

NEWS RELEASE – FOR IMMEDIATE RELEASE

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**PREMIUM PRICING CONTINUES TO DECLINE IN Q2 2017,
ACCORDING TO CIAB MARKET SURVEY**

WASHINGTON, D.C. – August 16, 2017 – Commercial property/casualty (P/C) rates continued to decline for the tenth straight quarter, according to The Council of Insurance Agents & Brokers' Commercial P/C Market Survey.

The average rate decline across all sized accounts was -2.8 percent, similar to the -2.5 percent decrease in Q1. While premium pricing saw its greatest decline throughout 2016 (-3.9 percent), the market appears to be stabilizing in 2017. Large accounts once again experienced the largest rate decreases (-4.3 percent) compared to an average of -2.8 percent for small, medium and large accounts combined.

By-Line Second Quarter 2017 Rate Changes Ranged From -3.6% to +6.1%

By-Line Second Quarter 2017 Rate Changes Ranged From -3.6% to +6.1%						
	Comm'l Auto	Workers' Comp	Comm'l Property	Gen'l Liability	Umbrella	Average
Second Quarter 2017	6.1%	-2.7%	-3.6%	-2.7%	-1.4%	-0.9%
First Quarter 2017	5.4%	-1.9%	-3.1%	-2.6%	-1.1%	-0.7%
Fourth Quarter 2016	4.4%	-2.9%	-4.4%	-2.6%	-1.4%	-1.4%
Third Quarter 2016	3.2%	-2.6%	-4.5%	-3.0%	-1.7%	-1.7%
Second Quarter 2016	2.4%	-4.3%	-6.0%	-3.6%	-2.8%	-2.9%
High	28.6%	24.9%	45.4%	26.0%	51.9%	35.3%
Low	-11.6%	-12.3%	-15.0%	-13.6%	-13.5%	-13.2%

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

"While premium pricing in commercial auto continued to go against market trends, most other lines remained soft but appeared to be flattening to some extent," explained Ken A. Crerar, President & CEO of The Council. "In response to a soft and competitive market, we also saw carriers opt towards improving terms and conditions over dropping premium rates."

The soft market also saw a decline in rates for most lines of business (LOB) with workers' comp, commercial property and general liability experiencing the largest rate decreases. The average rate change in premium pricing across all lines this quarter was -.8 percent. On the other hand, commercial auto saw its highest rate increase since the trend began in 2011 with a 6.1 percent increase this quarter. The majority of respondents also agreed that the market remained competitive this quarter with plenty of capacity.

Once again, attracting and retaining talent was a consistent trend this quarter among companies of all sizes. Talent management was the number one business concern for respondents, followed by price competition/excess capacity, uncertainty in health insurance reform, and data security.

When asked about organizations' top investments right now, producer talent was overwhelmingly the first choice. While many respondents noted that "all the above" are key investment strategies, technology platforms and data analytics are key focuses as well.

"We are seeing firms make numerous investments into areas such as InsurTech and data analytics, as well as attracting young talent into our industry. The Council has made both of these areas lead priorities," said Crerar.

Q2 PROPERTY/CASUALTY MARKET INDEX SURVEY EXECUTIVE SUMMARY

August 2017

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The average rate decline across all sized accounts was -2.8 percent, similar to the -2.5 percent decrease in Q1. While premium pricing saw its greatest decline throughout 2016 (-3.9 percent), the market appears to be stabilizing in 2017. Large accounts once again experienced the largest rate decreases (-4.3 percent) compared to an average of -2.8 percent for small, medium and large accounts combined.

The survey results showed a decline in rates for most lines of business (LOB) with workers' comp, commercial property and general liability experiencing the largest decreases. The average rate change in premium pricing across all lines this quarter was -.6 percent. The majority of respondents also agreed that the market remained competitive this quarter with plenty of capacity.

Average Second Quarter 2017 Commercial Pricing Declines

	By Account Size			Average
	Small	Medium	Large	
Second Quarter 2017	-1.0%	-3.1%	-4.3%	-2.8%
First Quarter 2017	-1.4%	-2.4%	-3.8%	-2.5%
Fourth Quarter 2016	-1.3%	-3.8%	-4.9%	-3.3%
Third Quarter 2016	-1.5%	-3.7%	-4.3%	-3.2%
Second Quarter 2016	-2.1%	-4.2%	-5.3%	-3.9%
High	20.8%	31.7%	33.0%	28.5%
<i>High Date</i>	4Q01	4Q01	4Q01	
Low	-10.0%	-15.0%	-15.9%	-13.6%
<i>Low Date</i>	1Q08	3Q07	3Q07	

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

One respondent from a Florida firm, which manages risk and insurance programs for SMEs, explained that small accounts have not experienced much change and pointed out that medium and large accounts are beginning to use predictive modeling, which takes away the human element in underwriting an account. Data analytics for both predictive modeling and claims processing has been the lead investment area in the industry in 2017.

Rate Change by Line of Business

The average rate change for the below lines of business was -.9 percent this quarter. But certain lines, such as workers' comp (WC), commercial property and general liability continue to experience consistent and steady rate decreases at -2.7 percent, -3.6 percent and -2.7 percent, respectively. Other lines saw slightly smaller rate decreases in comparison.

