



 THE COUNCIL

COMMERCIAL PROPERTY/ CASUALTY MARKET INDEX

Q4/2020



Commercial Property/Casualty Market Index

Q4/2020

EXECUTIVE SUMMARY

The following are key takeaways from The Council of Insurance Agents & Brokers' *Commercial Property/Casualty Market Report Q4 2020 (October 1 – December 31)*:

- Q4 2020 was the 13th consecutive quarter of increased premiums, with respondents reporting an average increase of 10.7% across all-sized accounts. Segmenting out the data by account size, premiums increased the most for **large accounts**, at 13.7%, followed by medium accounts at 11.7%. Premiums for small accounts again saw a smaller average increase in Q4 2020, at 6.7%, compared to 7.1% in Q3 and 7.3% in Q2.
- Q4 2020 was also the 3rd consecutive quarter in which premiums increased for all lines, including Workers Compensation. Across all lines the average premium increase was 10.2% in Q4 2020, compared to 11.3% in Q3. Looked at individually, Umbrella recorded the highest premium increase, at 21.3%, followed by D&O Liability at 14.7% and Commercial Property at 12.9%.
- Underwriting capacity continued to contract for the most troubled lines. Nearly 90% of respondents reported a decrease in capacity for Umbrella, with more than half of those declaring the decrease "significant."
- Respondents indicated that the COVID-19 pandemic's impact was still being felt in Q4 2020. Most respondents said the pandemic impacted **pricing, availability of coverage, renewals and underwriting trends**.
- Download the Q4 2020 COVID-19 Supplement [here](#).

PREMIUM PRICING

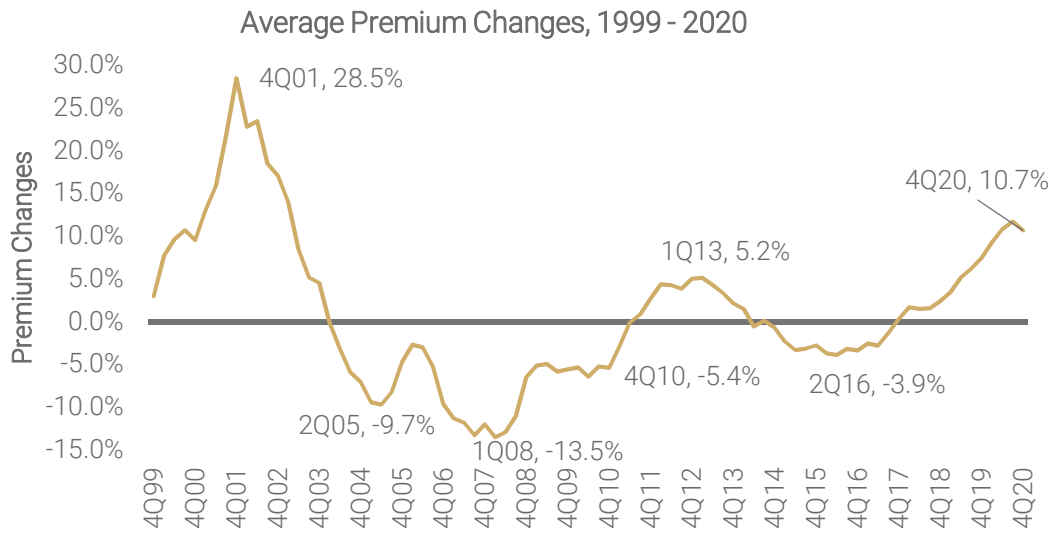
Pricing increases moderated slightly in Q4 2020 in comparison to Q2 and Q3 of the same year, but remained relatively high, suggesting that the market continued to harden. Across all-sized accounts, the average premium increase was 10.7%, down slightly from 11.7% in Q3 2020. **Large accounts** specifically recorded an average premium increase of **13.7%**, the fourth consecutive quarter of increases above 10% for this account size—compared to 15.3% in Q3. Large accounts were the most impacted by Q4 market conditions.

AVERAGE COMMERCIAL PRICING INCREASES

	By Account Size			AVERAGE
	SMALL	MEDIUM	LARGE	
Fourth Quarter 2020	6.7%	11.7%	13.7%	10.7%
Third Quarter 2020	7.1%	12.7%	15.3%	11.7%
Second Quarter 2020	7.3%	11.0%	14.2%	10.8%
First Quarter 2020	5.5%	9.8%	12.6%	9.3%
Fourth Quarter 2019	5.2%	8.0%	9.4%	7.5%
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.

Medium accounts were also impacted, as respondents reported an average premium increase of 11.7% for that account size, the 3rd consecutive quarter of increases above 10%. Small accounts saw an average premium increase of 6.7%, continuing the trend of being more insulated from market changes than medium or large accounts.



PREMIUM PRICING BY LINE OF BUSINESS

Q4 2020 was the 3rd consecutive quarter where all lines, including Workers Compensation, had an increase in premiums, though the increases were generally slightly less than in Q3. Across the major lines, the average premium price increase was 10.2%, compared to 11.3% in Q3 and 10.1% in Q2.

“The worst of the pandemic may have passed, but broker struggles continued into Q4 2020,” said Ken A. Crerar, President/CEO of The Council. “Umbrella and D&O liability posed continued challenges due to a reluctance for carriers to write those risks, and new trouble for cyber emerged following a recent uptick in costly ransomware attacks in 2020. Brokers should stand ready to help their clients understand and navigate these challenging market conditions and identify new and emerging risks.”

BY-LINE FOURTH QUARTER 2020 RATE CHANGES RANGED FROM 0.4% TO +21.3%

	COMM'L AUTO	WORKERS' COMP	COMM'L PROPERTY	GEN'L LIABILITY	UMBRELLA	AVERAGE
Fourth Quarter 2020	9.1%	0.4%	12.9%	7.3%	21.3%	10.2%
Third Quarter 2020	11.0%	1.5%	14.2%	6.7%	22.9%	11.3%
Second Quarter 2020	9.6%	0.7%	13.3%	6.8%	20.0%	10.1%
First Quarter 2019	9.6%	-1.2%	12.0%	5.7%	17.3%	8.7%
Fourth Quarter 2019	10.5%	-1.9%	9.7%	5.8%	13.6%	7.6%
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.

Respondents continued to report challenges with the Umbrella line of business, which for the third straight quarter recorded an increase of more than 20%, at 21.3%. Close behind was Directors & Officers (D&O) liability, with an average increase of 14.7%, and Commercial Property at 12.9%, all slightly down from their increases in Q3 2020.

Notably, the average premium increase for Cyber broke double digits for the first time in Q4 2020, at 11.1%, a bump from 7.7% in Q3 2020. This also made Cyber the only line whose increase was greater this quarter than in the previous quarter.

RATE CHANGES IN OTHER LINES

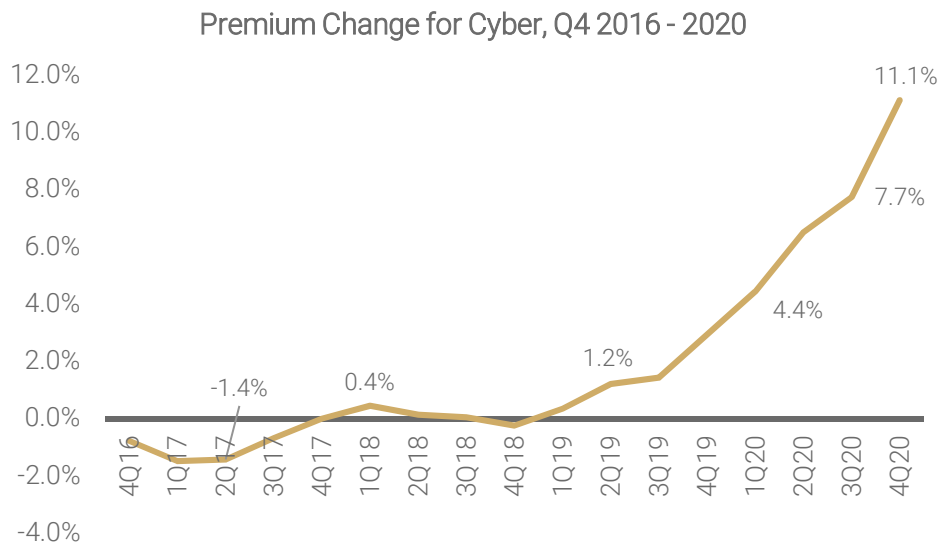
	4Q20	High	Low
Broker E&O	3.3%	15.4%	-4.5%
Business Interruption	7.8%	28.8%	-10.2%
Construction	6.4%	38.7%	-10.7%
Cyber	11.1%	11.1%	-1.5%
D&O Liability	14.7%	32.4%	-8.7%
Employment Practices	9.7%	21.9%	-8.1%
Flood	3.1%	8.6%	-2.7%
Marine	3.5%	4.5%	-10.6%
Medical Malpractice	4.3%	32.5%	-4.1%
Surety Bonds	1.5%	11.2%	-2.3%
Terrorism	1.3%	10.4%	-3.6%

Source:
The Council of Insurance Agents & Brokers.

NOTABLE LINES OF BUSINESS

CYBER

As mentioned above, Cyber recorded one of the highest premium increases out of all lines of business in Q4 2020, at 11.1%. This was unusually high considering historically increases for this line have been very small (1% or less) since the survey began tracking the line in Q4 2016, and a marked change from the 7.7% increase observed in Q3 2020.



