



 THE COUNCIL

## COMMERCIAL PROPERTY/ CASUALTY MARKET INDEX

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Q3/2022



# Commercial Property/Casualty Market Index

Q3/2022

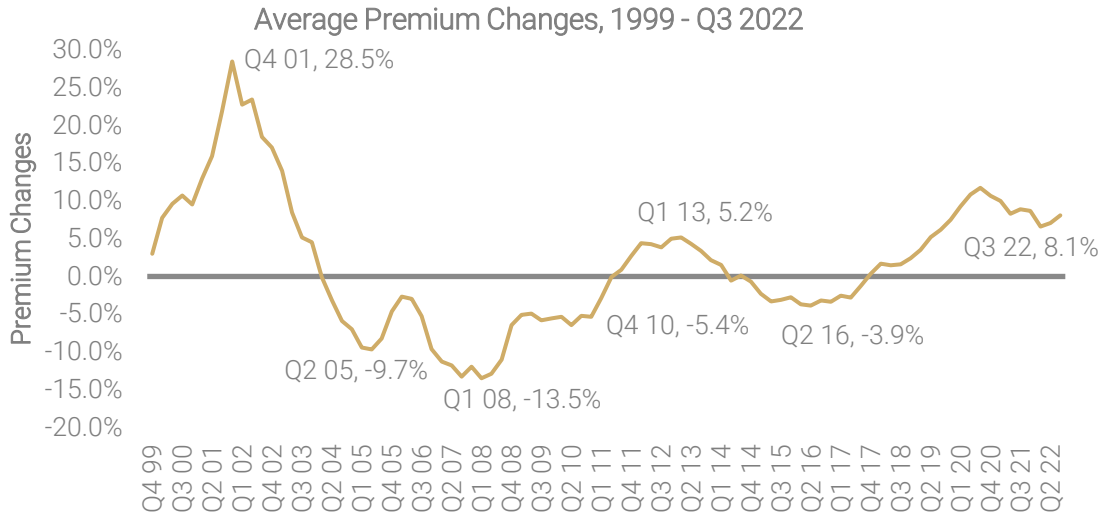
## EXECUTIVE SUMMARY

The following are key takeaways from The Council of Insurance Agents & Brokers' *Commercial Property/Casualty Market Report Q3 2022 (July 1 – September 30)*:

- Premiums increased for the 20<sup>th</sup> consecutive quarter in Q3 2022, with respondents reporting an average premium increase across all account sizes of 8.1%, up from the increase of 7.1% recorded in Q2.
- Prices remained relatively stable in Q3 2022 for most lines of business, with prices increasing by an average of 7.0% across all lines of business. Workers compensation prices continued to decrease, at an average of -0.7%. It was the only line that saw a decrease.
- Inflation was top of mind for brokers this quarter—95% of respondents agreed inflation had influenced key market trends such as premium pricing. Its influence was also felt in the talent arena, with multiple respondents saying hiring or replacing employees had become more expensive because of inflation.
- The commercial property and cyber lines of business remained concerns for respondents. Natural catastrophes and inflation exerted upward pressure on property premiums. And while respondents signaled some relief in cyber prices, they still highlighted strict underwriting, reduced limits, and higher deductibles across the board for that line.
- Commercial auto was affected by inflation driving up the cost for repairs, and thus claim costs. Auto claims were also up, possibly due to the post-pandemic resurgence in retail and the increasing number of employees commuting to the office all contributing to more vehicles on the road.
- Regarding current market conditions, respondents saw an opportunity to show their value to clients by assisting them with implementing robust risk mitigation techniques to bring premiums down.
- Respondents also saw an opportunity to take advantage of the increasing popularity of “work from anywhere” to search for talent outside of their geographical area in order to address talent needs.

# PREMIUM PRICING

In Q3 2022, brokers faced overall trends of tight underwriting and increased scrutiny, as well as reduced carrier appetite. Prices increased once again this quarter, though respondents often highlighted the increases were relatively slight, describing them as “close to flat.”



## KEY NUMBERS AT A GLANCE

- **8.1%:** average premium increase across all account sizes, up from 7.1% in Q2 2022
- **20:** number of consecutive quarters of increased premiums for all account sizes
- **9.0%:** average increase for medium-sized accounts, higher than both small (6.5%) and large (8.8%)

## AVERAGE COMMERCIAL PRICING INCREASES

	By Account Size			AVERAGE
	SMALL	MEDIUM	LARGE	
Third Quarter 2022	6.5%	9.0%	8.8%	8.1%
Second Quarter 2022	6.4%	7.3%	7.5%	7.1%
First Quarter 2022	6.4%	7.3%	6.2%	6.6%
Fourth Quarter 2021	6.3%	10.6%	9.2%	8.7%
Third Quarter 2021	6.2%	10.1%	10.4%	8.9%
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

## PREMIUM PRICING BY LINE OF BUSINESS

Similarly, premium increases remained close to flat for most lines of business, with a few exceptions. Upward pressure on commercial property premiums was more pronounced in Q3 2022, pushing the average increase for that line to 11.2% from 8.3% in Q2. The cyber line of business also had its sixth consecutive quarter of premium increases over 20%.

Workers compensation premiums decreased again this quarter, at -0.7%. Respondents described underwriting for this line as “flexible” and “loose,” and several emphasized that premium pricing for the line was “still very soft.” After the economic shock of the start of the pandemic, conditions for this line seem to have returned to their pre-pandemic trends as seen between Q1 2015 and Q1 2020, with low prices and straightforward underwriting.

## KEY NUMBERS AT A GLANCE

- **7.0%:** average premium increase across all lines of business
- **21:** number of consecutive quarters of premium increases for all lines of business
- **20.3%:** average premium increase for the cyber line of business
- **45:** number of consecutive quarters commercial auto premiums increased

### BY-LINE THIRD QUARTER 2022 RATE CHANGES RANGED FROM -0.7% TO +11.3%

	COMM'L AUTO	WORKERS' COMP	COMM'L PROPERTY	GEN'L LIABILITY	UMBRELLA	AVERAGE
Third Quarter 2022	7.6%	-0.7%	11.2%	5.7%	11.3%	7.0%
Second Quarter 2022	7.2%	-1.2%	8.3%	4.7%	11.3%	6.1%
First Quarter 2022	5.9%	-0.5%	8.6%	3.9%	10.5%	5.7%
Fourth Quarter 2021	8.0%	0.3%	10.5%	6.4%	15.0%	8.1%
Third Quarter 2021	7.4%	-0.3%	10.3%	6.3%	16.9%	8.1%
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

	3Q22	High	Low
Broker E&O	2.9%	15.4%	-4.5%
Business Interruption	5.4%	28.8%	-10.2%
Construction	6.2%	38.7%	-10.7%
Cyber	20.3%	34.3%	-1.5%
D&O Liability	7.3%	32.4%	-8.7%
Employment Practices	7.1%	21.9%	-8.1%
Flood	5.8%	8.6%	-2.7%
Marine	3.6%	4.5%	-10.6%
Medical Malpractice	3.1%	32.5%	-4.1%
Surety Bonds	0.8%	11.2%	-2.3%
Terrorism	0.5%	10.4%	-3.6%

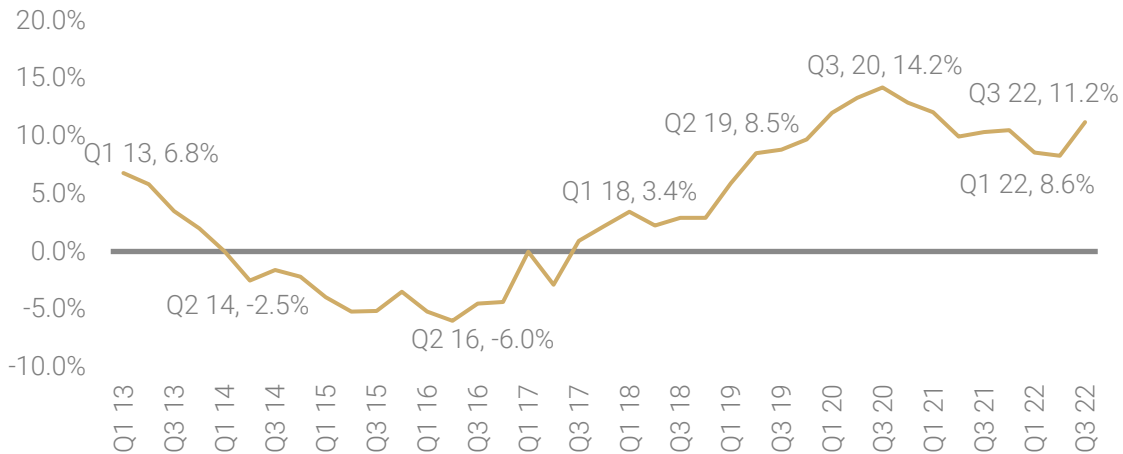
Source:  
The Council of Insurance Agents & Brokers

# NOTABLE LINE OF BUSINESS: COMMERCIAL PROPERTY

## Inflation and nat cats worsened commercial property woes

The impact of inflation on the industry was even more pronounced this quarter despite the fact that inflation actually eased slightly over Q3 2022—the Consumer Price Index changed by 0% in July, 0.1% in August, and 0.4% in September, compared to two successive months of 1% or more increases in Q2. While some brokers last quarter were reluctant to say definitively whether inflation had an effect on commercial lines, this quarter 95% of brokers agreed inflation was influencing market trends, especially surrounding commercial property. Only 5% said they were not seeing an effect from inflation this quarter.

Premium Change for Commercial Property, 2013 - Q3 2022

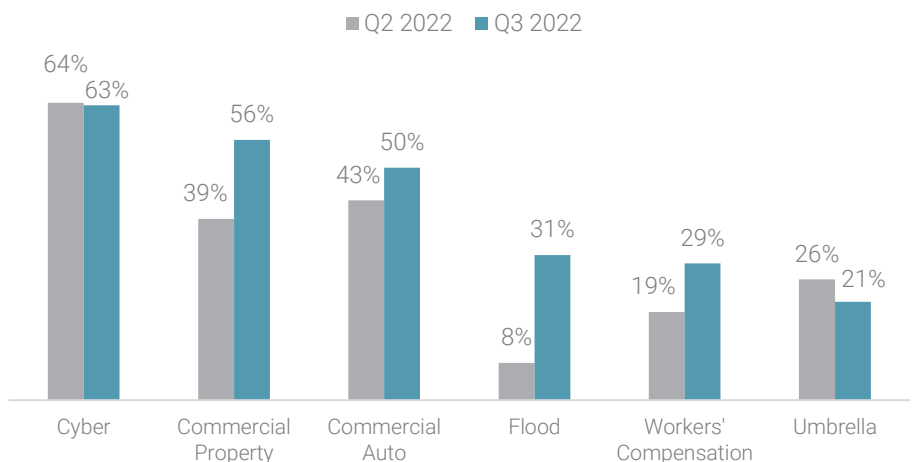


Similar to previous quarters, one of the main ways in which respondents saw inflationary trends affecting insurance was via construction and replacement costs, due to inflation pushing up the price for most goods, which in turn increased property valuations. “Inflation had an effect on construction costs, which drove underwriters to require higher property values to write or renew property coverage,” explained one respondent from a large Southeastern firm. “Valuations skyrocketed, pricing increased and there was more scrutiny of all risks in the property market,” said another respondent from a large Southwestern firm.