By-Line Second Quarter 2017 Rate Changes Ranged From -3.6% to +6.1%

	By-Line Second Quarter 2017 Rate Changes Ranged From -3.6% to +6.1%					Average
	Comm'l Auto	Workers' Comp	Comm'l Property	Gen'l Liability	Umbrella	
Second Quarter 2017	6.1%	-2.7%	-3.6%	-2.7%	-1.4%	-0.9%
First Quarter 2017	5.4%	-1.9%	-3.1%	-2.6%	-1.1%	-0.7%
Fourth Quarter 2016	4.4%	-2.9%	-4.4%	-2.6%	-1.4%	-1.4%
Third Quarter 2016	3.2%	-2.6%	-4.5%	-3.0%	-1.7%	-1.7%
Second Quarter 2016	2.4%	-4.3%	-6.0%	-3.6%	-2.8%	-2.9%
High	28.6%	24.9%	45.4%	26.0%	51.9%	35.3%
Low	-11.6%	-12.3%	-15.0%	-13.6%	-13.5%	-13.2%

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

Generally, respondents noted that commercial P/C pricing was soft yet stable however, carriers continue to underwrite aggressively as they compete for new business. Additionally, several respondents in large-frame construction mentioned poor loss ratios, increased rates and several carriers leaving the class.

Rate Changes in Other Lines

Second Quarter 2017 Rate Changes in Other Lines			
	2Q17	High	Low
Business interruption	-2.0%	28.8%	-10.2%
Construction	-1.2%	38.7%	-10.7%
D&O liability	0.2%	32.4%	-8.7%
Employment practices	0.2%	21.9%	-8.1%
Surety bonds	0.1%	11.2%	-2.3%

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

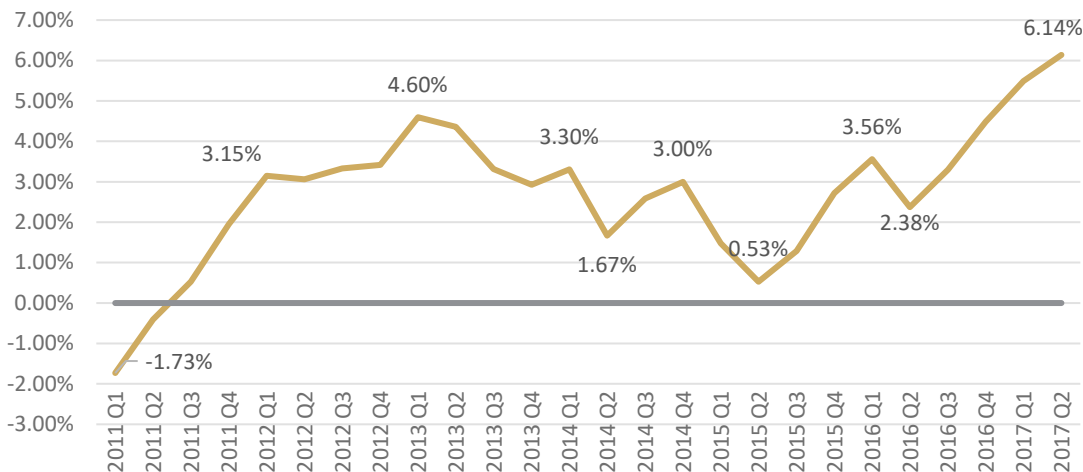
Other lines such as D&O liability, employment practices and surety bonds experienced slight. Last quarter, all three lines experienced rate declines to some extent.

“While premium pricing in commercial auto continued to go against market trends, most other lines remained soft but appeared to be flattening to some extent,” explained Ken A. Crerar, President & CEO of The Council. “In response to a soft and competitive market, we also saw carriers opt towards improving terms and conditions over dropping premium rates.”

Commercial Auto

The commercial auto market has received much attention over the last few years. In fact, according to data from The Council’s P/C Survey, commercial auto rates have increased every quarter since Q3 2011, or for the last 24 quarters. While commercial auto rate increases have been as little as .6 percent, Q2 2017 saw the highest rate increase at 6.1 percent. Some respondents noted increases as high as 15 percent for their commercial auto book, which are keeping overall rates across all LOB relatively stable.

Premium Change for Auto Commercial, 2011 - 2017



Respondents also noted that poor loss ratios have led to tighter underwriting as well as an increase in price. One respondent from a mid-sized Midwestern firm explained that “a few carriers are not renewing some accounts with poor auto experience.” As carriers look to save rate on commercial auto, they are beginning to credit other soft lines, primarily workers’ comp, to offset the increasing trend in auto. Additionally, several respondents noted that monoline auto policies are increasingly difficult to find; two large national carriers reportedly announced they are no longer entertaining monoline auto.

The Cyber Landscape

Interestingly, while recent events such as the WannaCry ransomware attack and NotPetya virus demonstrate a lack of sound cybersecurity practices for companies of all sizes, respondents noted that cyber is “softer than ever,” with average premium pricing rate down -1.44 percent this quarter.

While respondents agreed that the market is soft and there is plenty of capacity, which also falls in line with results from [The Council's 2017 Cyber Market Watch Survey](#), organizations of all sizes are beginning to view cyber coverage as a necessity, resulting in an increased demand.

One respondent explained, "Cyber continues to gain traction among new buyers and existing buyers looking at higher limits. Selling cyber becoming easier, though forms review and comparison remains challenging. Seems smart to identify a strong carrier form and feature that on the majority of your business, reserving full blown marketing efforts to larger, more complex/sophisticated risks."

Nonetheless, the cyber market is still in its infancy and a lack of standardization in the market has led to some concerns. Insufficient actuarial data combined with the risk of an aggregate attack make large-scale underwriting extremely risky, as an attack on a cloud service provider could cripple the industry. Additionally, The Council continues to support national, uniform data breach reporting law, which The Council believes would ease compliance burdens that businesses face in the wake of a breach affecting clients across state lines.

Although several respondents noted the risks of placing cyber coverage without a proper cybersecurity assessment, demand for cyber coverage continues to increase and clients are beginning to ask the right questions when it comes to purchasing cyber coverage.