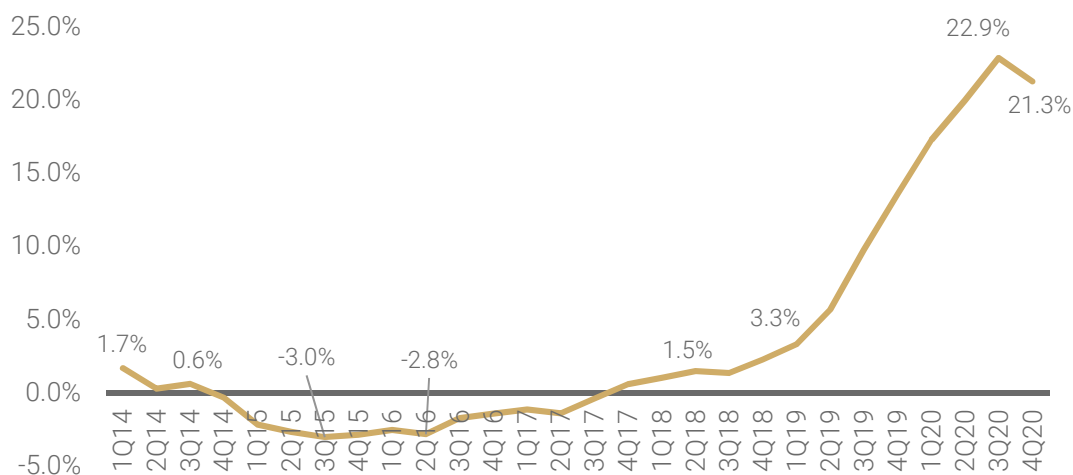
“Cyber experienced the most extreme change from Q3,” said one respondent from a large Northwestern firm. “Carriers were getting very nervous about ransomware.” That sentiment seems to be borne out by recent cyberattack statistics: for example, the [average number of ransomware attacks](#) taking place daily worldwide in Q3 2020 increased by 50%. The U.S. was the main contributor to that statistic—when looking at the U.S. alone, the [data showed](#) that the number of ransomware attacks taking place during those three months increased by 98%, nearly double what was seen in Q2.

In line with that, 66% of respondents noted increased Cyber claims activity in Q4 2020. Alongside the increase in frequency of those claims, there was also a corresponding increase in severity: the [average ransomware payment](#) was \$233,000 in 2020, a significant jump from just \$10,000 in 2018. With carriers often on the hook for the rapidly increasing costs of increasingly frequent ransomware attacks, a corresponding rise in premiums during 2020 was not surprising.

UMBRELLA

Premium prices for Umbrella increased by an average of 21.3%, marking the 3rd consecutive quarter of a price increase above 20% for the line.

Premium Change for Umbrella, 2014 - 2020



Respondents provided similar explanations for these increases to those from previous quarters. Nuclear verdicts were a key reason many respondents said carriers used as justification for the increases; as one respondent from a large Northeastern firm put it, “Nuclear’ verdicts were a major explanation. There were more \$10M+ judgements and the higher limits were not priced expecting this trend.” According to another respondent from a mid-sized Northwestern firm, “[The carriers] said that more of the nuclear court decisions are hitting them. They used to not get hit on the umbrella, but with the increased awards from court judgments they were being hit with claims.”

Issues with the Commercial Auto and General Liability lines also continued to exert upward pressure on Umbrella prices, according to respondents. “GL claims keep getting bigger and bigger,” “large fleets continued to cause an issue in the Umbrella and Excess space. While frequency was going down, I believe severity continued to be an issue,” and “Auto liability and fear of GL claims” was among respondents’ feedback.

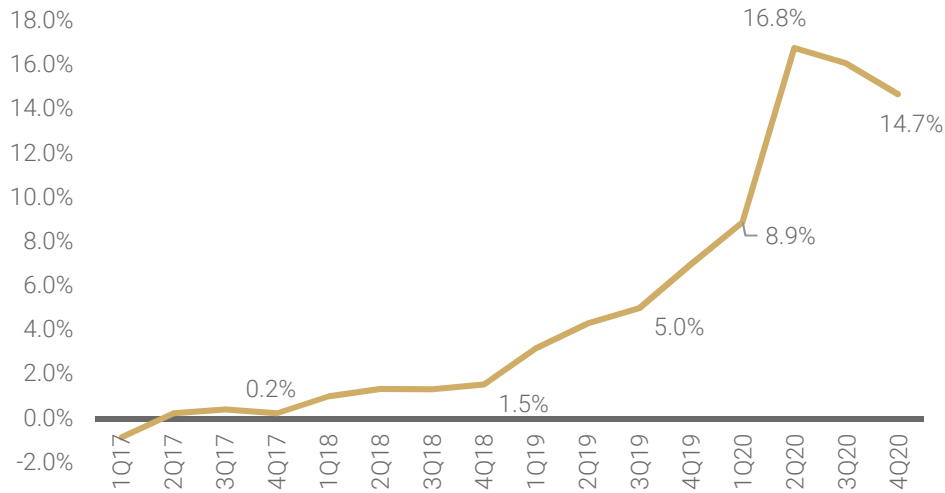
Claims piercing Umbrella layers also caused some carriers to cut back on capacity, at times significantly, said respondents, and survey results reflected that: 88% of respondents reported a reduction in Umbrella capacity this quarter. This, in turn, contributed to a negative effect on Umbrella prices. As one respondent from a mid-sized Midwestern firm stated, “No capacity. There were no options in many cases.” Other respondents mentioned that carriers were “unable to secure reinsurance” and “higher reinsurance costs” were a contributing factor to reduced Umbrella capacity, and thus indirectly to increased Umbrella premiums.

Lastly, “severe underpricing” was another reason some respondents gave as a reason for the recent large increases in Umbrella premiums. Respondents expressed similar sentiments as in previous quarters, describing the line as “leveraged,” “underpriced for years,” and “an underpriced line for decades.”

DIRECTORS & OFFICERS

Behind Umbrella, Directors & Officers (D&O) liability premiums saw the second highest increase amongst all commercial lines in Q4 2020 at 14.7%, slightly down from the 16.1% increase in Q3 and 16.8% in Q2. Q4 was the 14th consecutive quarter of increases for this line.

Premium Change for D&O, 2017 - 2020



Though respondents were not specific about what might be driving D&O increases, a [report](#) from Woodruff Sawyer on current trends in the D&O market may offer some insight. According to the report, nuclear verdicts could be one of the reasons for climbing D&O premiums: in 2020, derivative suit settlements (settlements in which shareholders sue individual directors and officers) far outstripped the 10-year average of \$8.3 million, with the lowest settlement at \$32.5 million and the highest at a staggering \$286.5 million.

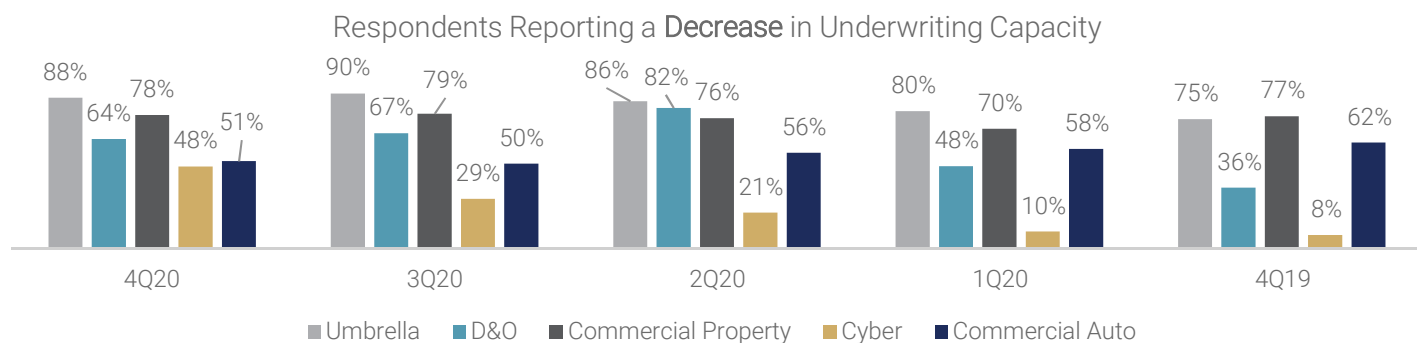
The number of class action suits filed also remained high in 2020 (though not as high as in 2019), according to the report, with 101 class action lawsuits filed in the first half of 2020 alone. This, along with the fact that settlement costs have generally been increasing in the past few years—a trend frequently attributed to social inflation—has pushed carriers to reassess pricing as well as their appetite for D&O risk in the face of increasing frequency and severity, said the report.

Decreased carrier appetite for D&O risk may also have impacted pricing, and indeed, 64% of respondents noted a decrease in D&O capacity in Q4 2020. Additionally, the Woodruff Sawyer [report](#) noted significantly cut limits as well as a lack of fresh capital in the D&O market, both of which could contribute to increased prices due to lack of competition and clients having to pay much more for the same limit.

UNDERWRITING

UNDERWRITING BY LINE OF BUSINESS

Decreased capacity continued for lines that experienced the most significant premium changes in recent quarters—Umbrella, D&O, Commercial Property, and Commercial Auto—as seen in the graph below. Cyber also saw a notable increase in respondents reporting a decrease in capacity in Q4 2020 in comparison to Q3, Q2, and Q1, at 48% of respondents, reflecting the increased carrier wariness in Q4 2020 for that particular line. For all other lines not mentioned here, most respondents said capacity did not change.



Respondents agreed that carriers were taking a more cautious stance toward writing risks in Q4 2020, especially for the aforementioned lines. Respondents cited increased deductibles, increased retentions, and carriers increasing attachment points and introducing “exclusionary language specific to COVID-19.” Indeed, several respondents observed that during renewals, most if not all lines of business contained communicable disease exclusions, as well as pandemic exclusions, on policies.

Respondents also described carriers seeking significantly more information from insureds, such as financial statements, MVRs (Motor Vehicle Records) for Auto policies, and descriptions of COVID-19/pandemic response protocols as well as responses to COVID-19 questionnaires. “Underwriters were really drilling down more into what the companies do and how they operate,” said one respondent from a mid-sized Southeastern firm. “Managers were increasingly having to sign off on terms, conditions, and pricing. As a result, taking much longer to get renewals or options from carriers.”

For Umbrella in particular, respondents highlighted “lower limits at higher pricing” and indicated that they had to “piece together higher limits using multiple carriers,” due to the significant reduction in carrier appetite for that line. For Commercial Property, respondents noted carriers “want[ed] higher deductibles for AOP, water, and wind/hail” and carriers non-renewing policies for specific locations “due to wildfire scoring.”

Cyber changes were also mentioned by a few respondents. “Some carriers were quoting coinsurance or sublimits for ransomware,” said one respondent from the Northwest.

UNDERWRITING BY ACCOUNT SIZE

Relative to account size, respondents observed the most changes in underwriting for large accounts. Carriers were asking for more “loss and exposure history,” implementing “massive increases in retention and premiums” even if the account had good loss performance and reducing limits. Respondents highlighted that the reduction in carrier appetite for lines such as Umbrella, Commercial Property, and D&O forced them to build layers of coverage with multiple carriers for their large accounts, making finding coverage challenging.