This also meant increased client management when it came to handling property renewals. “Underwriters were diligent around insuring to value/replacement cost,” said a respondent from a large Midwestern firm, “so we spent a lot of time working with clients on property TIV [total insurable value] which is reflective of material costs.”

Several respondents also mentioned the impact of natural catastrophes on commercial property, possibly driven by significant events in the U.S. in Q3, including Hurricane Ian, the flooding in Kentucky and Tennessee, and wildfires in the Northwest. Indeed, multiple respondents attributed the rise in property claims to natural catastrophes. At the same time, flood claims were up in Q3 2022, with 31% of respondents reporting an increase in claims, compared to 8% in Q2.

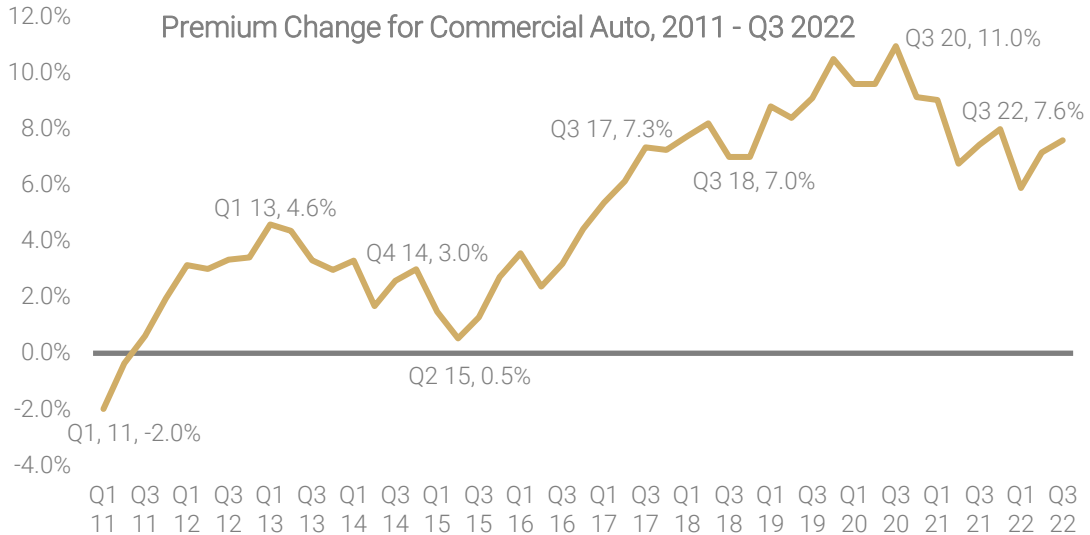
Respondents reporting an increase in claims



“CAT property saw significant rate increases and restriction of capacity,” said one respondent from a large Northeastern firm. “CAT exposures saw a big increase in deductibles,” said another respondent from a large Midwestern firm. “Water/flood limits decreased.”

## NOTABLE LINE OF BUSINESS: COMMERCIAL AUTO

### Inflation affected pricing, claims were up



Commercial auto premiums crept up further in Q3 2022, marking the 45<sup>th</sup> consecutive quarter of increased premiums for the line. Respondents agreed that commercial auto’s issues this quarter were mainly driven by inflation, in particular by how it affected the cost of goods. “In auto, claim payouts were generally higher due to increased repair and vehicle replacement costs,” stated a respondent from a large Southwestern firm—and respondents from other regions and firm sizes also echoed these sentiments.

Commercial auto also saw an uptick in claims in Q3 2022 compared to Q2. One respondent from a large Midwestern firm offered a possible explanation for the increase in auto claims, saying that “claims volume frequency increased with retail resurgence and more employees back in the workplace.”

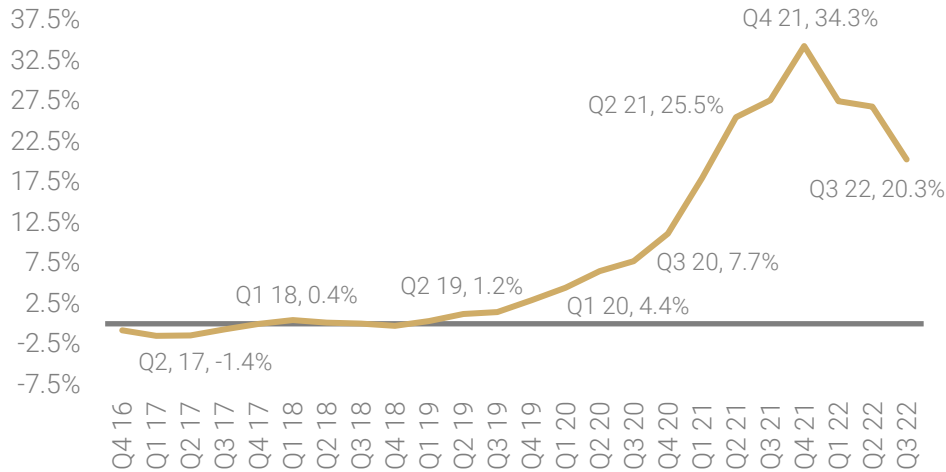
While increased claims costs do not necessarily directly correlate to increased premiums, high claims payouts can often influence rates as carriers seek to mitigate losses. And multiple respondents mentioned persistent commercial auto rate increases in Q3 2022, as well as a further restriction on capacity for that line, similar to what occurred with the cyber line of business after sizable ransomware claims.

## NOTABLE LINE OF BUSINESS: CYBER

### Cyber demand was up, plus some pricing relief?

Cyber suffered an unambiguous shock to the system in late 2021 and early 2022, with premium pricing increases peaking in Q4 2021 at 34.3%. The industry scrambled to contain those losses with carriers implementing strict risk control requirements for insureds, and brokers working to ensure their clients understood the cyber risks all businesses faced and helping them implement the controls required by their carriers. It is not yet clear whether those efforts have succeeded in bringing cyber costs under control.

### Premium Change for Cyber, Q4 2016 - Q3 2022



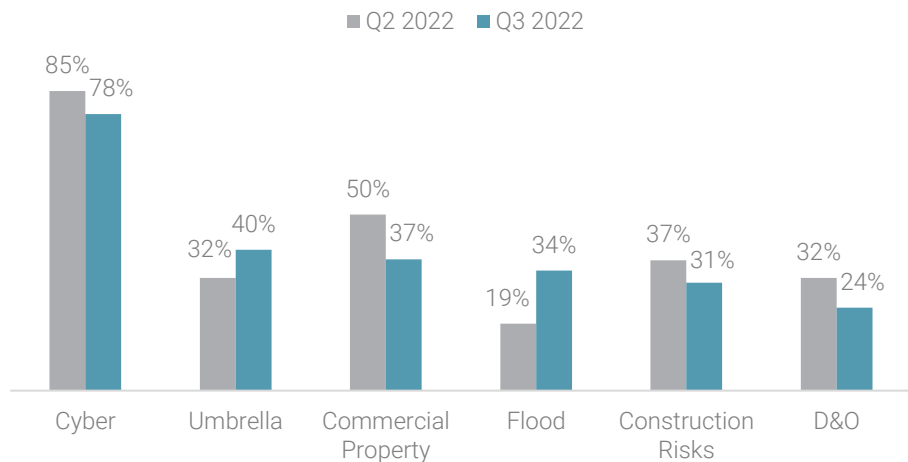
On the one hand, premium pricing for cyber increased by only 20.3% in Q3 2022, down notably from the first two quarters of 2021 and the record high set by the line in Q4 2021. In line with that, some respondents reported seeing signs of relief for this line, with one respondent from a midsize Midwestern firm commenting there was “some stabilization on cyber rates as long as all controls were in place.” This suggests that insureds who take a more aggressive risk control posture could indeed find some cyber relief.

Back in 2021, during the period of skyrocketing cyber premiums, a common view among survey respondents was that the line had been historically underpriced and, as such, in the face of rampant ransomware losses and a better understanding of the exposure businesses faced, carriers were forced to adjust premiums to reflect the true cyber risks faced by insureds. It may be after the sustained increases in this line, premiums have now been aligned more properly with cyber exposure, so carriers did not need to push so hard for increases in Q3.

On the other hand, cyber premiums still increased by 20.3%, the largest increase among all other commercial lines by far, and respondents reported other difficulties with the line, especially if a client had not implemented appropriate risk controls. A respondent from a midsize Midwestern firm said there were “higher cyber deductibles and lower sublimits,” and added that “some rate increases can be tempered but there were significant exposure basis increases. Underwriters were getting more premium to support the change.” And according to another respondent from a large Northeastern firm, “Some cyber carriers were adding sublimits to certain coverages, such as ransomware/cyber extortion, even on accounts with a clean loss history. In addition, retention amounts are increasing across the board.”

As with last quarter, insureds’ awareness of the need for cyber insurance remained high, with 78% of respondents reporting an increase in demand for the line. “Insureds declined [cyber coverage] in the past,” said one respondent from a large Northeastern firm, “but cyber and flood are being added to programs more often now.” Another respondent from a large Northeastern firm offered a possible reason why insureds were more willing to purchase cyber insurance in Q3, explaining, “requests for cyber quotes have increased due to all the public discussion on ransomware and social engineering claims.” Bearing that out, 81% of respondents noted that a top client concern was cyber risk.

### Respondents reporting an increase in demand



The downward trend in cyber claims also continued from last quarter, with 61% of respondents saying they saw an increase in those claims, down from 64% in Q2 and 74% in Q1 2022, and a notable decrease from the peak of 81% in Q4 2021.

## PRIORITIES AND CHALLENGES

### Recruiting talent remains a challenge

As with the previous quarter, “recruiting and developing talent” was by far the top challenge and priority for brokers in Q3 2022, with 83% of respondents naming it as a top-three challenge, compared to 56% for “driving organic growth” and 32% for “adopting new technologies.” Inflation’s influence may just be felt here, too: multiple respondents mentioned that hiring or replacing employees had become more expensive due to inflation.

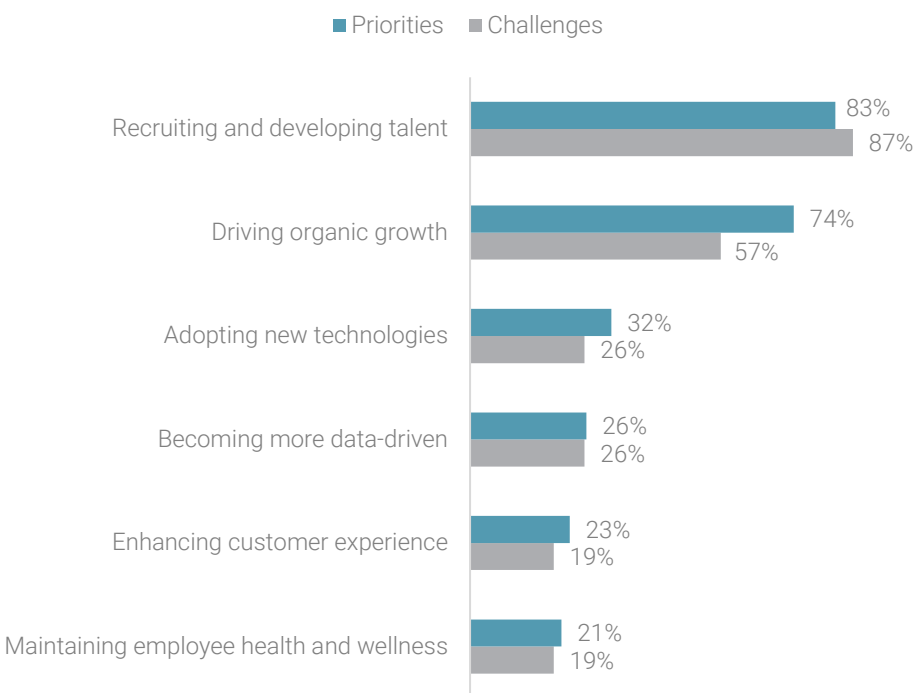
Respondents also highlighted the challenge of finding the right people for the business, especially when “hiring and developing talent is a huge task that takes a ton of time, with increasing risk it won’t work out,” in the words of one respondent from a large Northwestern firm. Multiple respondents acknowledged the need to look outside of their geographical area to find talent, with another respondent from a midsized Midwestern firm saying the expansion of the work from anywhere trend offers an opportunity to “reach a wider vein of talent”—even if that might come with additional challenges, such as ensuring the new hire is a good cultural fit.