Market Trends in Q2 2017 – Increased Competition and Capacity Continue to Drive Prices

When asked about general changes in the market over the last three months, respondents agreed that the market continues to soften and carriers are pressed with either lowering rates or broadening terms. Pressure to retain clients and aggressive underwriting are also trends we have seen in 2017. As competition in the commercial P/C market increases, respondents noted that capacity is increasing simultaneously.

Capacity

Despite ten straight quarters of declining commercial premium pricing, the majority of respondents agreed that there was still plenty of capacity in Q2 2017, continuing the trend of excess capacity and a generally soft market, with the exception of commercial auto and frame construction. More specifically, while there was "nothing overly significant in Q2," workers' comp capacity continues to increase more than other lines and is the most profitable line for some.

"Capacity seems to have few boundaries," a full-service insurance brokerage firm in the Midwest explained, "even if a carrier pulls back there are others to quickly fill the void. The standard markets and even the MGA/Binding carriers seem to be expanding their appetite on a rapid basis and competing aggressively on traditional brokerage markets."

Demand

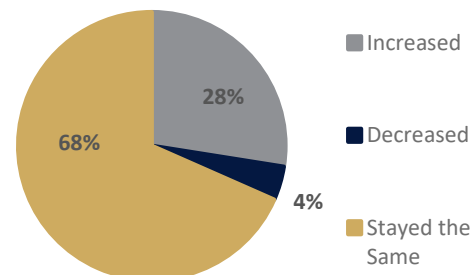
Generally, respondents noted a slight increase in demand for some lines but for the most part, no significant changes. Not surprisingly, demand for cyber and terrorism coverage increased this quarter, according to multiple respondents.

Likely, high profile cyber events and geopolitical uncertainty contributed to this increase in interest and demand. Several respondents also noted that demand for excess and surplus lines (E&S) products has decreased and prices continue to soften due to migration back to the standard market.

Premium Pricing and Underwriting

While premium pricing continued to decline this quarter, respondents agreed that carriers favored broadening terms and improving conditions over lowering prices. Although carriers often attempt to maintain or even increase rates on renewals, according to several respondents, they often back down to keep business and price aggressively to write new business. Several respondents also noted a push towards predictive modeling - and less focus on historical loss ratios - which are beginning to drive underwriting acceptability, especially for larger accounts.

Demand for Commercial Insurance Products in Q2 2017

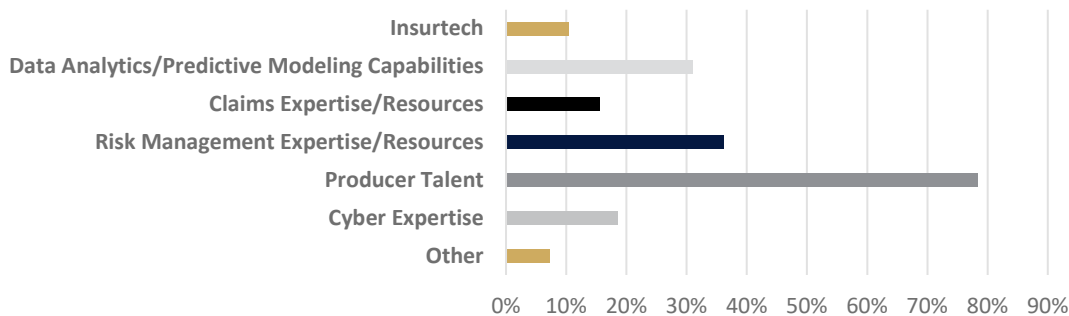


Trends and Developments

Once again, attracting and retaining talent was a consistent trend this quarter among companies of all sizes. Talent management was the number one business concern for respondents, followed by price competition/excess capacity, uncertainty in health insurance reform, and data security.

When asked about organizations' top investments right now, producer talent was overwhelmingly the first choice. While many respondents noted that "all the above" are key investment strategies, technology platforms and data analytics are key focuses as well.

Organizations' Top Investments



"We are seeing firms make numerous investments into areas such as InsurTech and data analytics, as well as attracting young talent into our industry. The Council has made both of these areas lead priorities," said Ken A. Crerar, President & CEO of The Council.

As one respondent explained, "Companies are increasingly turning to analytics and modeling to address risk management needs. Our agency invests time, talent, and resources in the ability to create, understand, and deliver these services."

Another respondent said he has already seen a difference in buying behavior, "Millennials buy differently, sell differently and have different loyalty standards. We need to adjust." The industry is competing to be closest to the consumer and technology is increasing efficiency and changing the way insurance is purchased, distributed and sold. "From a broker perspective," explained another respondent, "the challenge will be remaining relevant in a world where trading partners (carriers) are investing in InsurTech on a direct basis. Many of these InsurTech platforms circumvent the broker/agent, giving the perception that carriers are looking for ways to connect direct with consumers to reduce their distribution expenses." While disintermediation is a legitimate concern, it will be important for brokers to demonstrate their value in new and innovative ways.

The Council's survey is the oldest source of commercial property/casualty market conditions, pricing practices and trends, dating back to 1999.

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.

www.ciab.com

Commercial Property – Casualty Market Survey

2nd Quarter 2017 Released: August 2017

Below are the survey results for: ALL REGIONS

1. On average, how have premium rates changed over the last three months (April 1, 2017 – June 30, 2017) for the following accounts? Please check N/A if you don't know or don't handle the type of account.