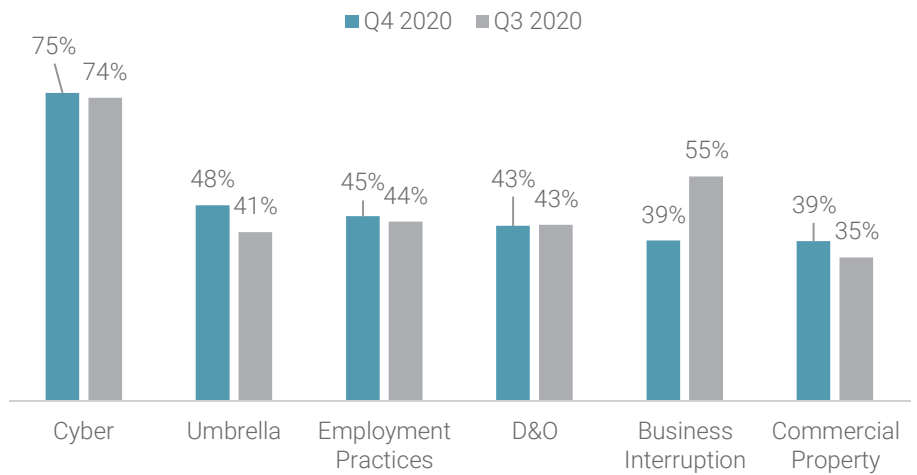
Medium accounts saw similar changes. Carriers were “asking way more questions and scrutinizing risks more than ever before,” especially when the risks in question could be affected by COVID-19. “Significant questions were asked around COVID/pandemic prevention protocols, especially when clients are returning to work,” said one respondent from the Northwest. Several respondents observed that the new questions and requests for information were imposing a significant administrative burden on agents; as one respondent from the Southwest put it, “I feel like every account was being re-underwritten and it was very time consuming.”

As with previous quarters, small accounts were more insulated from changes due to market conditions. Some respondents noted the appearance of communicable disease exclusions or COVID-19 questionnaires, as well as a push for rate increases of a few percentage points by carriers, but overall, respondents agreed renewals for small accounts were generally less intensive than for medium or large accounts. “Carriers liked small business but were concerned with ‘going out of business’ statistics,” said one respondent from a midsize Midwestern firm, suggesting that while carriers were more cautious in this area, they were still willing to more freely underwrite small accounts.

DEMAND

Demand for Business Interruption continued to moderate in Q4 2020, with the number of respondents reporting an increase in demand for that line dropping from 61% in Q2 to 55% in Q3 and 39% in Q4. It is unclear why, though one respondent commented that “Many small businesses are closed. They are not buying insurance,” suggesting part of the drop may be due to business closures from the pandemic.

Respondents Noting an Increase in Demand



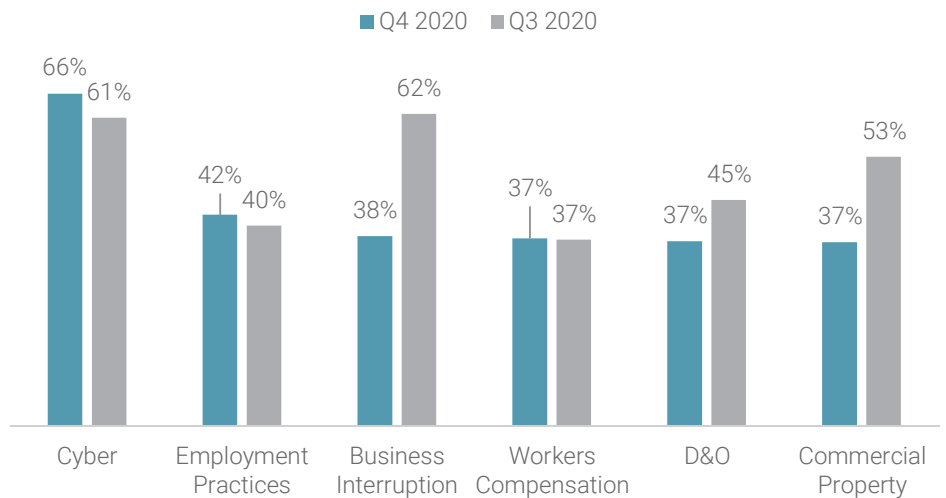
Cyber demand, on the other hand, continued to increase, perhaps inspired by the recent rash of ransomware attacks in the United States, as discussed previously. Seventy-five (75%) percent of respondents reported an increase in demand for Cyber.

Though not shown in the graph, the number of respondents reporting demand for Construction Risk increased from 22% in Q3 2020 to 35% in Q4 2020. A respondent from a large firm in the Northeast attributed this rise to “more construction jobs.”

CLAIMS

The initial rush of Business Interruption claims continued to taper off in Q4 2020, with only 38% of respondents reporting increased Business Interruption claims, compared to 62% in Q3 2020 and to the record high of 94% in Q2 2020. However, this was still significantly higher than in Q4 2019 before the pandemic, where only 18% of respondents observed increased Business Interruption claims.

Respondents Noting an Increase in Claims



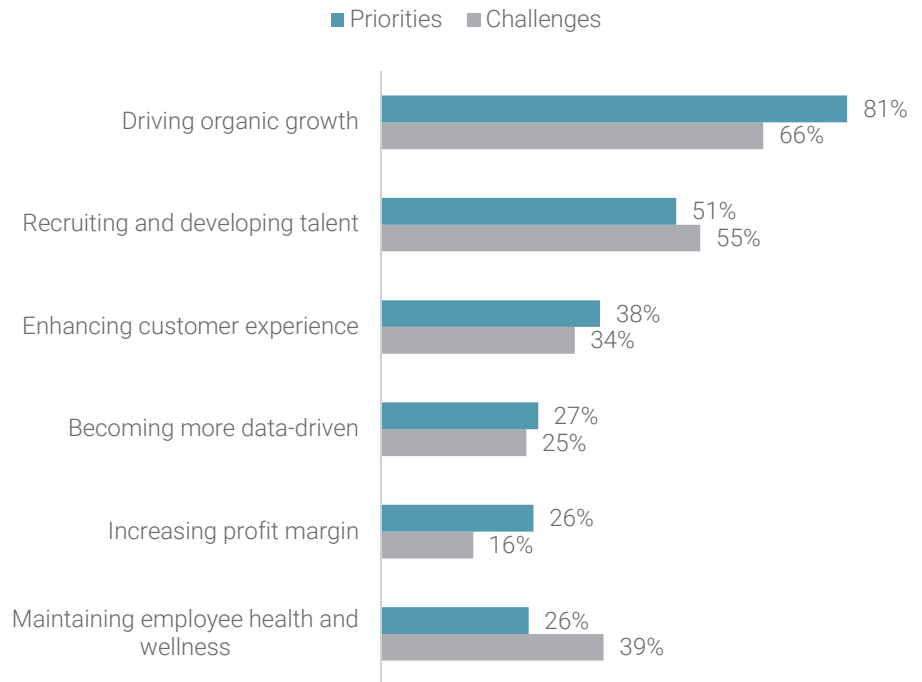
As seen in the graph, the number of Cyber claims continued to creep upwards in Q4 2020, with 66% of respondents reporting an increase in claims. Ransomware was again named as an ongoing issue by respondents.

Several respondents noted an increase in Workers Compensation claims, with 37% of respondents overall reporting an increase in those claims. Multiple respondents attributed this increase to the fact that more and more people were beginning to return to work in Q4 2020. And in California specifically, one respondent said that “More COVID-19 outbreaks were triggering California workers compensation presumption [SB 1159](#),” resulting in more Workers Compensation claims.

PRIORITIES AND CHALLENGES

As with previous quarters, **“driving organic growth”** was once again the top priority for brokers going into 2021 and the top challenge for brokers in 2020, with 81% of respondents listing it as a top-three priority and 66% of them listing it as a top-three challenge. Respondents expressed frustration with the pandemic for suppressing their new business, because “many prospects/clients were not willing to make moves during this pandemic. Either they don't have time (preoccupied with pandemic-related issues) or they don't want to rock the boat” and because “getting in front of new clients has been difficult” due to COVID. And while rate increases have partially helped to stave off impacts on growth from COVID-19, respondents still acknowledged the need for more organic growth.

Top 3 Broker Priorities and Challenges for Q4 2020



But respondents have been rising to the challenge, citing, for example, investments in specialization in 2019 that “paid off” in 2020 as well as ongoing efforts to focus on “high growth niches and industry verticals with growth.” Respondents also described efforts to utilize virtual tools in order to grow, such as by “creating videos” or “using limited telemarketing.”

“Recruiting and developing talent” and **“enhancing customer experience”** were brokers’ other top-three priorities going into 2021. “Recruiting and developing talent” was also a top-three challenge for brokers in Q4 2020. “Talent is harder to find than ever,” said one respondent, and “it’s hard to move talent into a stalled environment,” said another. Nevertheless, some respondents remained optimistic about the future of talent recruitment and development.

Respondents highlighted that “enhancing customer experience” was a key priority in a virtual world, where the lack of peer-to-peer interaction can often negatively affect relationships. “We don't want buying insurance to be a commodity and want the customer to feel we are their trusted advisor, so they don't engage another agent,” said one respondent from a large Southeastern firm. “We do this by being proactive with pre-renewal meeting, claims review, stewardship, and being responsive to their needs.” Another respondent from a midsized Northwestern firm said they were prioritizing “Explaining and delivering more impactful in-house claims and risk control services. For small clients, we are enhancing our safety platform features,” and a third said their focus was the “need to make sure we are in contact with our clients on a regular basis and make sure we are responding with value-added services that are of real value to them.”

“Maintaining employee health and wellness” was the third of brokers’ top three challenges for 2020, outpacing “enhancing customer experience.” “COVID-19 has impacted everyone differently and keeping employees positive and productive can be a challenge especially when everyone's impact is different,” said one respondent from a large Midwestern firm.

Methods used to address this issue varied between respondents. “We have rolled out mental health first aid training to a number of associates,” said one respondent from a large Southeastern firm, when asked how they were addressing maintaining employee mental health. Another respondent said they had a “return to work task force to address employee safety and concerns,” and that they were also focused on “providing access to helpful information on COVID-19” and “providing ongoing health and wellness information and coaching.”