The third and fourth ranked priorities and challenges were “adopting new technologies” and “becoming more data driven,” suggesting broker awareness of the importance of making effective use of technological tools. Generally, respondents prioritized:

- integrating programs/solutions with APIs for efficiency
- client-facing claims portal
- automating policy check-in
- updating technology for internal and external communication

Making effective use of the wealth of data available to brokers was also a key theme in responses. “Data is the key raw material that we (and our clients and carrier partners) consume in both consultative and transactional ways,” said a respondent from a midsize Midwestern firm. “We must obtain, organize, and transmit data in the most accurate and efficient ways possible.” Another respondent from a midsize Midwestern firm pointed to how data analytics can be used as a guide for decision-making, ensuring consistency, and can help firms home in on what is working and what is not for their business.

Top Broker Priorities and Challenges in Q3 2022

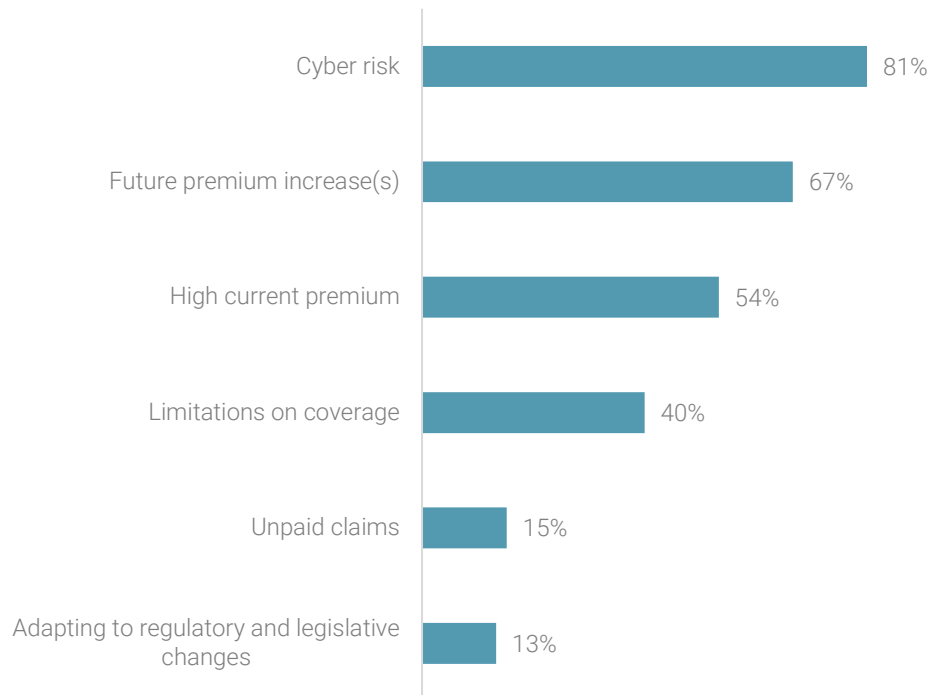




Looking to the future, respondents emphasized that while current market conditions are challenging for every part of the industry, there is an opportunity for brokers to make their advisory value clear to their clients—especially when it comes to top client concerns in Q3 2022, which were (besides cyber risk) future premium increase(s) and high current premiums.

Multiple respondents pointed to risk mitigation as a key role for brokers to better serve their clients in the current environment. “Helping to educate clients on the overall market, risk mitigation techniques and emerging market risks will be critical to client retention,” said one respondent from the Midwest. Another from a large Midwestern firm said, “If you can't offer a client services and tools to help them make risk improvements in their business you will be relegated to being just another vendor who can give them a policy.”

## Respondents reporting top client concerns



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 third quarter of 2022 (July 1 – September 30), on average, did premiums go up or down for each of the following account sizes, compared to the second quarter of 2022 (April 1 – June 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
<b>Small Account (Less than \$25k in commission and fees)</b>	0.00%	0.00%	0.00%	3.70%	9.26%	64.81%	14.81%	1.85%	1.85%	0.00%	3.70%
<b>Medium Account (Between \$25k to \$100k in commission and fees)</b>	0.00%	0.00%	0.00%	5.66%	1.89%	52.83%	33.96%	3.77%	1.89%	0.00%	0.00%
<b>Large Account (More than \$100k in commission and fees)</b>	0.00%	0.00%	1.92%	3.85%	3.85%	50.00%	32.69%	5.77%	1.92%	0.00%	0.00%

2. During the third quarter of 2022 (July 1 – September 30), on average, did premiums go up or down for each of the following lines of business, compared to the second quarter of 2022 (April 1 – June 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
<b>Business interruption</b>	0.00%	0.00%	0.00%	0.00%	16.00%	64.00%	14.00%	2.00%	0.00%	0.00%	4.00%
<b>Broker E&amp;O</b>	0.00%	0.00%	0.00%	0.00%	52.08%	29.17%	8.33%	2.08%	0.00%	0.00%	8.33%
<b>Commercial auto</b>	0.00%	0.00%	0.00%	0.00%	6.00%	66.00%	24.00%	2.00%	2.00%	0.00%	0.00%
<b>Commercial property</b>	0.00%	0.00%	0.00%	0.00%	1.96%	47.06%	35.29%	13.73%	1.96%	0.00%	0.00%
<b>Construction risks</b>	0.00%	0.00%	0.00%	0.00%	17.02%	55.32%	25.53%	2.13%	0.00%	0.00%	0.00%
<b>Cyber</b>	0.00%	0.00%	0.00%	1.92%	3.85%	15.38%	32.69%	28.85%	13.46%	3.85%	0.00%
<b>D&amp;O</b>	0.00%	0.00%	0.00%	11.54%	21.15%	36.54%	23.08%	5.77%	0.00%	1.92%	0.00%
<b>Flood</b>	0.00%	0.00%	0.00%	0.00%	31.25%	39.58%	16.67%	8.33%	0.00%	0.00%	4.17%
<b>Employment practices</b>	0.00%	0.00%	0.00%	1.96%	27.45%	45.10%	19.61%	3.92%	0.00%	1.96%	0.00%
<b>General liability</b>	0.00%	0.00%	0.00%	0.00%	17.65%	64.71%	15.69%	1.96%	0.00%	0.00%	0.00%
<b>Marine</b>	0.00%	0.00%	0.00%	2.08%	33.33%	54.17%	6.25%	2.08%	0.00%	0.00%	2.08%
<b>Medical malpractice</b>	0.00%	0.00%	0.00%	0.00%	42.22%	35.56%	8.89%	2.22%	0.00%	0.00%	11.11%
<b>Surety bonds</b>	0.00%	0.00%	0.00%	2.13%	74.47%	14.89%	2.13%	0.00%	0.00%	0.00%	6.38%
<b>Terrorism</b>	0.00%	0.00%	0.00%	2.13%	76.60%	12.77%	0.00%	0.00%	0.00%	0.00%	8.51%
<b>Umbrella</b>	0.00%	0.00%	0.00%	1.92%	11.54%	30.77%	36.54%	19.23%	0.00%	0.00%	0.00%
<b>Workers' compensation</b>	0.00%	0.00%	0.00%	45.10%	33.33%	19.61%	0.00%	1.96%	0.00%	0.00%	0.00%

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

1. During the third quarter of 2022 (July 1 – September 30), on average, did premiums go up or down for each of the following lines of business, compared to the second quarter of 2022 (April 1 – June 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
<b>Small Account (Less than \$25k in commission and fees)</b>	0.00%	0.00%	0.00%	0.00%	12.50%	81.25%	0.00%	0.00%	0.00%	0.00%	6.25%
<b>Medium Account (Between \$25k to \$100k in commission and fees)</b>	0.00%	0.00%	0.00%	0.00%	6.25%	68.75%	25.00%	0.00%	0.00%	0.00%	0.00%
<b>Large Account (More than \$100k in commission and fees)</b>	0.00%	0.00%	0.00%	0.00%	6.67%	73.33%	20.00%	0.00%	0.00%	0.00%	0.00%

2. During the third quarter of 2022 (July 1 – September 30), on average, did premiums go up or down for each of the following lines of business, compared to the second quarter of 2022 (April 1 – June 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
<b>Business interruption</b>	0.00%	0.00%	0.00%	0.00%	0.00%	93.33%	0.00%	0.00%	0.00%	0.00%	6.67%
<b>Broker E&amp;O</b>	0.00%	0.00%	0.00%	0.00%	53.33%	33.33%	6.67%	0.00%	0.00%	0.00%	6.67%
<b>Commercial auto</b>	0.00%	0.00%	0.00%	0.00%	6.67%	60.00%	26.67%	6.67%	0.00%	0.00%	0.00%
<b>Commercial property</b>	0.00%	0.00%	0.00%	0.00%	0.00%	56.25%	31.25%	12.50%	0.00%	0.00%	0.00%
<b>Construction risks</b>	0.00%	0.00%	0.00%	0.00%	20.00%	53.33%	26.67%	0.00%	0.00%	0.00%	0.00%
<b>Cyber</b>	0.00%	0.00%	0.00%	0.00%	0.00%	20.00%	33.33%	40.00%	6.67%	0.00%	0.00%
<b>D&amp;O</b>	0.00%	0.00%	0.00%	0.00%	40.00%	33.33%	26.67%	0.00%	0.00%	0.00%	0.00%
<b>Flood</b>	0.00%	0.00%	0.00%	0.00%	40.00%	40.00%	6.67%	6.67%	0.00%	0.00%	6.67%
<b>Employment practices</b>	0.00%	0.00%	0.00%	0.00%	20.00%	60.00%	20.00%	0.00%	0.00%	0.00%	0.00%
<b>General liability</b>	0.00%	0.00%	0.00%	0.00%	25.00%	68.75%	6.25%	0.00%	0.00%	0.00%	0.00%
<b>Marine</b>	0.00%	0.00%	0.00%	0.00%	26.67%	60.00%	6.67%	6.67%	0.00%	0.00%	0.00%
<b>Medical malpractice</b>	0.00%	0.00%	0.00%	0.00%	53.33%	40.00%	0.00%	0.00%	0.00%	0.00%	6.67%
<b>Surety bonds</b>	0.00%	0.00%	0.00%	0.00%	80.00%	20.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Terrorism</b>	0.00%	0.00%	0.00%	0.00%	80.00%	13.33%	0.00%	0.00%	0.00%	0.00%	6.67%
<b>Umbrella</b>	0.00%	0.00%	0.00%	0.00%	18.75%	31.25%	31.25%	18.75%	0.00%	0.00%	0.00%
<b>Workers' compensation</b>	0.00%	0.00%	0.00%	46.67%	33.33%	20.00%	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 third quarter of 2022 (July 1 – September 30), on average, did premiums go up or down for each of the following lines of business, compared to the second quarter of 2022 (April 1 – June 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
<b>Small Account (Less than \$25k in commission and fees)</b>	0.00%	0.00%	0.00%	0.00%	10.00%	40.00%	40.00%	10.00%	0.00%	0.00%	0.00%
<b>Medium Account (Between \$25k to \$100k in commission and fees)</b>	0.00%	0.00%	0.00%	0.00%	0.00%	20.00%	70.00%	10.00%	0.00%	0.00%	0.00%
<b>Large Account (More than \$100k in commission and fees)</b>	0.00%	0.00%	0.00%	0.00%	10.00%	10.00%	80.00%	0.00%	0.00%	0.00%	0.00%