	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10-20%	8 Up 20-30%	9 Up 30-50%	10 Up 50-100%	N/A
Small (<\$25K Comm. & Fees)	0.00%	0.00%	0.99%	34.65%	38.61%	17.82%	0.00%	0.00%	0.00%	0.00%	7.93%
Medium (\$25K – \$100K)	0.00%	0.99%	6.93%	45.54%	34.65%	9.90%	0.00%	0.00%	0.00%	0.00%	1.99%
Large (>\$100K)	0.00%	2.00%	11.00%	52.00%	25.00%	8.00%	0.00%	0.00%	0.00%	0.00%	2.00%

2. How much have premium rates changed over the last three months (April 1, 2017 – June 30, 2017) for the following lines? Please check N/A if you don't know or don't handle the line.

	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10-20%	8 Up 20-30%	9 Up 30-50%	10 Up 50- 100%	N/A
Business Interruption	0.00%	0.00%	1.99%	37.62%	49.50%	2.97%	0.00%	0.00%	0.00%	0.00%	7.92%
Commercial Auto	0.00%	0.00%	0.00%	6.93%	1.98%	67.33%	20.79%	0.00%	0.00%	0.00%	2.97%
Commercial Property	0.00%	0.00%	11.89%	49.50%	23.76%	9.90%	0.99%	0.00%	0.00%	0.00%	3.96%
Construction Risks	0.00%	0.00%	2.98%	33.66%	42.57%	10.89%	0.99%	0.99%	0.00%	0.00%	7.92%
Cyber	0.00%	0.00%	5.95%	26.73%	46.53%	12.87%	0.99%	0.00%	0.00%	0.00%	6.93%
D & O	0.00%	0.00%	0.00%	21.79%	45.54%	20.79%	1.98%	0.00%	0.00%	0.00%	9.90%
Flood Insurance	0.00%	0.00%	1.98%	7.92%	53.47%	20.79%	3.96%	0.00%	0.00%	0.00%	11.88%
Employment Practices	0.00%	0.00%	1.01%	16.16%	54.55%	17.17%	2.02%	0.00%	0.00%	0.00%	9.09%
General Liability	0.00%	0.00%	4.96%	47.52%	36.63%	7.92%	0.00%	0.00%	0.00%	0.00%	2.97%
Marine	0.00%	0.00%	3.97%	28.71%	43.56%	5.94%	0.00%	0.00%	0.00%	0.00%	17.82%
Medical Malpractice	0.00%	0.00%	1.00%	8.00%	37.00%	5.00%	0.00%	0.00%	1.00%	0.00%	48.00%
Surety Bonds	0.00%	0.00%	0.00%	5.94%	59.41%	1.98%	1.98%	0.00%	0.00%	0.00%	30.69%
Terrorism	0.00%	0.99%	0.00%	11.88%	65.35%	0.00%	0.99%	0.00%	0.00%	0.00%	20.79%
Umbrella	0.00%	0.00%	1.99%	35.64%	49.50%	7.92%	1.98%	0.00%	0.00%	0.00%	2.97%
Workers' Compensation	0.00%	0.00%	6.00%	53.00%	25.00%	8.00%	3.00%	0.00%	0.00%	0.00%	5.00%
Broker E&O	0.00%	0.00%	0.99%	20.80%	37.62%	8.91%	0.00%	0.00%	0.00%	0.00%	31.68%

Commercial Property – Casualty Market Survey
2nd Quarter 2017 Released: August 2017

Below are the survey results for: NORTHEAST
(CT, DE, DC, MA, ME, MD, NH, NJ, NY, PA, RI)

1. On average, how have premium rates changed over the last three months (April 1, 2017 – June 30, 2017) for the following accounts? Please check N/A if you don't know or don't handle the type of account.

	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10-20%	8 Up 20-30%	9 Up 30-50%	10 Up 50- 100%	N/A
Small (<\$25K Comm. & Fees)	0.00%	0.00%	0.00%	40.00%	45.00%	10.00%	0.00%	0.00%	0.00%	0.00%	5.00%
Medium (\$25K – \$100K)	0.00%	0.00%	0.00%	50.00%	50.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Large (>\$100K)	0.00%	0.00%	5.00%	65.00%	20.00%	10.00%	0.00%	0.00%	0.00%	0.00%	0.00%

2. How much have premium rates changed over the last three months (April 1, 2017 – June 30, 2017) for the following lines? Please check N/A if you don't know or don't handle the line.

	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10-20%	8 Up 20-30%	9 Up 30-50%	10 Up 50- 100%	N/A
Business Interruption	0.00%	0.00%	0.00%	35.00%	55.00%	5.00%	0.00%	0.00%	0.00%	0.00%	5.00%
Commercial Auto	0.00%	0.00%	0.00%	10.00%	5.00%	75.00%	5.00%	0.00%	0.00%	0.00%	5.00%
Commercial Property	0.00%	0.00%	10.00%	60.00%	20.00%	10.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Construction Risks	0.00%	0.00%	0.00%	45.00%	50.00%	5.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cyber	0.00%	0.00%	0.00%	45.00%	40.00%	5.00%	0.00%	0.00%	0.00%	0.00%	10.00%
D & O	0.00%	0.00%	0.00%	15.00%	60.00%	15.00%	5.00%	0.00%	0.00%	0.00%	5.00%
Flood Insurance	0.00%	0.00%	5.00%	0.00%	65.00%	15.00%	10.00%	0.00%	0.00%	0.00%	5.00%
Employment Practices	0.00%	0.00%	0.00%	5.00%	80.00%	10.00%	0.00%	0.00%	0.00%	0.00%	5.00%
General Liability	0.00%	0.00%	5.00%	60.00%	25.00%	5.00%	0.00%	0.00%	0.00%	0.00%	5.00%
Marine	0.00%	0.00%	0.00%	40.00%	45.00%	5.00%	0.00%	0.00%	0.00%	0.00%	10.00%
Medical Malpractice	0.00%	0.00%	5.00%	5.00%	60.00%	0.00%	0.00%	0.00%	0.00%	0.00%	30.00%
Surety Bonds	0.00%	0.00%	0.00%	0.00%	80.00%	0.00%	0.00%	0.00%	0.00%	0.00%	20.00%
Terrorism	0.00%	5.00%	0.00%	10.00%	70.00%	0.00%	0.00%	0.00%	0.00%	0.00%	15.00%
Umbrella	0.00%	0.00%	0.00%	35.00%	45.00%	10.00%	5.00%	0.00%	0.00%	0.00%	5.00%
Worker's Compensation	0.00%	0.00%	5.00%	60.00%	25.00%	0.00%	0.00%	0.00%	0.00%	0.00%	10.00%
Broker E&O	0.00%	0.00%	0.00%	25.00%	40.00%	10.00%	0.00%	0.00%	0.00%	0.00%	25.00%