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

1. During the fourth quarter of 2020 (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 2020 (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%	0.85%	8.55%	67.52%	17.95%	3.42%	0.00%	0.00%	1.71%
Medium Account (Between \$25k to \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	0.84%	39.50%	48.74%	9.24%	0.84%	0.00%	0.84%
Large Account (More than \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	0.85%	28.21%	43.59%	17.95%	4.27%	0.00%	5.13%

2. During the fourth quarter of 2020 (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 2020 (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%	10.53%	54.39%	28.95%	3.51%	0.88%	1.75%	0.00%
Broker E&O	0.00%	0.00%	0.00%	0.00%	43.14%	33.33%	14.71%	0.00%	0.00%	8.82%	0.00%
Commercial auto	0.00%	0.00%	0.00%	1.77%	8.85%	38.94%	44.25%	5.31%	0.00%	0.88%	0.00%
Commercial property	0.00%	0.00%	0.00%	0.00%	3.54%	27.43%	48.67%	16.81%	2.65%	0.88%	0.00%
Construction risks	0.00%	0.00%	0.00%	0.00%	18.69%	53.27%	21.50%	5.61%	0.00%	0.93%	0.00%
Cyber	0.00%	0.00%	0.00%	0.00%	15.32%	29.73%	32.43%	18.92%	2.70%	0.90%	0.00%
D&O	0.00%	0.00%	0.00%	0.92%	10.09%	23.85%	27.52%	24.77%	11.01%	0.92%	0.92%
Flood	0.00%	0.00%	0.00%	0.00%	47.17%	36.79%	9.43%	0.00%	0.94%	5.66%	0.00%
Employment practices	0.00%	0.00%	0.00%	0.92%	13.76%	38.53%	27.52%	14.68%	2.75%	1.83%	0.00%
General liability	0.00%	0.00%	0.00%	0.00%	12.61%	57.66%	20.72%	8.11%	0.00%	0.90%	0.00%
Marine	0.00%	0.00%	0.00%	0.00%	37.86%	44.66%	11.65%	0.97%	0.00%	4.85%	0.00%
Medical malpractice	0.00%	0.00%	0.00%	2.00%	38.00%	27.00%	15.00%	5.00%	1.00%	12.00%	0.00%
Surety bonds	0.00%	0.00%	0.00%	0.00%	65.05%	23.30%	3.88%	0.00%	0.00%	7.77%	0.00%
Terrorism	0.00%	0.00%	0.00%	0.95%	69.52%	21.90%	2.86%	0.00%	0.00%	4.76%	0.00%
Umbrella	0.00%	0.00%	0.00%	0.00%	2.63%	9.65%	27.19%	32.46%	23.68%	3.51%	0.88%
Workers' compensation	0.00%	0.00%	0.92%	24.77%	40.37%	32.11%	0.92%	0.00%	0.00%	0.92%	0.00%

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

1. During the fourth quarter of 2020 (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 2020 (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%	0.00%	11.11%	59.26%	29.63%	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%	3.70%	44.44%	48.15%	3.70%	0.00%	0.00%	0.00%
Large Account (More than \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	3.70%	29.63%	40.74%	22.22%	0.00%	0.00%	3.70%

2. During the fourth quarter of 2020 (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 2020 (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%	11.54%	50.00%	34.62%	3.85%	0.00%	0.00%	0.00%
Broker E&O	0.00%	0.00%	0.00%	0.00%	47.83%	34.78%	4.35%	0.00%	0.00%	0.00%	13.04%
Commercial auto	0.00%	0.00%	0.00%	4.17%	8.33%	45.83%	37.50%	4.17%	0.00%	0.00%	0.00%
Commercial property	0.00%	0.00%	0.00%	0.00%	3.85%	42.31%	38.46%	15.38%	0.00%	0.00%	0.00%
Construction risks	0.00%	0.00%	0.00%	0.00%	32.00%	40.00%	20.00%	8.00%	0.00%	0.00%	0.00%
Cyber	0.00%	0.00%	0.00%	0.00%	12.50%	25.00%	33.33%	29.17%	0.00%	0.00%	0.00%
D&O	0.00%	0.00%	0.00%	0.00%	4.35%	39.13%	30.43%	17.39%	8.70%	0.00%	0.00%
Flood	0.00%	0.00%	0.00%	0.00%	52.17%	30.43%	8.70%	0.00%	0.00%	0.00%	8.70%
Employment practices	0.00%	0.00%	0.00%	0.00%	8.33%	41.67%	29.17%	16.67%	4.17%	0.00%	0.00%
General liability	0.00%	0.00%	0.00%	0.00%	12.50%	58.33%	16.67%	12.50%	0.00%	0.00%	0.00%
Marine	0.00%	0.00%	0.00%	0.00%	33.33%	45.83%	12.50%	4.17%	0.00%	0.00%	4.17%
Medical malpractice	0.00%	0.00%	0.00%	4.55%	54.55%	4.55%	13.64%	9.09%	4.55%	0.00%	9.09%
Surety bonds	0.00%	0.00%	0.00%	0.00%	70.83%	16.67%	4.17%	0.00%	0.00%	0.00%	8.33%
Terrorism	0.00%	0.00%	0.00%	0.00%	79.17%	16.67%	0.00%	0.00%	0.00%	0.00%	4.17%
Umbrella	0.00%	0.00%	0.00%	0.00%	4.17%	16.67%	25.00%	20.83%	25.00%	4.17%	4.17%
Workers' compensation	0.00%	0.00%	4.35%	26.09%	34.78%	34.78%	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 fourth quarter of 2020 (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 2020 (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%	0.00%	15.79%	63.16%	15.79%	0.00%	0.00%	0.00%	5.26%
Medium Account (Between \$25k to \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	0.00%	52.63%	42.11%	5.26%	0.00%	0.00%	0.00%
Large Account (More than \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	0.00%	36.84%	42.11%	21.05%	0.00%	0.00%	0.00%

2. During the fourth quarter of 2020 (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 2020 (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%	5.26%	68.42%	26.32%	0.00%	0.00%	0.00%	0.00%
Broker E&O	0.00%	0.00%	0.00%	0.00%	44.44%	27.78%	16.67%	0.00%	0.00%	0.00%	11.11%
Commercial auto	0.00%	0.00%	0.00%	0.00%	0.00%	15.79%	78.95%	5.26%	0.00%	0.00%	0.00%
Commercial property	0.00%	0.00%	0.00%	0.00%	5.26%	15.79%	63.16%	15.79%	0.00%	0.00%	0.00%
Construction risks	0.00%	0.00%	0.00%	0.00%	15.79%	52.63%	31.58%	0.00%	0.00%	0.00%	0.00%
Cyber	0.00%	0.00%	0.00%	0.00%	15.79%	36.84%	36.84%	10.53%	0.00%	0.00%	0.00%
D&O	0.00%	0.00%	0.00%	5.26%	21.05%	21.05%	31.58%	10.53%	10.53%	0.00%	0.00%
Flood	0.00%	0.00%	0.00%	0.00%	47.37%	42.11%	10.53%	0.00%	0.00%	0.00%	0.00%
Employment practices	0.00%	0.00%	0.00%	5.26%	31.58%	26.32%	21.05%	10.53%	0.00%	0.00%	5.26%
General liability	0.00%	0.00%	0.00%	0.00%	15.79%	42.11%	36.84%	5.26%	0.00%	0.00%	0.00%
Marine	0.00%	0.00%	0.00%	0.00%	44.44%	27.78%	22.22%	0.00%	0.00%	0.00%	5.56%
Medical malpractice	0.00%	0.00%	0.00%	0.00%	27.78%	38.89%	22.22%	0.00%	0.00%	0.00%	11.11%
Surety bonds	0.00%	0.00%	0.00%	0.00%	66.67%	22.22%	5.56%	0.00%	0.00%	0.00%	5.56%
Terrorism	0.00%	0.00%	0.00%	0.00%	78.95%	15.79%	5.26%	0.00%	0.00%	0.00%	0.00%
Umbrella	0.00%	0.00%	0.00%	0.00%	0.00%	5.26%	31.58%	42.11%	15.79%	0.00%	5.26%
Workers' compensation	0.00%	0.00%	0.00%	42.11%	26.32%	26.32%	5.26%	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 2020 (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 2020 (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%	0.00%	6.45%	83.87%	9.68%	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%	0.00%	37.50%	59.38%	3.13%	0.00%	0.00%	0.00%
Large Account (More than \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	0.00%	21.88%	53.13%	15.63%	3.13%	0.00%	6.25%

2. During the fourth quarter of 2020 (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 2020 (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%	6.90%	55.17%	31.03%	6.90%	0.00%	0.00%	0.00%
Broker E&O	0.00%	0.00%	0.00%	0.00%	28.57%	42.86%	25.00%	0.00%	0.00%	0.00%	3.57%
Commercial auto	0.00%	0.00%	0.00%	3.45%	10.34%	48.28%	37.93%	0.00%	0.00%	0.00%	0.00%
Commercial property	0.00%	0.00%	0.00%	0.00%	0.00%	21.43%	60.71%	14.29%	3.57%	0.00%	0.00%
Construction risks	0.00%	0.00%	0.00%	0.00%	10.71%	53.57%	32.14%	3.57%	0.00%	0.00%	0.00%
Cyber	0.00%	0.00%	0.00%	0.00%	10.34%	31.03%	41.38%	10.34%	6.90%	0.00%	0.00%
D&O	0.00%	0.00%	0.00%	0.00%	14.29%	28.57%	25.00%	28.57%	3.57%	0.00%	0.00%
Flood	0.00%	0.00%	0.00%	0.00%	37.93%	44.83%	13.79%	0.00%	3.45%	0.00%	0.00%
Employment practices	0.00%	0.00%	0.00%	0.00%	13.79%	48.28%	27.59%	10.34%	0.00%	0.00%	0.00%
General liability	0.00%	0.00%	0.00%	0.00%	10.34%	62.07%	20.69%	6.90%	0.00%	0.00%	0.00%
Marine	0.00%	0.00%	0.00%	0.00%	28.57%	64.29%	3.57%	0.00%	0.00%	0.00%	3.57%
Medical malpractice	0.00%	0.00%	0.00%	0.00%	29.63%	33.33%	22.22%	3.70%	0.00%	0.00%	11.11%
Surety bonds	0.00%	0.00%	0.00%	0.00%	50.00%	39.29%	0.00%	0.00%	0.00%	0.00%	10.71%
Terrorism	0.00%	0.00%	0.00%	0.00%	50.00%	39.29%	3.57%	0.00%	0.00%	0.00%	7.14%
Umbrella	0.00%	0.00%	0.00%	0.00%	3.33%	16.67%	26.67%	30.00%	23.33%	0.00%	0.00%
Workers' compensation	0.00%	0.00%	0.00%	14.29%	50.00%	35.71%	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 fourth quarter of 2020 (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 2020 (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%	0.00%	14.29%	57.14%	7.14%	14.29%	0.00%	0.00%	7.14%
Medium Account (Between \$25k to \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	0.00%	21.43%	57.14%	14.29%	0.00%	0.00%	7.14%
Large Account (More than \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	0.00%	15.38%	38.46%	23.08%	7.69%	0.00%	15.38%