2. During the third quarter of 2022 (July 1 – September 30), on average, did premiums go up or down for each of the following lines of business, compared to the second quarter of 2022 (April 1 – June 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
<b>Business interruption</b>	0.00%	0.00%	0.00%	0.00%	30.00%	50.00%	20.00%	0.00%	0.00%	0.00%	0.00%
<b>Broker E&amp;O</b>	0.00%	0.00%	0.00%	0.00%	66.67%	11.11%	22.22%	0.00%	0.00%	0.00%	0.00%
<b>Commercial auto</b>	0.00%	0.00%	0.00%	0.00%	20.00%	50.00%	30.00%	0.00%	0.00%	0.00%	0.00%
<b>Commercial property</b>	0.00%	0.00%	0.00%	0.00%	10.00%	50.00%	10.00%	30.00%	0.00%	0.00%	0.00%
<b>Construction risks</b>	0.00%	0.00%	0.00%	0.00%	33.33%	55.56%	0.00%	11.11%	0.00%	0.00%	0.00%
<b>Cyber</b>	0.00%	0.00%	0.00%	10.00%	10.00%	10.00%	30.00%	30.00%	10.00%	0.00%	0.00%
<b>D&amp;O</b>	0.00%	0.00%	0.00%	10.00%	30.00%	40.00%	10.00%	10.00%	0.00%	0.00%	0.00%
<b>Flood</b>	0.00%	0.00%	0.00%	0.00%	30.00%	40.00%	20.00%	10.00%	0.00%	0.00%	0.00%
<b>Employment practices</b>	0.00%	0.00%	0.00%	0.00%	40.00%	50.00%	10.00%	0.00%	0.00%	0.00%	0.00%
<b>General liability</b>	0.00%	0.00%	0.00%	0.00%	30.00%	50.00%	20.00%	0.00%	0.00%	0.00%	0.00%
<b>Marine</b>	0.00%	0.00%	0.00%	10.00%	50.00%	40.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Medical malpractice</b>	0.00%	0.00%	0.00%	0.00%	44.44%	33.33%	22.22%	0.00%	0.00%	0.00%	0.00%
<b>Surety bonds</b>	0.00%	0.00%	0.00%	0.00%	80.00%	10.00%	10.00%	0.00%	0.00%	0.00%	0.00%
<b>Terrorism</b>	0.00%	0.00%	0.00%	0.00%	80.00%	20.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Umbrella</b>	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%	40.00%	10.00%	0.00%	0.00%	0.00%
<b>Workers' compensation</b>	0.00%	0.00%	0.00%	30.00%	40.00%	30.00%	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 third quarter of 2022 (July 1 – September 30), on average, did premiums go up or down for each of the following lines of business, compared to the second quarter of 2022 (April 1 – June 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
<b>Small Account (Less than \$25k in commission and fees)</b>	0.00%	0.00%	0.00%	11.76%	5.88%	76.47%	5.88%	0.00%	0.00%	0.00%	0.00%
<b>Medium Account (Between \$25k to \$100k in commission and fees)</b>	0.00%	0.00%	0.00%	11.76%	0.00%	58.82%	29.41%	0.00%	0.00%	0.00%	0.00%
<b>Large Account (More than \$100k in commission and fees)</b>	0.00%	0.00%	5.88%	5.88%	0.00%	58.82%	23.53%	5.88%	0.00%	0.00%	0.00%

2. During the third quarter of 2022 (July 1 – September 30), on average, did premiums go up or down for each of the following lines of business, compared to the second quarter of 2022 (April 1 – June 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
<b>Business interruption</b>	0.00%	0.00%	0.00%	0.00%	26.67%	53.33%	20.00%	0.00%	0.00%	0.00%	0.00%
<b>Broker E&amp;O</b>	0.00%	0.00%	0.00%	0.00%	43.75%	37.50%	6.25%	6.25%	0.00%	0.00%	6.25%
<b>Commercial auto</b>	0.00%	0.00%	0.00%	0.00%	0.00%	86.67%	13.33%	0.00%	0.00%	0.00%	0.00%
<b>Commercial property</b>	0.00%	0.00%	0.00%	0.00%	0.00%	33.33%	66.67%	0.00%	0.00%	0.00%	0.00%
<b>Construction risks</b>	0.00%	0.00%	0.00%	0.00%	0.00%	73.33%	26.67%	0.00%	0.00%	0.00%	0.00%
<b>Cyber</b>	0.00%	0.00%	0.00%	0.00%	6.25%	18.75%	18.75%	31.25%	25.00%	0.00%	0.00%
<b>D&amp;O</b>	0.00%	0.00%	0.00%	25.00%	6.25%	37.50%	18.75%	12.50%	0.00%	0.00%	0.00%
<b>Flood</b>	0.00%	0.00%	0.00%	0.00%	20.00%	46.67%	26.67%	6.67%	0.00%	0.00%	0.00%
<b>Employment practices</b>	0.00%	0.00%	0.00%	6.25%	31.25%	31.25%	25.00%	6.25%	0.00%	0.00%	0.00%
<b>General liability</b>	0.00%	0.00%	0.00%	0.00%	6.67%	73.33%	20.00%	0.00%	0.00%	0.00%	0.00%
<b>Marine</b>	0.00%	0.00%	0.00%	0.00%	20.00%	73.33%	6.67%	0.00%	0.00%	0.00%	0.00%
<b>Medical malpractice</b>	0.00%	0.00%	0.00%	0.00%	26.67%	40.00%	13.33%	6.67%	0.00%	0.00%	13.33%
<b>Surety bonds</b>	0.00%	0.00%	0.00%	6.67%	66.67%	13.33%	0.00%	0.00%	0.00%	0.00%	13.33%
<b>Terrorism</b>	0.00%	0.00%	0.00%	6.67%	80.00%	6.67%	0.00%	0.00%	0.00%	0.00%	6.67%
<b>Umbrella</b>	0.00%	0.00%	0.00%	6.67%	6.67%	26.67%	40.00%	20.00%	0.00%	0.00%	0.00%
<b>Workers' compensation</b>	0.00%	0.00%	0.00%	62.50%	18.75%	18.75%	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 third quarter of 2022 (July 1 – September 30), on average, did premiums go up or down for each of the following lines of business, compared to the second quarter of 2022 (April 1 – June 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
<b>Small Account (Less than \$25k in commission and fees)</b>	0.00%	0.00%	0.00%	0.00%	0.00%	66.67%	0.00%	0.00%	33.33%	0.00%	0.00%
<b>Medium Account (Between \$25k to \$100k in commission and fees)</b>	0.00%	0.00%	0.00%	0.00%	0.00%	33.33%	33.33%	0.00%	33.33%	0.00%	0.00%
<b>Large Account (More than \$100k in commission and fees)</b>	0.00%	0.00%	0.00%	0.00%	0.00%	33.33%	0.00%	33.33%	33.33%	0.00%	0.00%

2. During the third quarter of 2022 (July 1 – September 30), on average, did premiums go up or down for each of the following lines of business, compared to the second quarter of 2022 (April 1 – June 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
<b>Business interruption</b>	0.00%	0.00%	0.00%	0.00%	0.00%	66.67%	0.00%	33.33%	0.00%	0.00%	0.00%
<b>Broker E&amp;O</b>	0.00%	0.00%	0.00%	0.00%	50.00%	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%
<b>Commercial auto</b>	0.00%	0.00%	0.00%	0.00%	0.00%	66.67%	0.00%	0.00%	33.33%	0.00%	0.00%
<b>Commercial property</b>	0.00%	0.00%	0.00%	0.00%	0.00%	33.33%	33.33%	0.00%	33.33%	0.00%	0.00%
<b>Construction risks</b>	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%	50.00%	0.00%	0.00%	0.00%	0.00%
<b>Cyber</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	33.33%	0.00%	33.33%	33.33%	0.00%
<b>D&amp;O</b>	0.00%	0.00%	0.00%	0.00%	0.00%	66.67%	0.00%	0.00%	0.00%	33.33%	0.00%
<b>Flood</b>	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%	0.00%	0.00%	0.00%	0.00%	50.00%
<b>Employment practices</b>	0.00%	0.00%	0.00%	0.00%	0.00%	33.33%	33.33%	0.00%	0.00%	0.00%	33.33%
<b>General liability</b>	0.00%	0.00%	0.00%	0.00%	0.00%	66.67%	0.00%	33.33%	0.00%	0.00%	0.00%
<b>Marine</b>	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%	0.00%	0.00%	0.00%	50.00%	0.00%
<b>Medical malpractice</b>	0.00%	0.00%	0.00%	0.00%	50.00%	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%
<b>Surety bonds</b>	0.00%	0.00%	0.00%	0.00%	50.00%	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%
<b>Terrorism</b>	0.00%	0.00%	0.00%	0.00%	50.00%	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%
<b>Umbrella</b>	0.00%	0.00%	0.00%	0.00%	0.00%	33.33%	33.33%	33.33%	0.00%	0.00%	0.00%
<b>Workers' compensation</b>	0.00%	0.00%	0.00%	0.00%	33.33%	33.33%	0.00%	33.33%	0.00%	0.00%	0.00%



## AVERAGE COMMERCIAL PRICING INCREASES

	By Account Size SMALL	MEDIUM	LARGE	AVERAGE
Third Quarter 2022	6.5%	9.0%	8.8%	8.1%
Second Quarter 2022	6.4%	7.3%	7.5%	7.1%
First Quarter 2022	6.4%	7.3%	6.2%	6.6%
Fourth Quarter 2021	6.3%	10.6%	9.2%	8.7%
Third Quarter 2021	6.2%	10.1%	10.4%	8.9%
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 THIRD QUARTER 2022 RATE CHANGES RANGED FROM -0.7% TO +11.3%

	COMM'L AUTO	WORKERS' COMP	COMM'L PROPERTY	GEN'L LIABILITY	UMBRELLA	AVERAGE
Third Quarter 2022	7.6%	-0.7%	11.2%	5.7%	11.3%	7.0%
Second Quarter 2022	7.2%	-1.2%	8.3%	4.7%	11.3%	6.1%
First Quarter 2022	5.9%	-0.5%	8.6%	3.9%	10.5%	5.7%
Fourth Quarter 2021	8.0%	0.3%	10.5%	6.4%	15.0%	8.1%
Third Quarter 2021	7.4%	-0.3%	10.3%	6.3%	16.9%	8.1%
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