Commercial Property – Casualty Market Survey
2nd Quarter 2017 Released: August 2017

Below are the survey results for: SOUTHEAST
(AL, FL, GA, KY, LA, MS, NC, SC, TN, VA, WV)

1. On average, how have premium rates changed over the last three months (April 1, 2017 – June 30, 2017) for the following accounts? Please check N/A if you don't know or don't handle the type of account.

	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10-20%	8 Up 20-30%	9 Up 30-50%	10 Up 50-100%	N/A
Small (<\$25K Comm. & Fees)	0.00%	0.00%	0.00%	28.00%	40.00%	28.00%	0.00%	0.00%	0.00%	0.00%	4.00%
Medium (\$25K – \$100K)	0.00%	0.00%	4.00%	40.00%	36.00%	20.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Large (>\$100K)	0.00%	0.00%	16.00%	44.00%	28.00%	8.00%	0.00%	0.00%	0.00%	0.00%	4.00%

2. How much have premium rates changed over the last three months (April 1, 2017 – June 30, 2017) for the following lines? Please check N/A if you don't know or don't handle the line.

	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10-20%	8 Up 20-30%	9 Up 30-50%	10 Up 50-100%	N/A
Business Interruption	0.00%	0.00%	4.00%	32.00%	56.00%	4.00%	0.00%	0.00%	0.00%	0.00%	4.00%
Commercial Auto	0.00%	0.00%	0.00%	4.00%	0.00%	64.00%	32.00%	0.00%	0.00%	0.00%	0.00%
Commercial Property	0.00%	0.00%	28.00%	40.00%	24.00%	4.00%	0.00%	0.00%	0.00%	0.00%	4.00%
Construction Risks	0.00%	0.00%	0.00%	36.00%	44.00%	12.00%	0.00%	0.00%	0.00%	0.00%	8.00%
Cyber	0.00%	0.00%	12.00%	20.00%	52.00%	12.00%	0.00%	0.00%	0.00%	0.00%	4.00%
D & O	0.00%	0.00%	0.00%	16.00%	52.00%	24.00%	0.00%	0.00%	0.00%	0.00%	8.00%
Flood Insurance	0.00%	0.00%	0.00%	12.00%	44.00%	36.00%	0.00%	0.00%	0.00%	0.00%	8.00%
Employment Practices	0.00%	0.00%	0.00%	12.50%	62.50%	16.67%	0.00%	0.00%	0.00%	0.00%	8.33%
General Liability	0.00%	0.00%	0.00%	48.00%	40.00%	8.00%	0.00%	0.00%	0.00%	0.00%	4.00%
Marine	0.00%	0.00%	0.00%	32.00%	36.00%	12.00%	0.00%	0.00%	0.00%	0.00%	20.00%
Medical Malpractice	0.00%	0.00%	0.00%	4.17%	45.83%	4.17%	0.00%	0.00%	0.00%	0.00%	45.83%
Surety Bonds	0.00%	0.00%	0.00%	12.00%	60.00%	8.00%	0.00%	0.00%	0.00%	0.00%	20.00%
Terrorism	0.00%	0.00%	0.00%	12.00%	72.00%	0.00%	0.00%	0.00%	0.00%	0.00%	16.00%
Umbrella	0.00%	0.00%	0.00%	32.00%	48.00%	16.00%	0.00%	0.00%	0.00%	0.00%	4.00%
Workers' Compensation	0.00%	0.00%	4.16%	45.83%	16.67%	16.67%	12.50%	0.00%	0.00%	0.00%	4.17%
Broker E&O	0.00%	0.00%	0.00%	16.00%	36.00%	8.00%	0.00%	0.00%	0.00%	0.00%	40.00%

Commercial Property – Casualty Market Survey

2nd Quarter 2017 Released: August 2017

Below are the survey results for: **MIDWEST**

(AR, IL, IN, IA, KS, MI, MO, MN, NE, ND, SD, OH, WI)

1. On average, how have premium rates changed over the last three months (April 1, 2017 – June 30, 2017) for the following accounts? Please check N/A if you don't know or don't handle the type of account.

	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10-20%	8 Up 20-30%	9 Up 30-50%	10 Up 50-100%	N/A
Small (<\$25K Comm. & Fees)	0.00%	0.00%	0.00%	41.94%	38.71%	12.90%	0.00%	0.00%	0.00%	0.00%	6.45%
Medium (\$25K – \$100K)	0.00%	0.00%	12.90%	58.06%	22.58%	3.23%	0.00%	0.00%	0.00%	0.00%	3.23%
Large (>\$100K)	0.00%	6.67%	13.33%	56.67%	16.67%	3.33%	0.00%	0.00%	0.00%	0.00%	3.33%

2. How much have premium rates changed over the last three months (April 1, 2017 – June 30, 2017) for the following lines? Please check N/A if you don't know or don't handle the line.