2. During the fourth quarter of 2020 (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 2020 (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%	0.00%	76.92%	15.38%	0.00%	0.00%	0.00%	7.69%
Broker E&O	0.00%	0.00%	0.00%	0.00%	40.00%	20.00%	20.00%	0.00%	0.00%	0.00%	20.00%
Commercial auto	0.00%	0.00%	0.00%	0.00%	14.29%	35.71%	28.57%	14.29%	0.00%	0.00%	7.14%
Commercial property	0.00%	0.00%	0.00%	0.00%	0.00%	38.46%	38.46%	15.38%	0.00%	0.00%	7.69%
Construction risks	0.00%	0.00%	0.00%	0.00%	18.18%	63.64%	0.00%	9.09%	0.00%	0.00%	9.09%
Cyber	0.00%	0.00%	0.00%	0.00%	8.33%	25.00%	33.33%	25.00%	0.00%	0.00%	8.33%
D&O	0.00%	0.00%	0.00%	0.00%	0.00%	8.33%	25.00%	41.67%	16.67%	0.00%	8.33%
Flood	0.00%	0.00%	0.00%	0.00%	36.36%	36.36%	9.09%	0.00%	0.00%	0.00%	18.18%
Employment practices	0.00%	0.00%	0.00%	0.00%	0.00%	33.33%	25.00%	16.67%	16.67%	0.00%	8.33%
General liability	0.00%	0.00%	0.00%	0.00%	7.69%	61.54%	15.38%	7.69%	0.00%	0.00%	7.69%
Marine	0.00%	0.00%	0.00%	0.00%	30.00%	40.00%	10.00%	0.00%	0.00%	0.00%	20.00%
Medical malpractice	0.00%	0.00%	0.00%	0.00%	30.00%	30.00%	10.00%	10.00%	0.00%	0.00%	20.00%
Surety bonds	0.00%	0.00%	0.00%	0.00%	60.00%	20.00%	0.00%	0.00%	0.00%	0.00%	20.00%
Terrorism	0.00%	0.00%	0.00%	0.00%	54.55%	27.27%	0.00%	0.00%	0.00%	0.00%	18.18%
Umbrella	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	21.43%	42.86%	28.57%	0.00%	7.14%
Workers' compensation	0.00%	0.00%	0.00%	23.08%	46.15%	23.08%	0.00%	0.00%	0.00%	0.00%	7.69%

**BELOW ARE THE SURVEY RESULTS FOR:
PACIFIC NORTHWEST (NO. CA, AK, CO, HI, ID, MT, NV, OR, UT, WA, WY)**

1. During the fourth quarter of 2020 (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 2020 (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%	3.85%	0.00%	65.38%	23.08%	7.69%	0.00%	0.00%	0.00%
Medium Account (Between \$25k to \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	0.00%	37.04%	37.04%	22.22%	3.70%	0.00%	0.00%
Large Account (More than \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	0.00%	34.62%	38.46%	11.54%	11.54%	0.00%	3.85%

2. During the fourth quarter of 2020 (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 2020 (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%	22.22%	37.04%	29.63%	3.70%	3.70%	0.00%	3.70%
Broker E&O	0.00%	0.00%	0.00%	0.00%	56.52%	30.43%	8.70%	0.00%	0.00%	0.00%	4.35%
Commercial auto	0.00%	0.00%	0.00%	0.00%	11.11%	40.74%	40.74%	7.41%	0.00%	0.00%	0.00%
Commercial property	0.00%	0.00%	0.00%	0.00%	7.41%	22.22%	40.74%	22.22%	7.41%	0.00%	0.00%
Construction risks	0.00%	0.00%	0.00%	0.00%	16.67%	62.50%	12.50%	8.33%	0.00%	0.00%	0.00%
Cyber	0.00%	0.00%	0.00%	0.00%	25.93%	29.63%	18.52%	22.22%	3.70%	0.00%	0.00%
D&O	0.00%	0.00%	0.00%	0.00%	7.41%	14.81%	25.93%	29.63%	18.52%	3.70%	0.00%
Flood	0.00%	0.00%	0.00%	0.00%	58.33%	29.17%	4.17%	0.00%	0.00%	0.00%	8.33%
Employment practices	0.00%	0.00%	0.00%	0.00%	12.00%	36.00%	32.00%	20.00%	0.00%	0.00%	0.00%
General liability	0.00%	0.00%	0.00%	0.00%	15.38%	61.54%	15.38%	7.69%	0.00%	0.00%	0.00%
Marine	0.00%	0.00%	0.00%	0.00%	52.17%	34.78%	13.04%	0.00%	0.00%	0.00%	0.00%
Medical malpractice	0.00%	0.00%	0.00%	4.35%	43.48%	30.43%	4.35%	4.35%	0.00%	0.00%	13.04%
Surety bonds	0.00%	0.00%	0.00%	0.00%	78.26%	13.04%	8.70%	0.00%	0.00%	0.00%	0.00%
Terrorism	0.00%	0.00%	0.00%	4.35%	82.61%	8.70%	4.35%	0.00%	0.00%	0.00%	0.00%
Umbrella	0.00%	0.00%	0.00%	0.00%	3.70%	3.70%	29.63%	33.33%	25.93%	0.00%	3.70%
Workers' compensation	0.00%	0.00%	0.00%	23.08%	42.31%	34.62%	0.00%	0.00%	0.00%	0.00%	0.00%

AVERAGE COMMERCIAL PRICING INCREASES

	By Account Size SMALL	MEDIUM	LARGE	AVERAGE
Fourth Quarter 2020	6.7%	11.7%	13.7%	10.7%
Third Quarter 2020	7.1%	12.7%	15.3%	11.7%
Second Quarter 2020	7.3%	11.0%	14.2%	10.8%
First Quarter 2020	5.5%	9.8%	12.6%	9.3%
Fourth Quarter 2019	5.2%	8.0%	9.4%	7.5%
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.

BY-LINE FOURTH QUARTER 2020 RATE CHANGES RANGED FROM 0.4% TO +21.3%

	COMM'L AUTO	WORKERS' COMP	COMM'L PROPERTY	GEN'L LIABILITY	UMBRELLA	AVERAGE
Fourth Quarter 2020	9.1%	0.4%	12.9%	7.3%	21.3%	10.2%
Third Quarter 2020	11.0%	1.5%	14.2%	6.7%	22.9%	11.3%
Second Quarter 2020	9.6%	0.7%	13.3%	6.8%	20.0%	10.1%
First Quarter 2019	9.6%	-1.2%	12.0%	5.7%	17.3%	8.7%
Fourth Quarter 2019	10.5%	-1.9%	9.7%	5.8%	13.6%	7.6%
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.

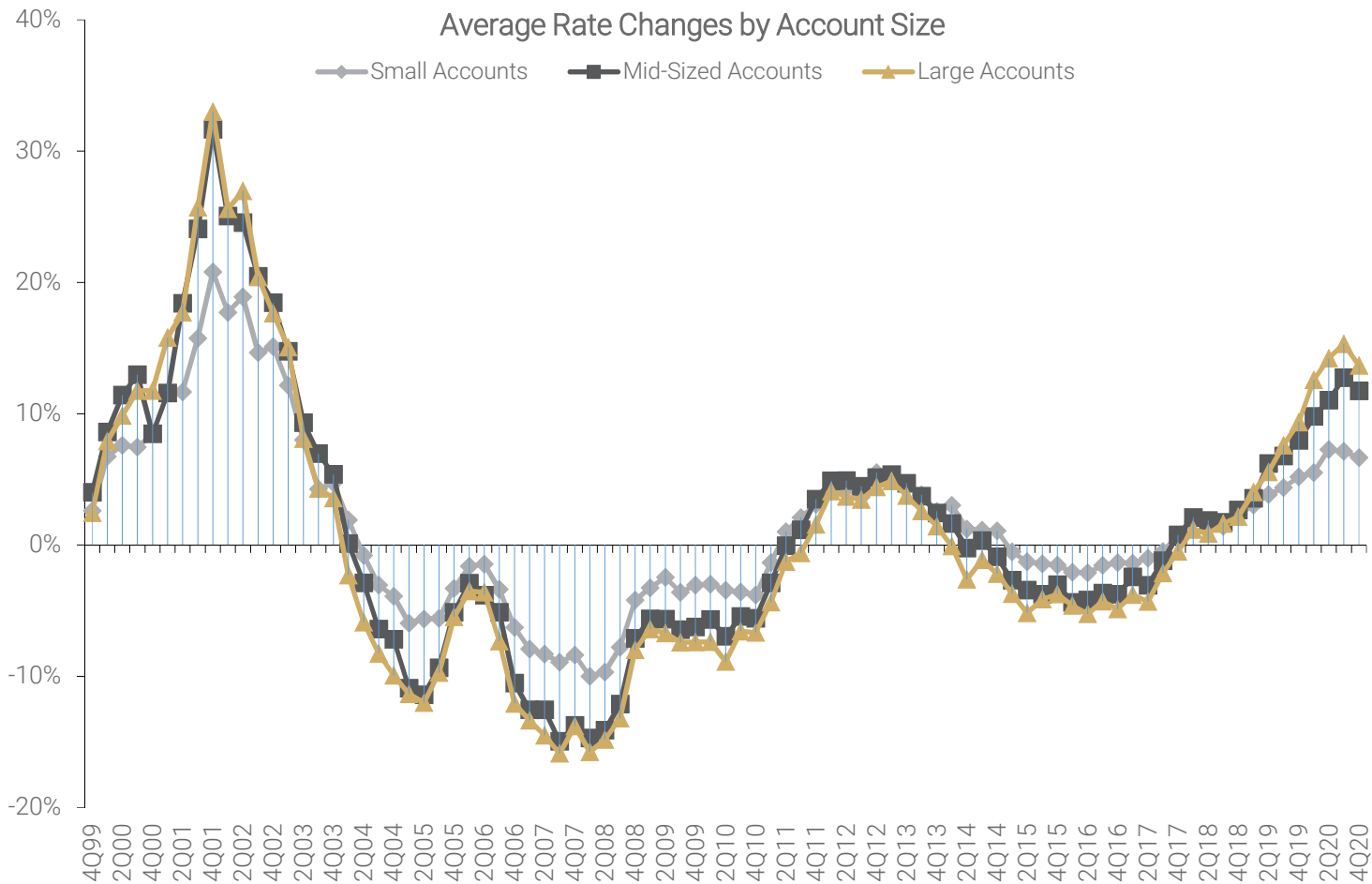
RATE CHANGES IN OTHER LINES

	4Q20	High	Low
Broker E&O	3.3%	15.4%	-4.5%
Business Interruption	7.8%	28.8%	-10.2%
Construction	6.4%	38.7%	-10.7%
Cyber	11.1%	11.1%	-1.5%
D&O Liability	14.7%	32.4%	-8.7%
Employment Practices	9.7%	21.9%	-8.1%
Flood	3.1%	8.6%	-2.7%
Marine	3.5%	4.5%	-10.6%
Medical Malpractice	4.3%	32.5%	-4.1%
Surety Bonds	1.5%	11.2%	-2.3%
Terrorism	1.3%	10.4%	-3.6%