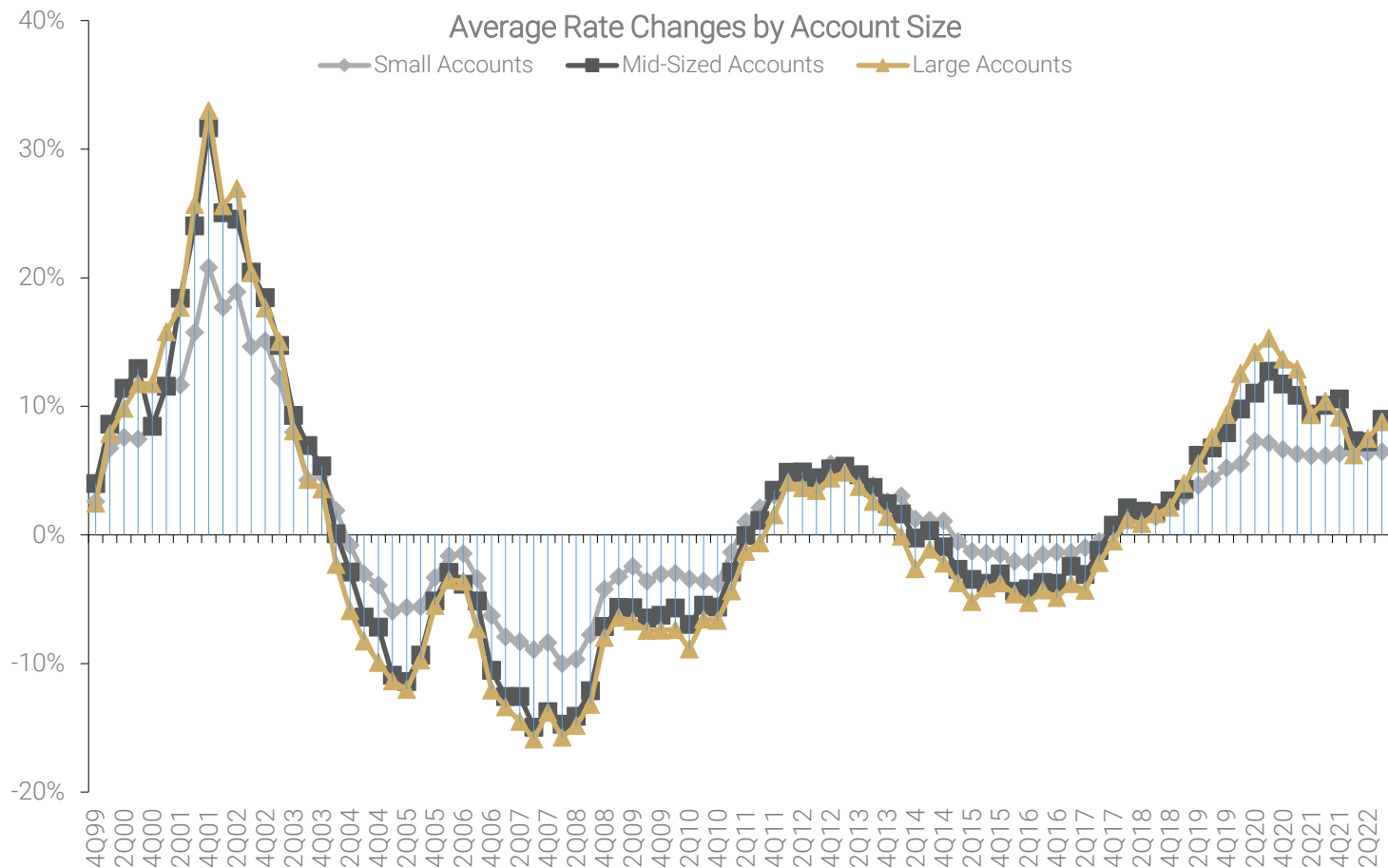
## RATE CHANGES IN OTHER LINES

	3Q22	High	Low
Broker E&O	2.9%	15.4%	-4.5%
Business Interruption	5.4%	28.8%	-10.2%
Construction	6.2%	38.7%	-10.7%
Cyber	20.3%	34.3%	-1.5%
D&O Liability	7.3%	32.4%	-8.7%
Employment Practices	7.1%	21.9%	-8.1%
Flood	5.8%	8.6%	-2.7%
Marine	3.6%	4.5%	-10.6%
Medical Malpractice	3.1%	32.5%	-4.1%
Surety Bonds	0.8%	11.2%	-2.3%
Terrorism	0.5%	10.4%	-3.6%

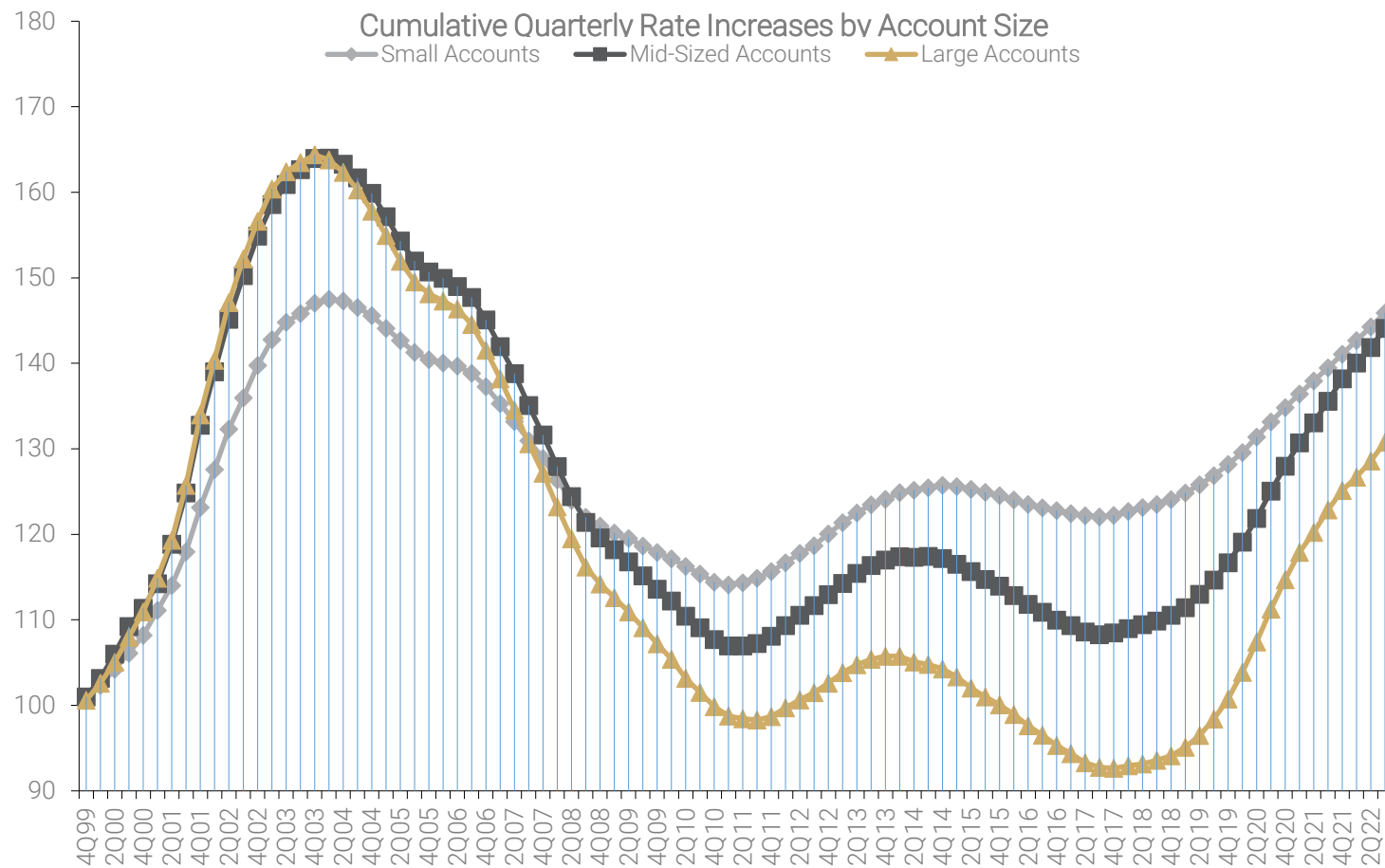
**Source:**

The Council of Insurance Agents & Brokers

### Average Rate Changes by Account Size



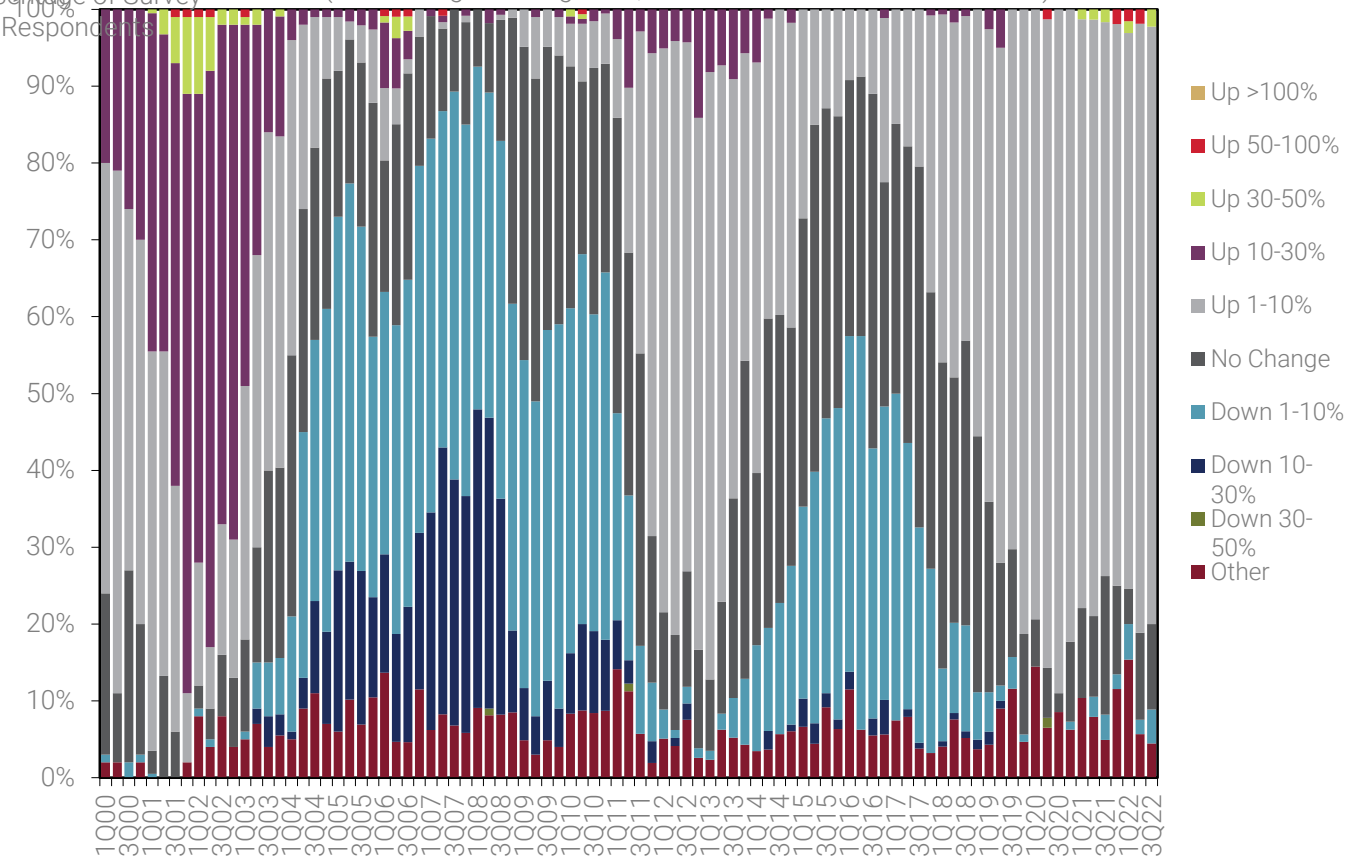
### Cumulative Quarterly Rate Increases by Account Size