	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10-20%	8 Up 20-30%	9 Up 30-50%	10 Up 50- 100%	N/A
Business Interruption	0.00%	0.00%	3.23%	48.39%	32.26%	0.00%	0.00%	0.00%	0.00%	0.00%	16.12%
Commercial Auto	0.00%	0.00%	0.00%	3.23%	0.00%	83.87%	6.45%	0.00%	0.00%	0.00%	6.45%
Commercial Property	0.00%	0.00%	6.45%	54.84%	25.81%	3.23%	0.00%	0.00%	0.00%	0.00%	9.67%
Construction Risks	0.00%	0.00%	3.23%	35.48%	41.94%	6.45%	3.23%	3.23%	0.00%	0.00%	6.44%
Cyber	0.00%	0.00%	3.23%	22.58%	45.16%	19.35%	3.23%	0.00%	0.00%	0.00%	6.45%
D & O	0.00%	0.00%	0.00%	25.81%	45.16%	12.90%	0.00%	0.00%	0.00%	0.00%	16.13%
Flood Insurance	0.00%	0.00%	0.00%	9.68%	58.06%	16.13%	0.00%	0.00%	0.00%	0.00%	16.13%
Employment Practices	0.00%	0.00%	0.00%	30.00%	46.67%	13.33%	0.00%	0.00%	0.00%	0.00%	10.00%
General Liability	0.00%	0.00%	6.45%	54.84%	29.03%	6.45%	0.00%	0.00%	0.00%	0.00%	3.23%
Marine	0.00%	0.00%	9.68%	29.03%	48.39%	3.23%	0.00%	0.00%	0.00%	0.00%	9.67%
Medical Malpractice	0.00%	0.00%	0.00%	12.90%	32.26%	6.45%	0.00%	0.00%	3.23%	0.00%	45.16%
Surety Bonds	0.00%	0.00%	0.00%	9.68%	54.84%	0.00%	3.23%	0.00%	0.00%	0.00%	32.25%
Terrorism	0.00%	0.00%	0.00%	9.68%	64.52%	0.00%	3.23%	0.00%	0.00%	0.00%	22.57%
Umbrella	0.00%	0.00%	3.23%	48.39%	41.94%	0.00%	3.23%	0.00%	0.00%	0.00%	3.21%
Workers' Compensation	0.00%	0.00%	9.68%	51.61%	29.03%	3.23%	0.00%	0.00%	0.00%	0.00%	6.45%
Broker E&O	0.00%	0.00%	0.00%	22.58%	41.94%	6.45%	0.00%	0.00%	0.00%	0.00%	29.03%

Commercial Property – Casualty Market Survey

2nd Quarter 2017 Released: August 2017

Below are the survey results for: PACIFIC NW

(No.CA, AK, CO, HI, ID, MT, NV, OR, UT, WA, WY)

1. On average, how have premium rates changed over the last three months (April 1, 2017 – June 30, 2017) for the following accounts? Please check N/A if you don't know or don't handle the type of account.

	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10-20%	8 Up 20-30%	9 Up 30-50%	10 Up 50-100%	N/A
Small (<\$25K Comm. & Fees)	0.00%	0.00%	6.67%	20.00%	26.67%	20.00%	0.00%	0.00%	0.00%	0.00%	26.66%
Medium (\$25K – \$100K)	0.00%	6.67%	6.67%	20.00%	46.67%	13.33%	0.00%	0.00%	0.00%	0.00%	6.66%
Large (>\$100K)	0.00%	0.00%	6.67%	40.00%	40.00%	13.33%	0.00%	0.00%	0.00%	0.00%	0.00%

2. How much have premium rates changed over the last three months (April 1, 2017 – June 30, 2017) for the following lines? Please check N/A if you don't know or don't handle the line.

