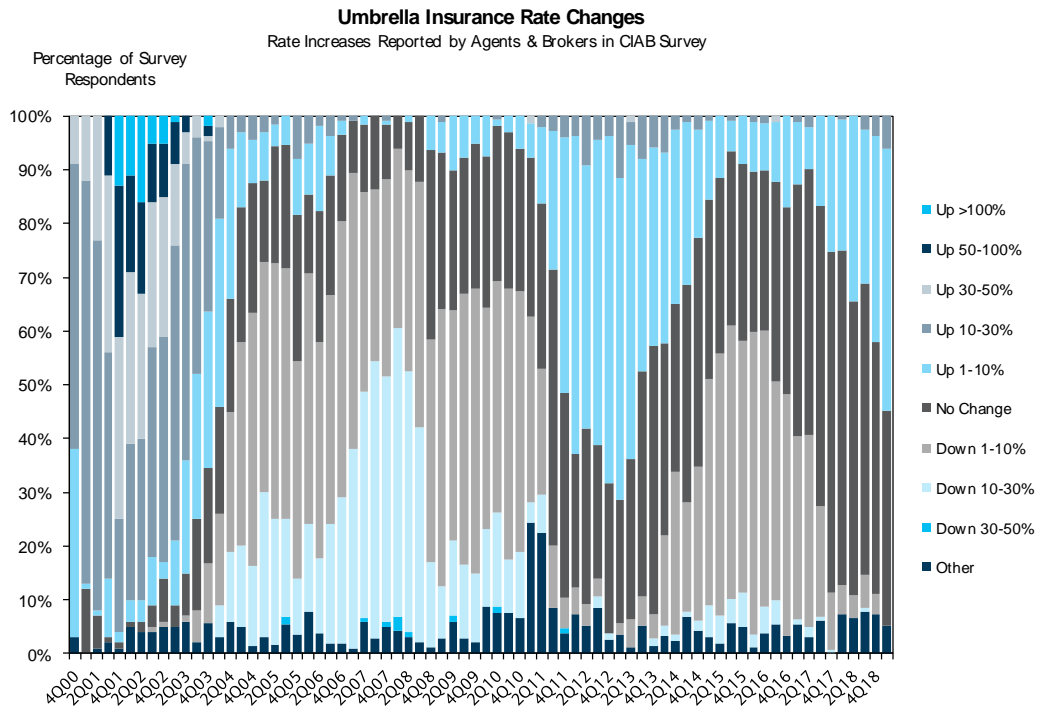
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



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



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

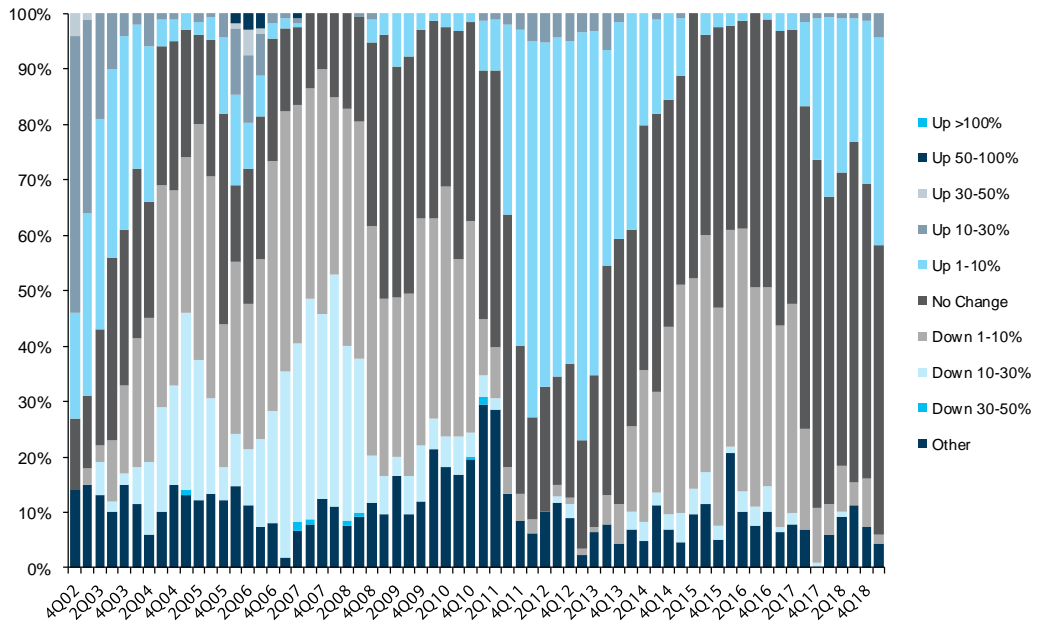


Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

Business Interruption 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.