### Insurance Rate Changes, Small Commercial Accounts

(Accounts generating <\$25,000 in annual commissions & fees)

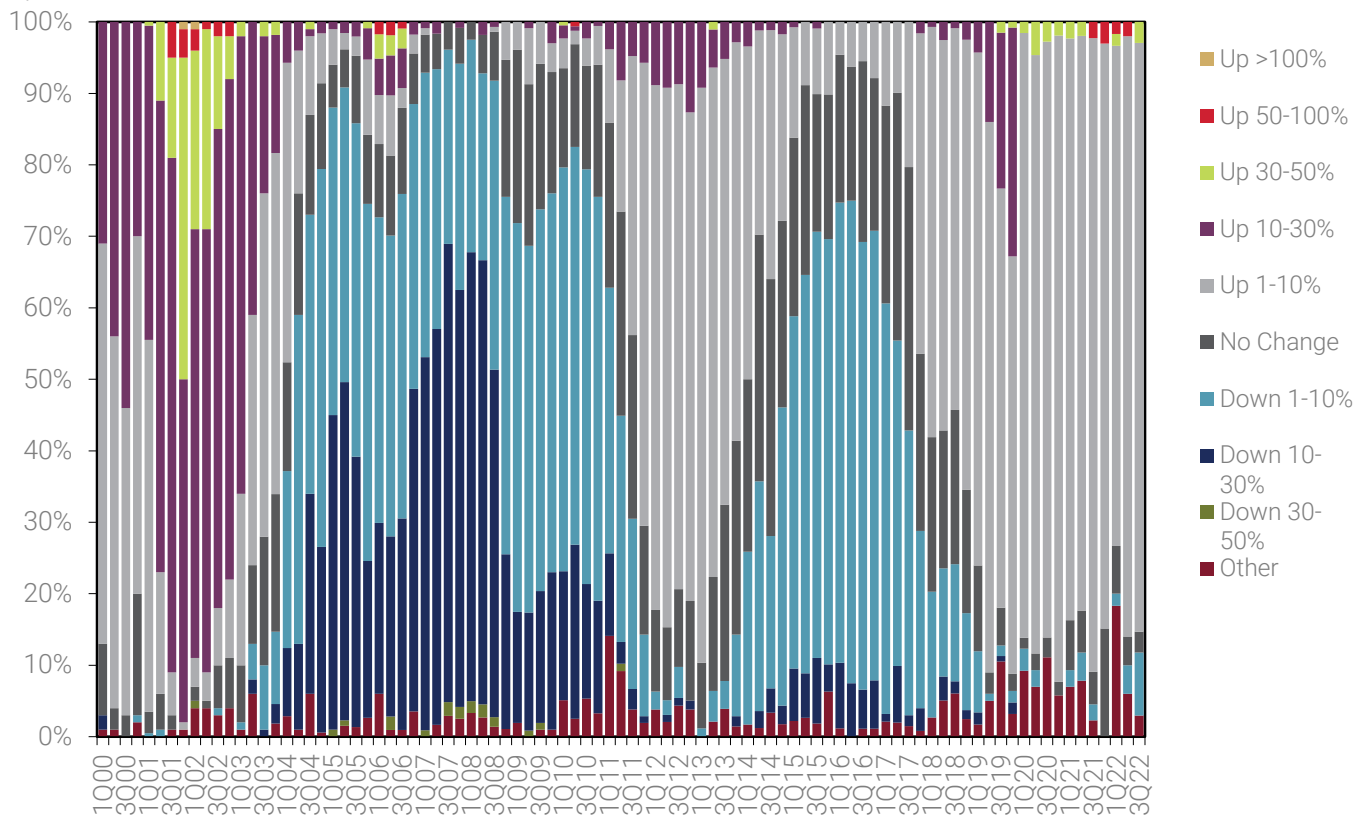
Percentage of Survey Respondents



### Insurance Rate Changes, Medium Commercial Accounts

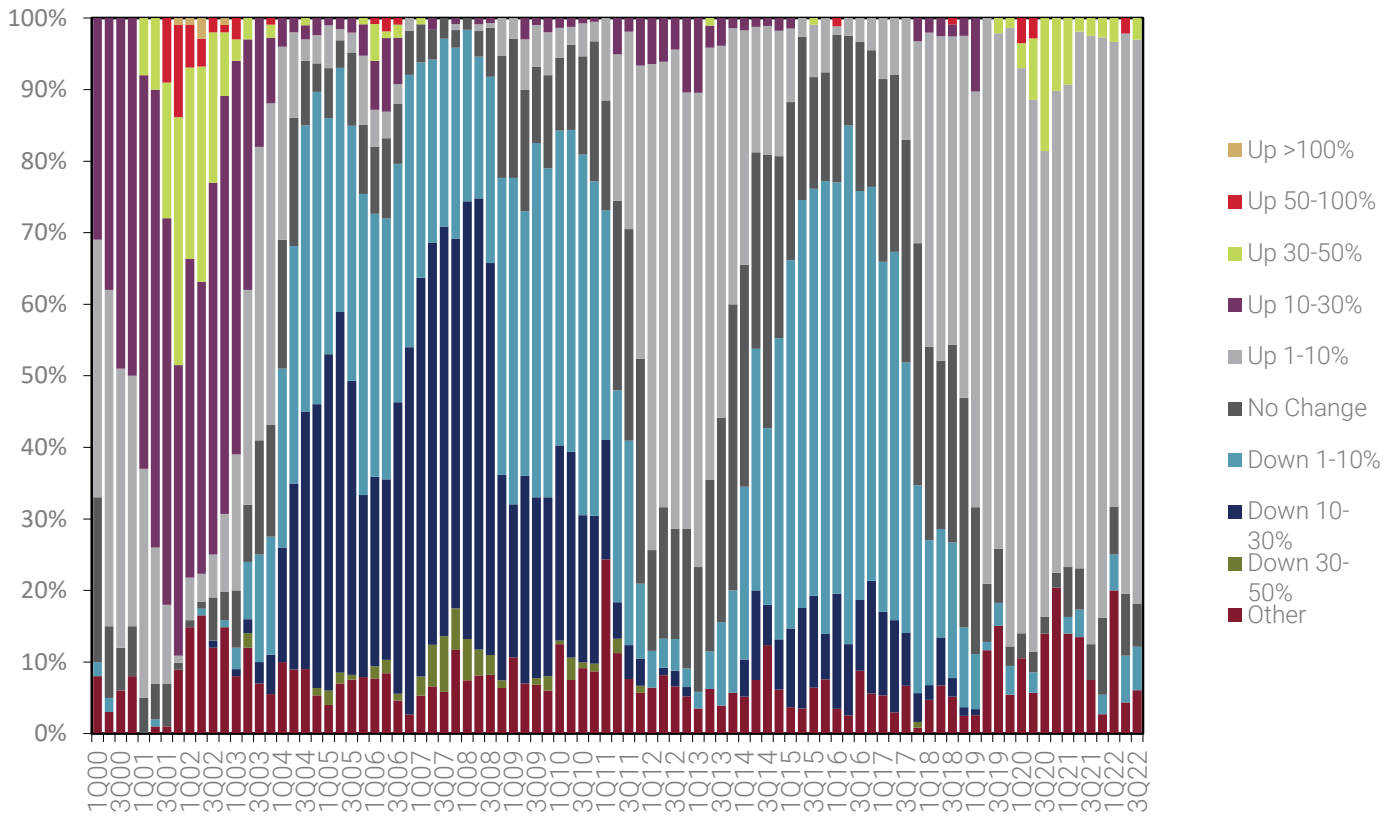
(Accounts generating \$25,000-\$100,000 in annual commissions & fees)