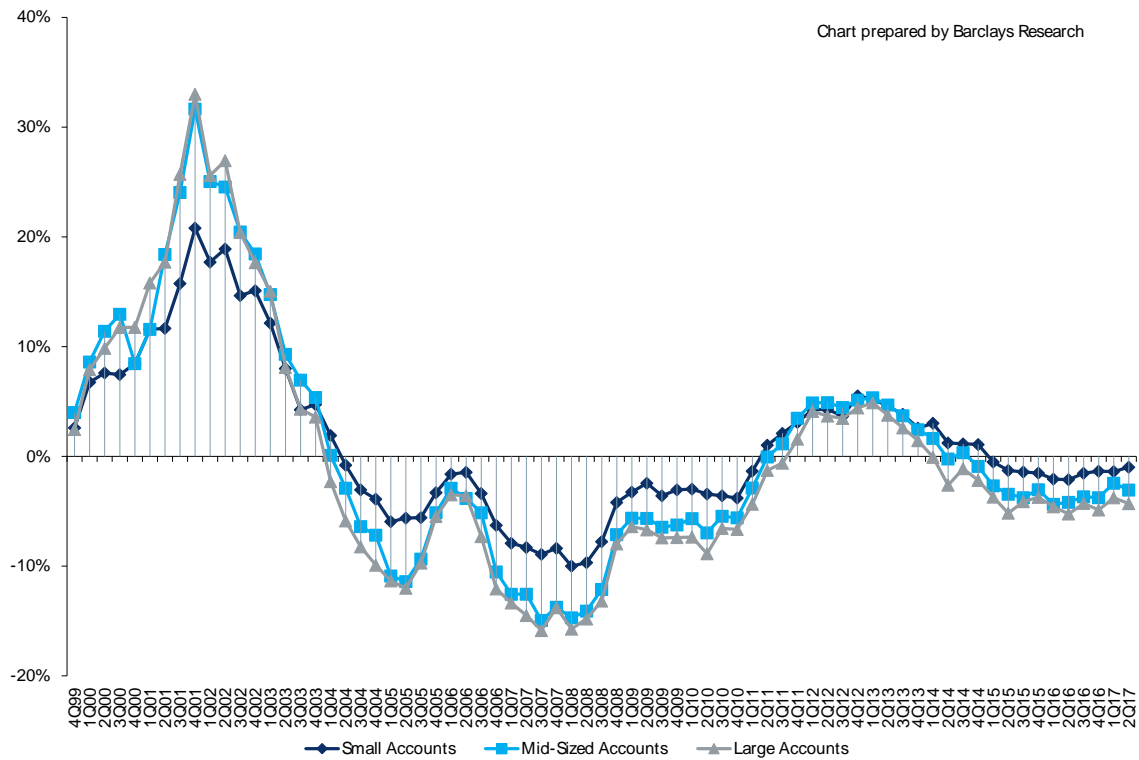
	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10-20%	8 Up 20-30%	9 Up 30-50%	10 Up 50-100%	N/A
Business Interruption	0.00%	0.00%	0.00%	26.67%	66.67%	6.66%	0.00%	0.00%	0.00%	0.00%	0.00%
Commercial Auto	0.00%	0.00%	0.00%	20.00%	6.67%	33.33%	40.00%	0.00%	0.00%	0.00%	0.00%
Commercial Property	0.00%	0.00%	6.67%	40.00%	20.00%	26.67%	6.66%	0.00%	0.00%	0.00%	0.00%
Construction Risks	0.00%	0.00%	6.67%	13.33%	33.33%	26.67%	0.00%	0.00%	0.00%	0.00%	20.00%
Cyber	0.00%	0.00%	6.67%	33.33%	40.00%	13.33%	0.00%	0.00%	0.00%	0.00%	6.67%
D & O	0.00%	0.00%	0.00%	26.67%	20.00%	40.00%	6.67%	0.00%	0.00%	0.00%	6.66%
Flood Insurance	0.00%	0.00%	6.67%	6.67%	46.67%	6.67%	13.33%	0.00%	0.00%	0.00%	19.99%
Employment Practices	0.00%	0.00%	6.67%	13.33%	26.67%	26.67%	13.33%	0.00%	0.00%	0.00%	13.33%
General Liability	0.00%	0.00%	6.67%	26.67%	46.66%	20.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Marine	0.00%	0.00%	6.67%	6.67%	40.00%	6.66%	0.00%	0.00%	0.00%	0.00%	40.00%
Medical Malpractice	0.00%	0.00%	0.00%	6.67%	6.67%	13.33%	0.00%	0.00%	0.00%	0.00%	73.33%
Surety Bonds	0.00%	0.00%	0.00%	0.00%	33.33%	0.00%	6.67%	0.00%	0.00%	0.00%	60.00%
Terrorism	0.00%	0.00%	0.00%	13.33%	60.00%	0.00%	0.00%	0.00%	0.00%	0.00%	26.67%
Umbrella	0.00%	0.00%	6.67%	20.00%	66.67%	6.66%	0.00%	0.00%	0.00%	0.00%	0.00%
Workers' Compensation	0.00%	0.00%	6.67%	53.33%	26.67%	13.33%	0.00%	0.00%	0.00%	0.00%	0.00%
Broker E&O	0.00%	0.00%	6.67%	13.33%	20.00%	20.00%	0.00%	0.00%	0.00%	0.00%	40.00%

Average Second Quarter 2017 Commercial Pricing Declines

	By Account Size			Average
	Small	Medium	Large	
Second Quarter 2017	-1.0%	-3.1%	-4.3%	-2.8%
First Quarter 2017	-1.4%	-2.4%	-3.8%	-2.5%
Fourth Quarter 2016	-1.3%	-3.8%	-4.9%	-3.3%
Third Quarter 2016	-1.5%	-3.7%	-4.3%	-3.2%
Second Quarter 2016	-2.1%	-4.2%	-5.3%	-3.9%
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	