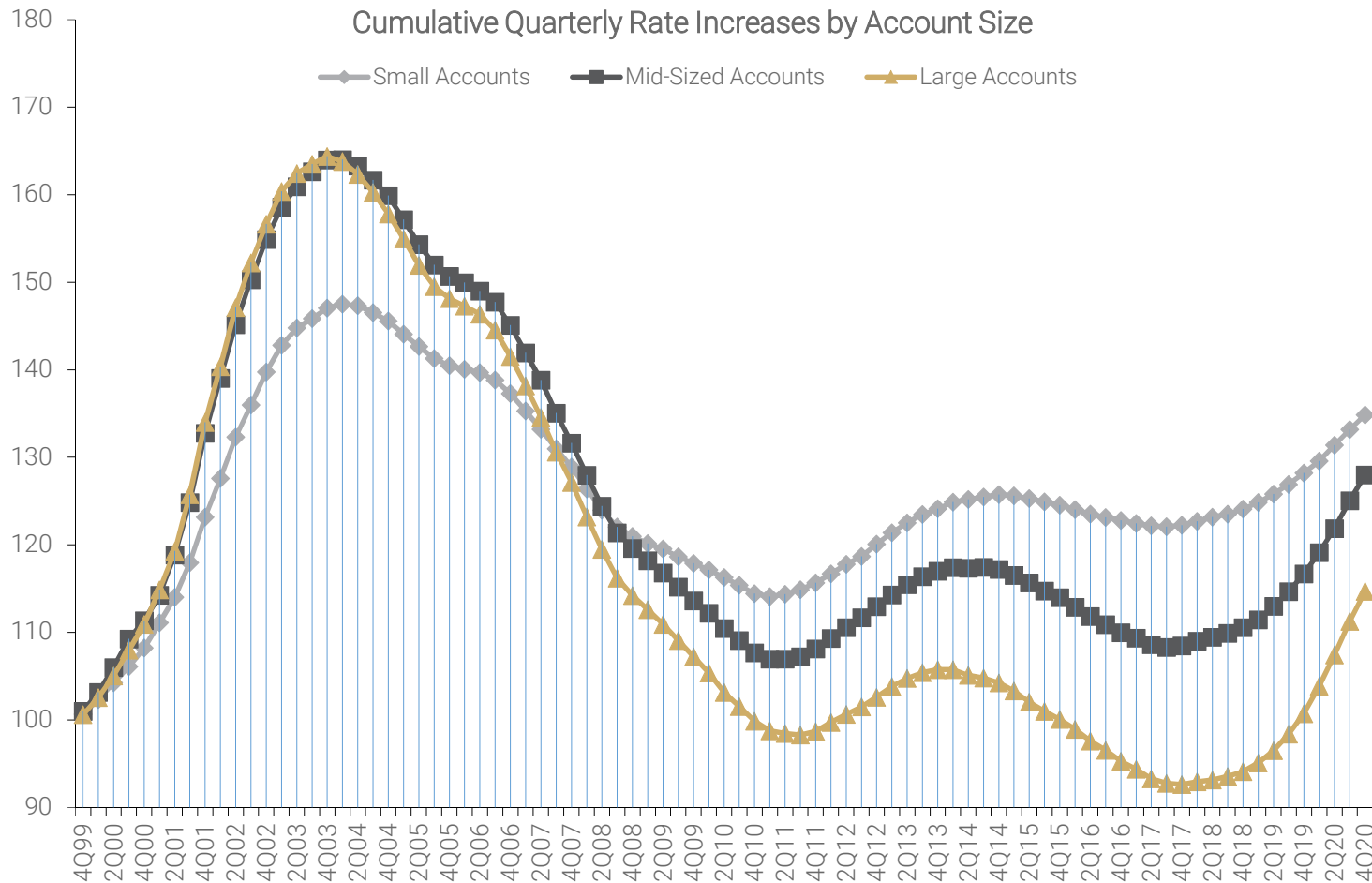
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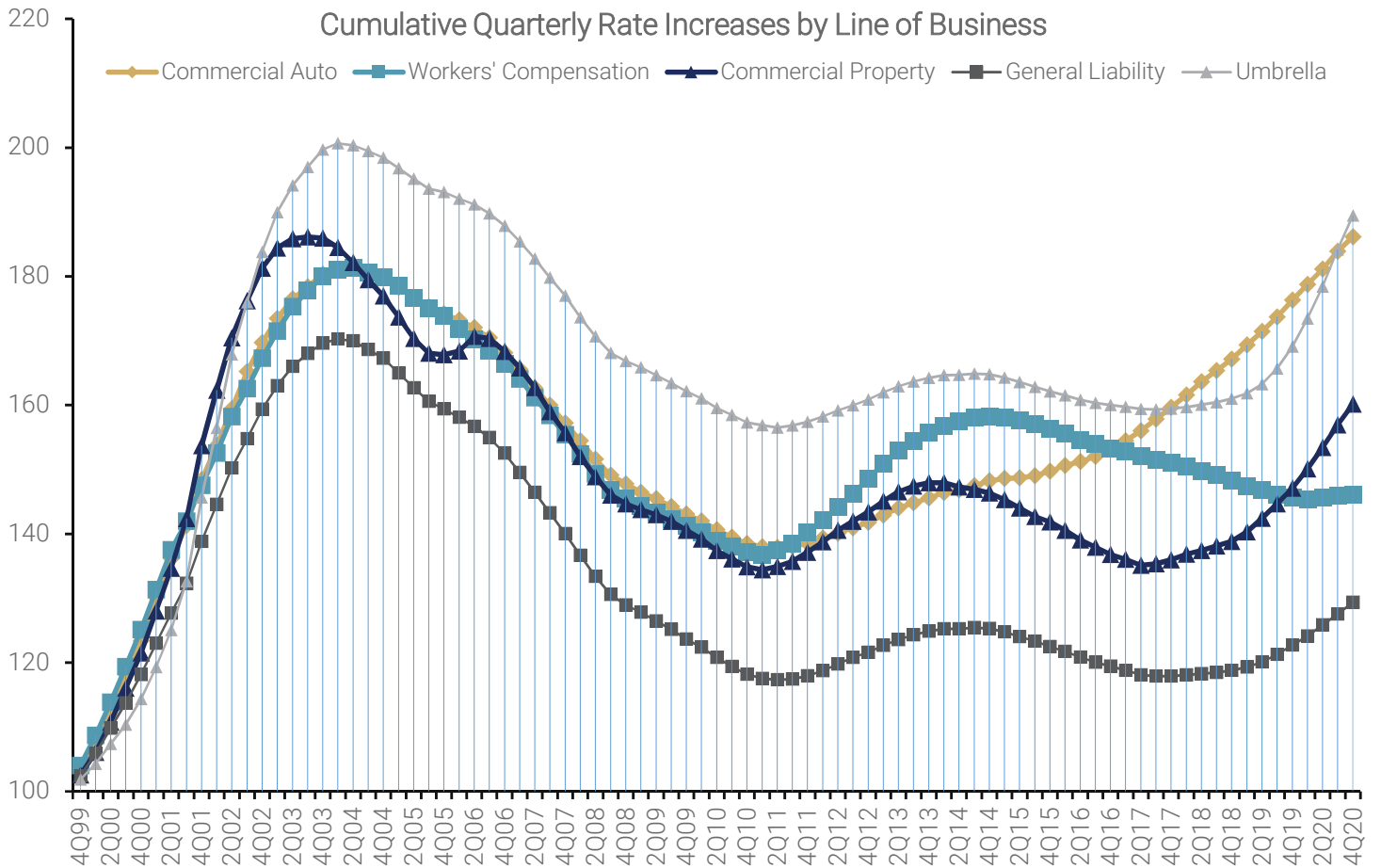
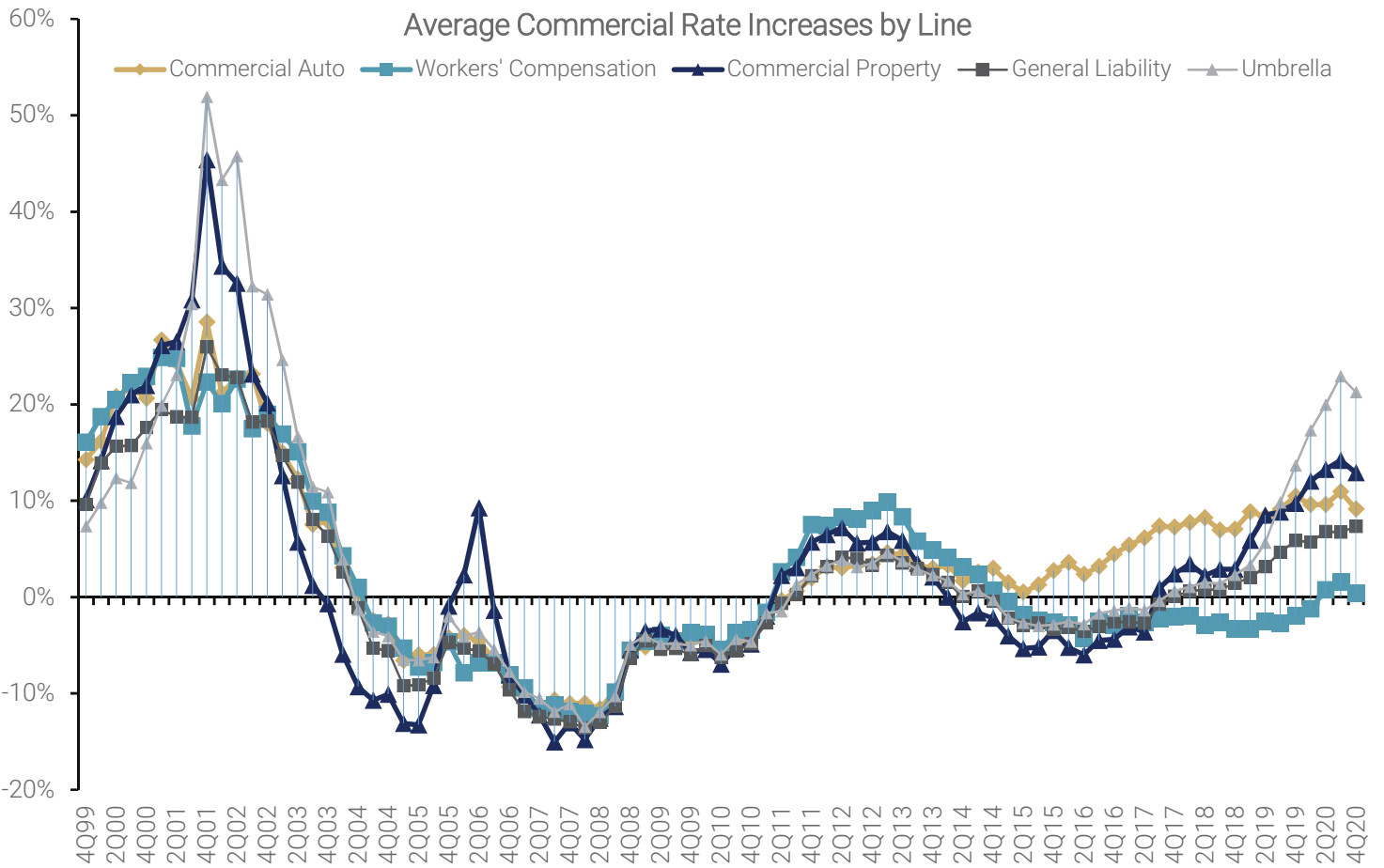
The Council of Insurance Agents & Brokers.