Percentage of Survey Respondents

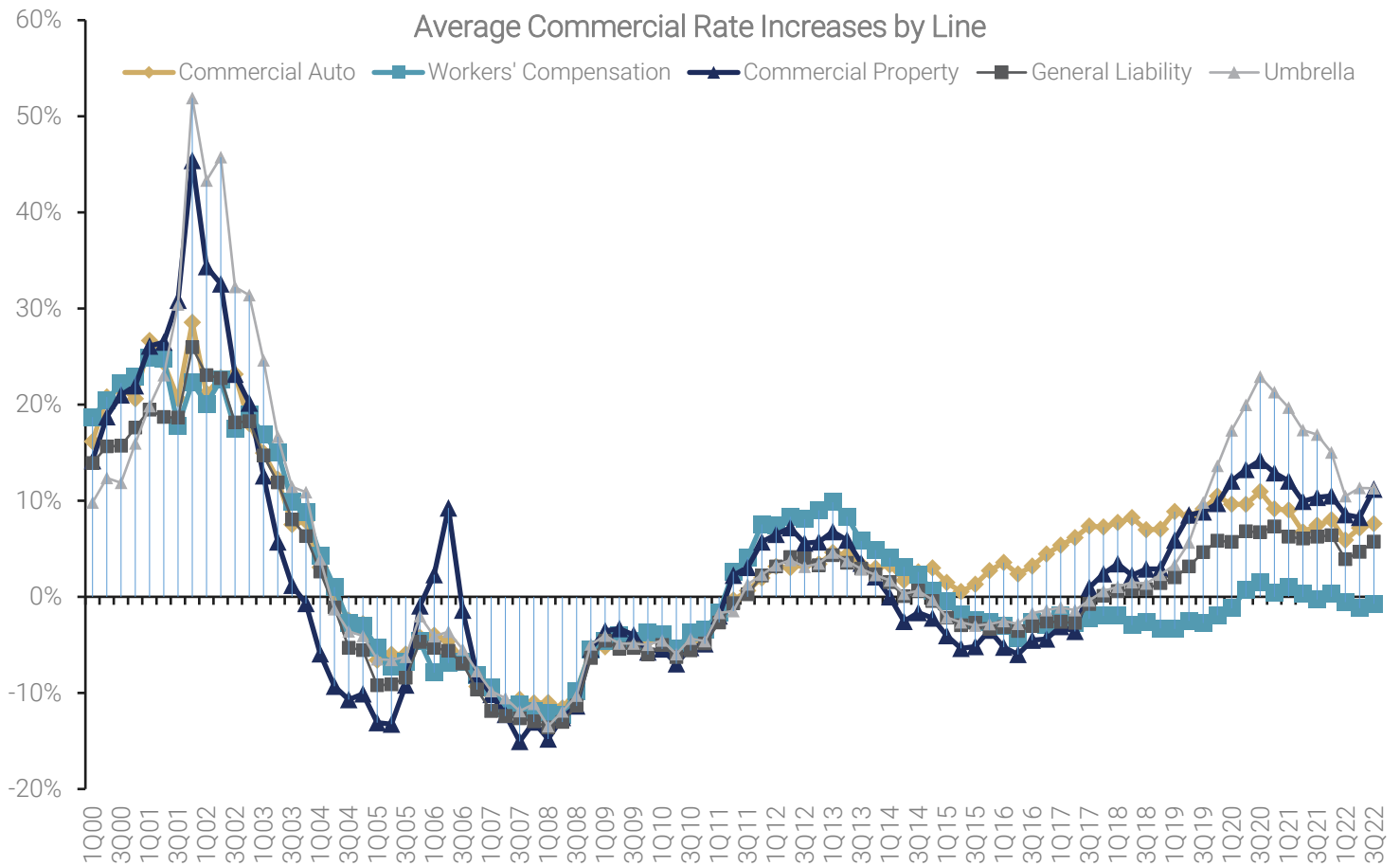


## Insurance Rate Changes, Large Commercial Accounts (Accounts generating >\$100,000 in annual commissions & fees)

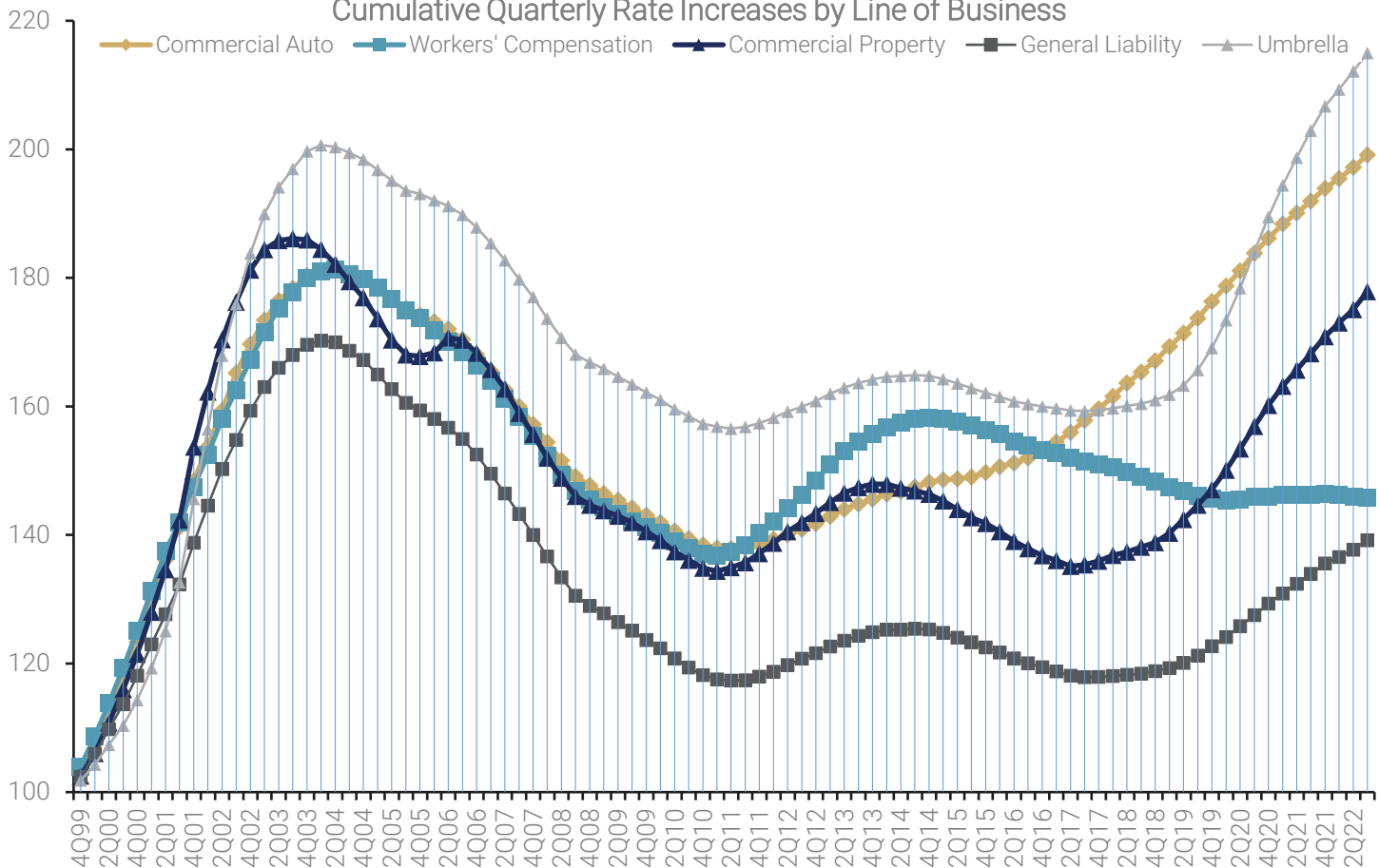
Percentage of Survey Respondents



## Average Commercial Rate Increases by Line

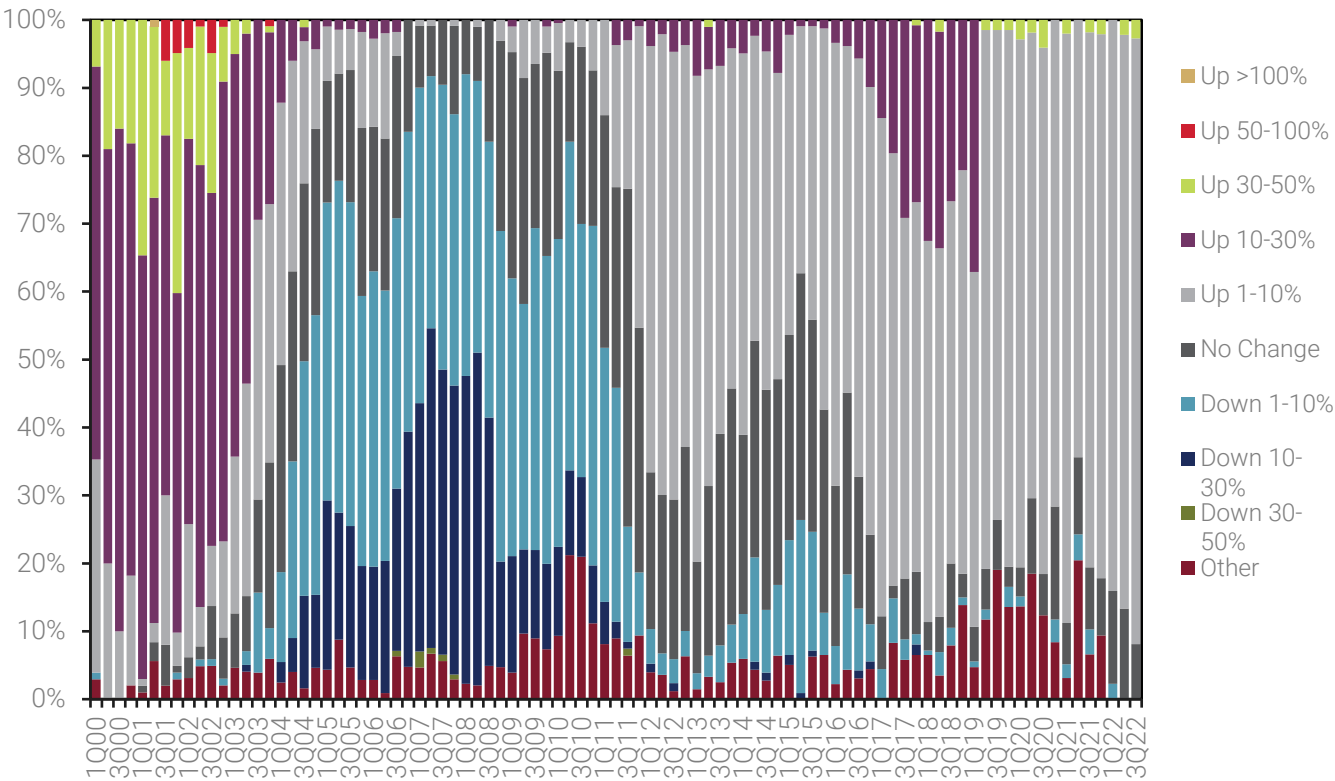


### Cumulative Quarterly Rate Increases by Line of Business



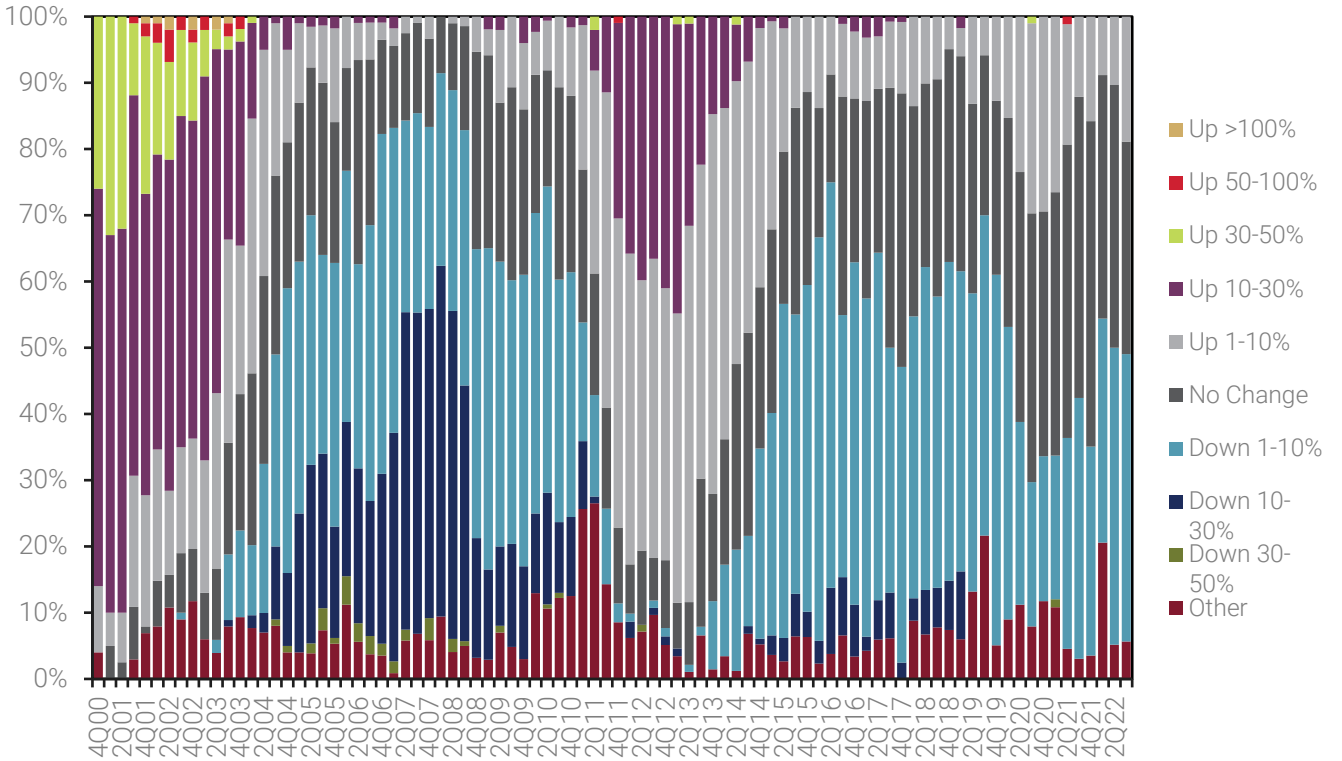
### Commercial Auto Insurance Rate Changes