Average Rate Changes by Account Size



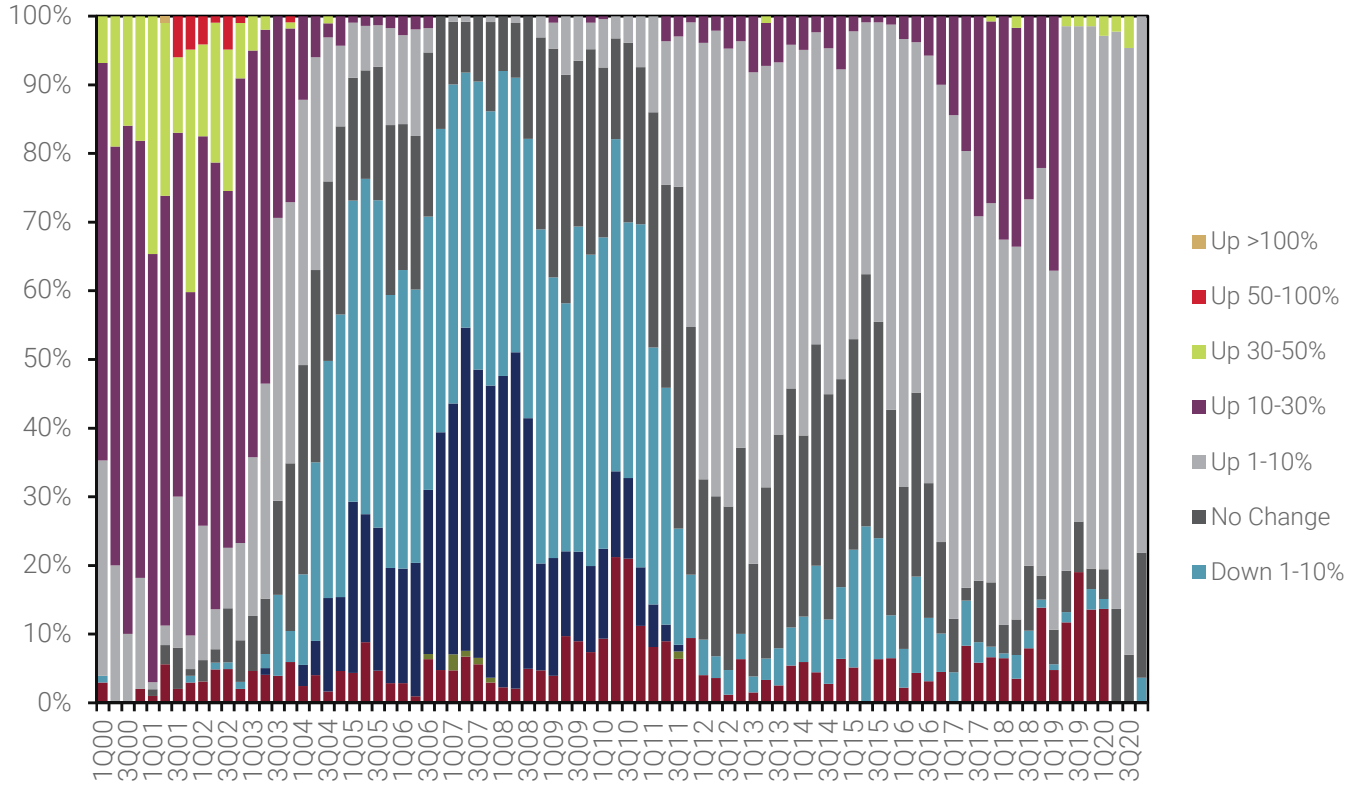
Cumulative Quarterly Rate Increases by Account Size