Percentage of Survey Respondents



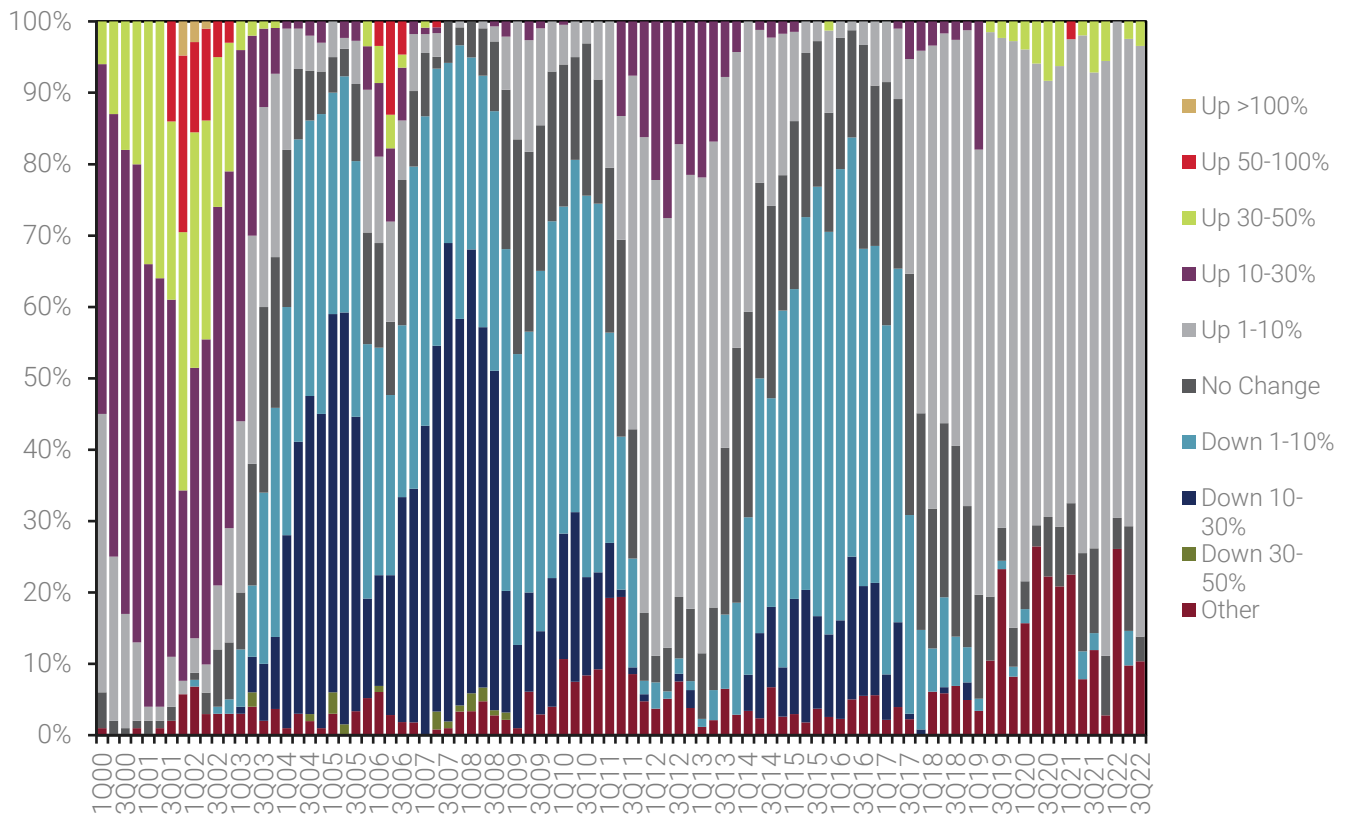
## Workers Compensation Insurance Rate Changes

Percentage of Survey Respondents



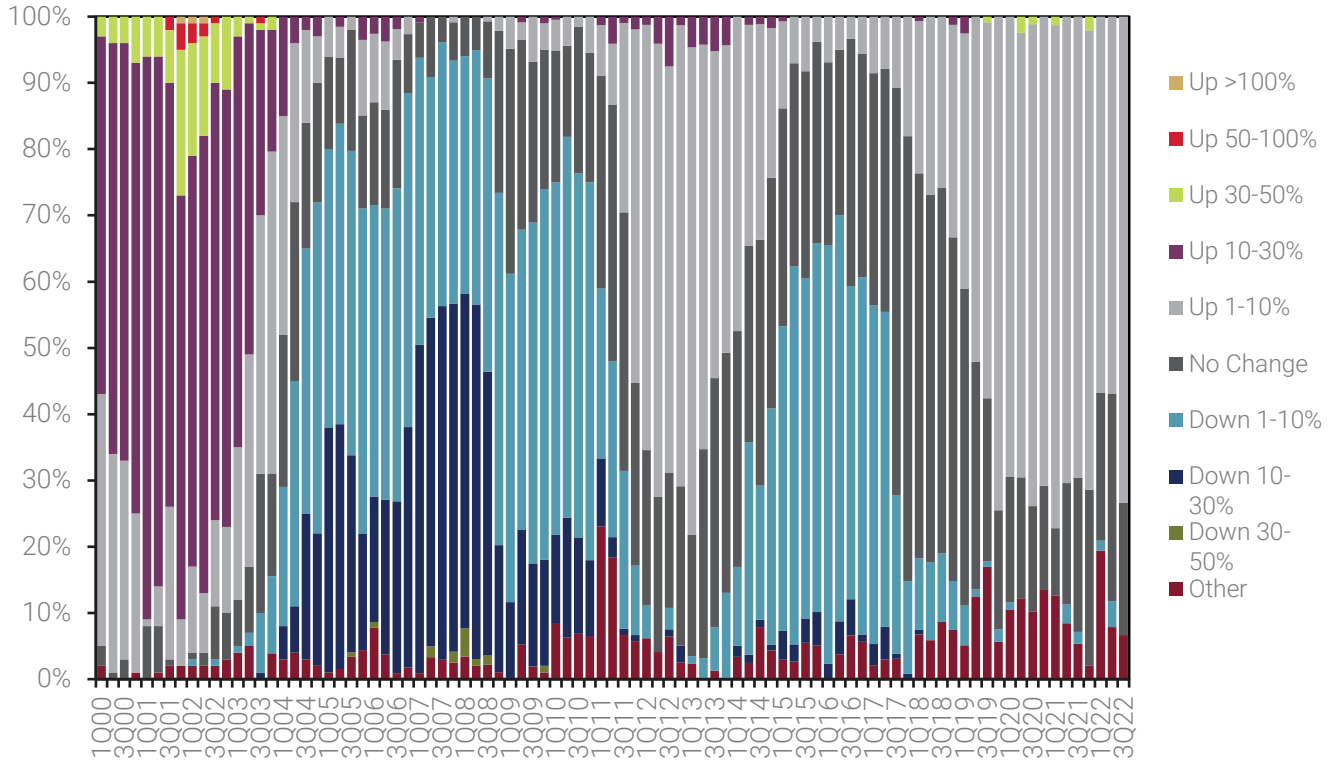
## Commercial Property Insurance Rate Changes

Percentage of Survey Respondents



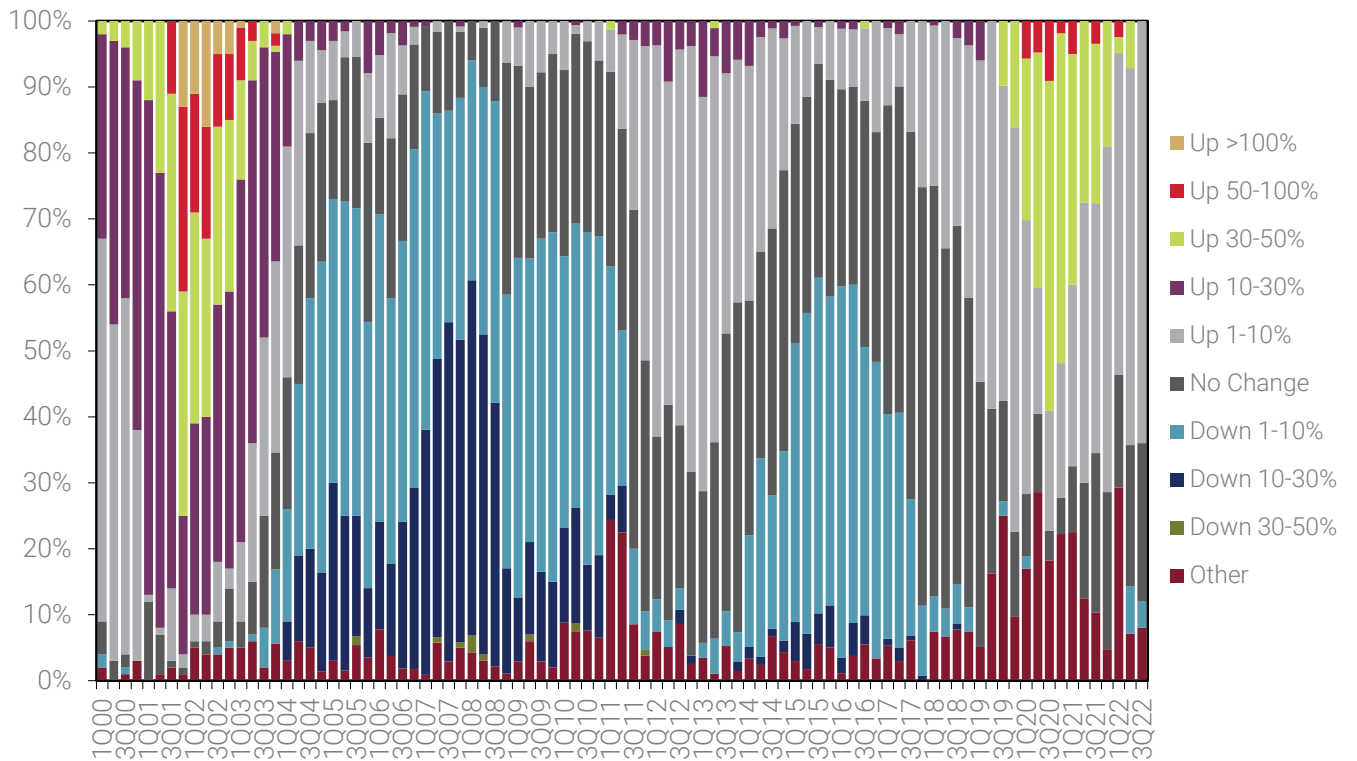
## Commercial General Liability Insurance Rate Changes

Percentage of Survey Respondents



## Umbrella Insurance Rate Changes

Percentage of Survey Respondents





# Business Interruption Insurance Rate Changes

Percentage of Survey Respondents