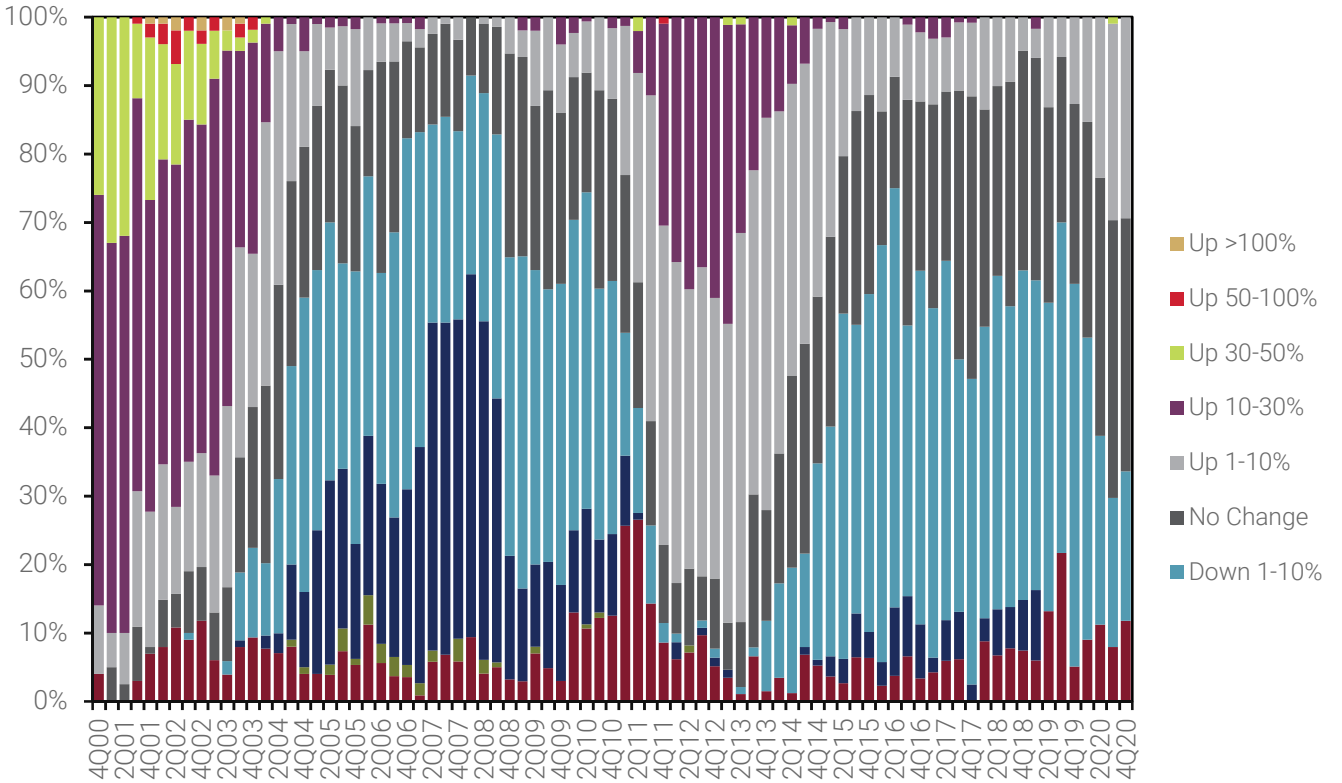
Commercial Auto Insurance Rate Changes

Percentage of Survey Respondents



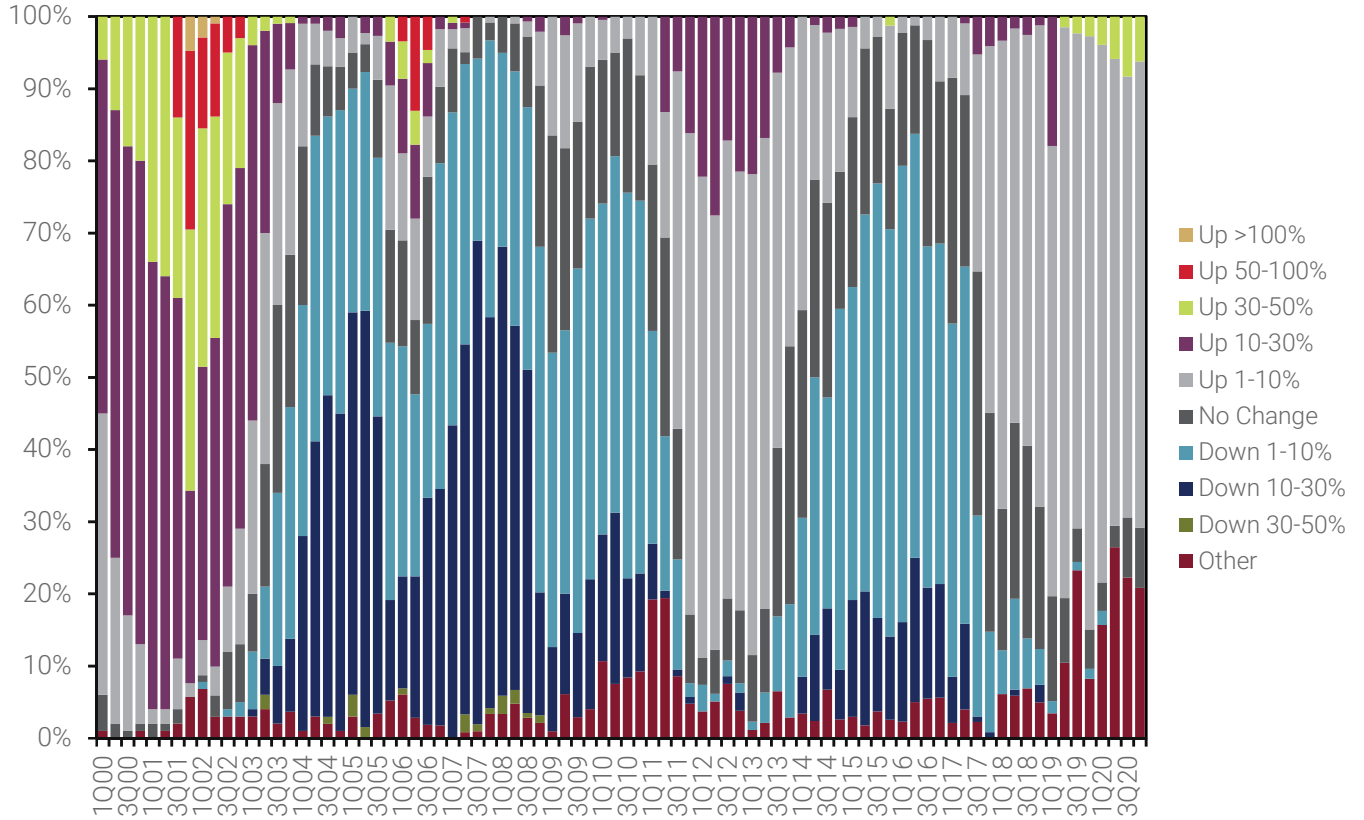
Workers' Compensation Insurance Rate Changes

Percentage of Survey Respondents



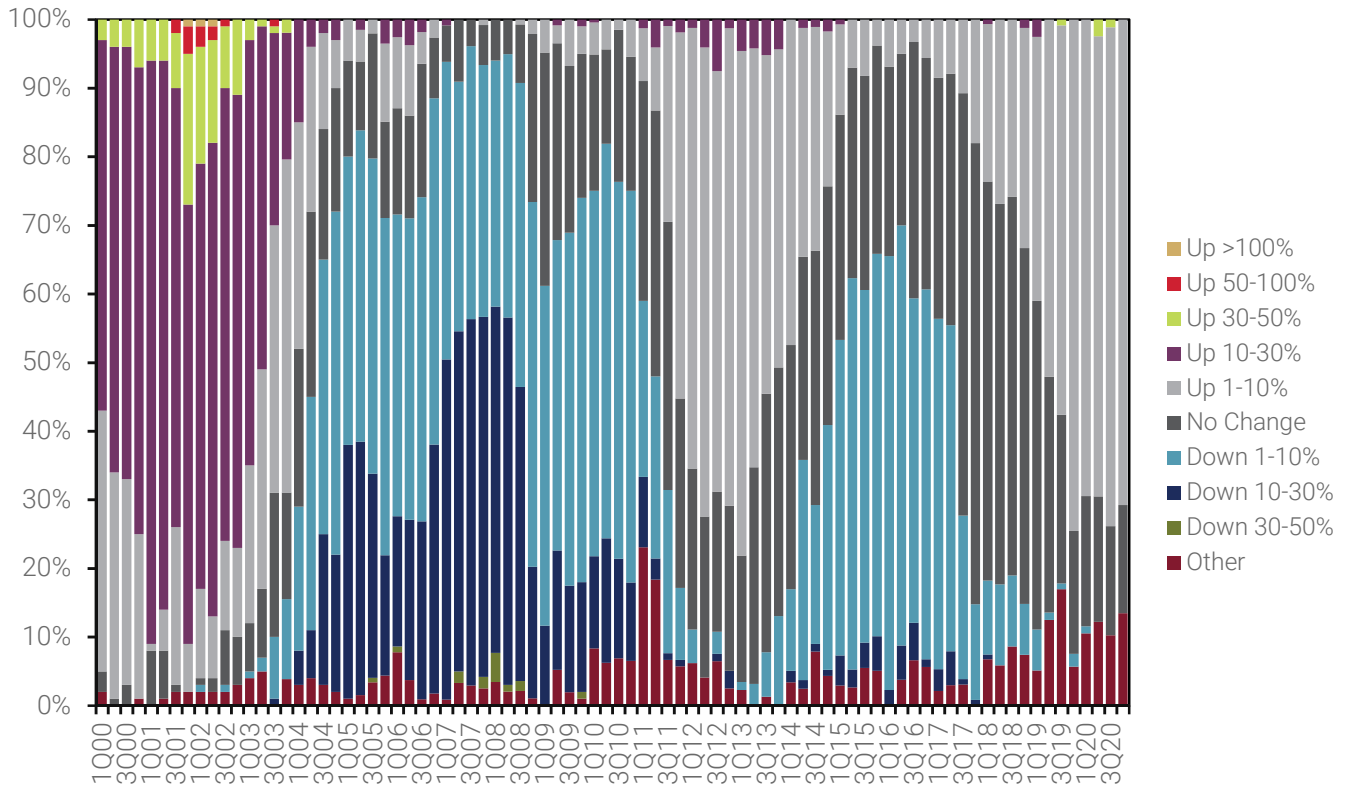
Commercial Property Insurance Rate Changes

Percentage of Survey Respondents

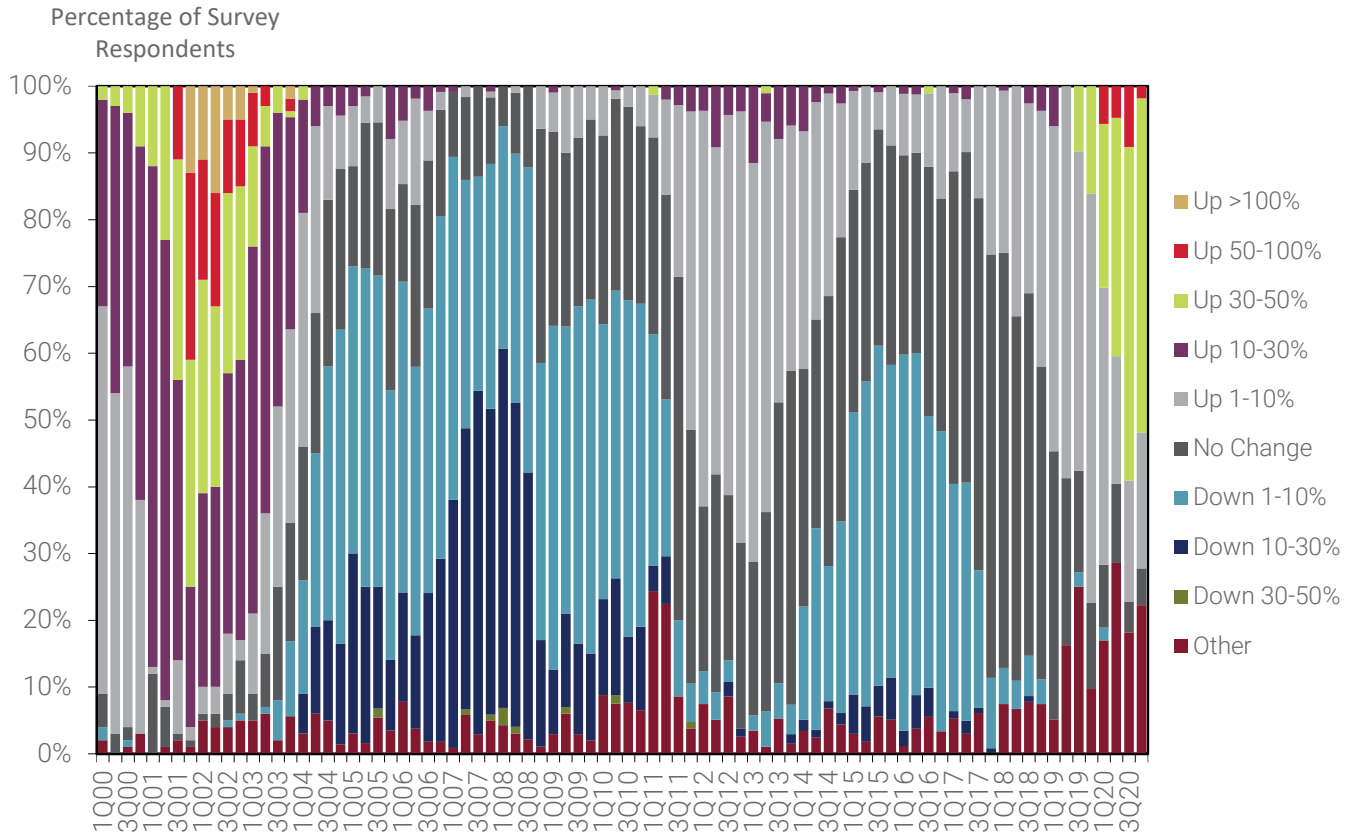


Commercial General Liability Insurance Rate Changes

Percentage of Survey Respondents



Umbrella Insurance Rate Changes



Business Interruption Insurance Rate Changes