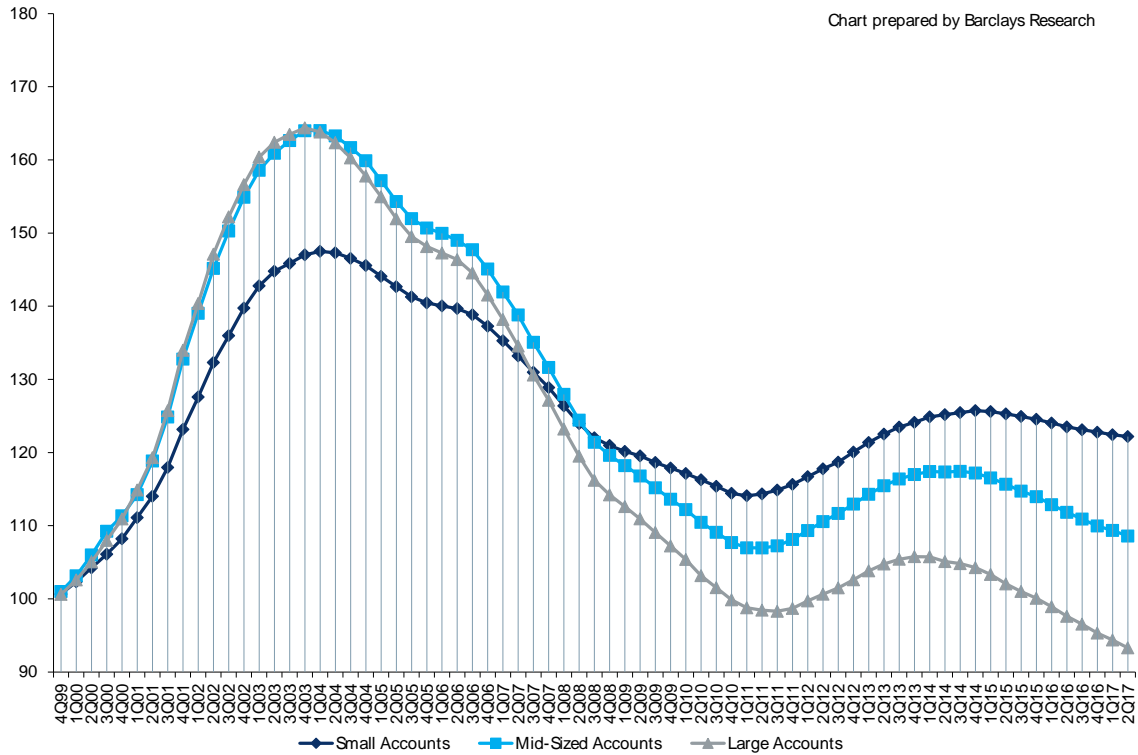
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

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.

By-Line Second Quarter 2017 Rate Changes Ranged From -3.6% to +6.1%

By-Line Second Quarter 2017 Rate Changes Ranged From -3.6% to +6.1%						
	Comm'l Auto	Workers' Comp	Comm'l Property	Gen'l Liability	Umbrella	Average
Second Quarter 2017	6.1%	-2.7%	-3.6%	-2.7%	-1.4%	-0.9%
First Quarter 2017	5.4%	-1.9%	-3.1%	-2.6%	-1.1%	-0.7%
Fourth Quarter 2016	4.4%	-2.9%	-4.4%	-2.6%	-1.4%	-1.4%
Third Quarter 2016	3.2%	-2.6%	-4.5%	-3.0%	-1.7%	-1.7%
Second Quarter 2016	2.4%	-4.3%	-6.0%	-3.6%	-2.8%	-2.9%
High	28.6%	24.9%	45.4%	26.0%	51.9%	35.3%
Low	-11.6%	-12.3%	-15.0%	-13.6%	-13.5%	-13.2%

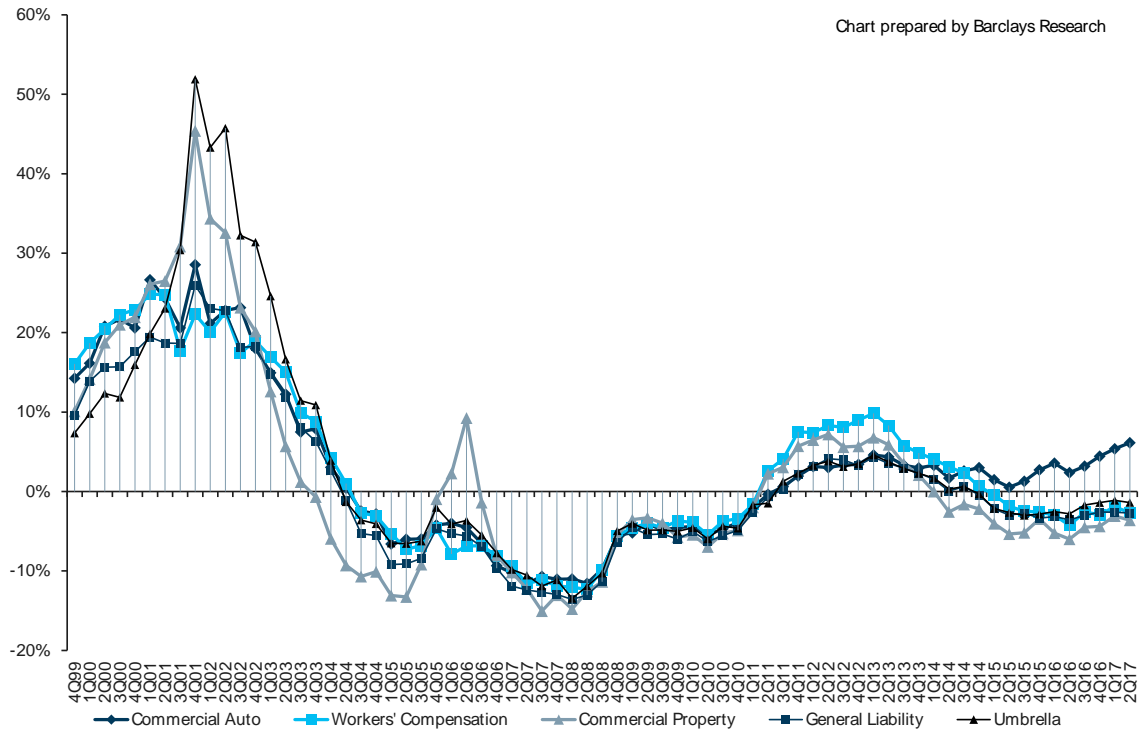
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

Rate Changes in Other Lines

Second Quarter 2017 Rate Changes in Other Lines			
	2Q17	High	Low
Business interruption	-2.0%	28.8%	-10.2%
Construction	-1.2%	38.7%	-10.7%
D&O liability	0.2%	32.4%	-8.7%
Employment practices	0.2%	21.9%	-8.1%
Surety bonds	0.1%	11.2%	-2.3%

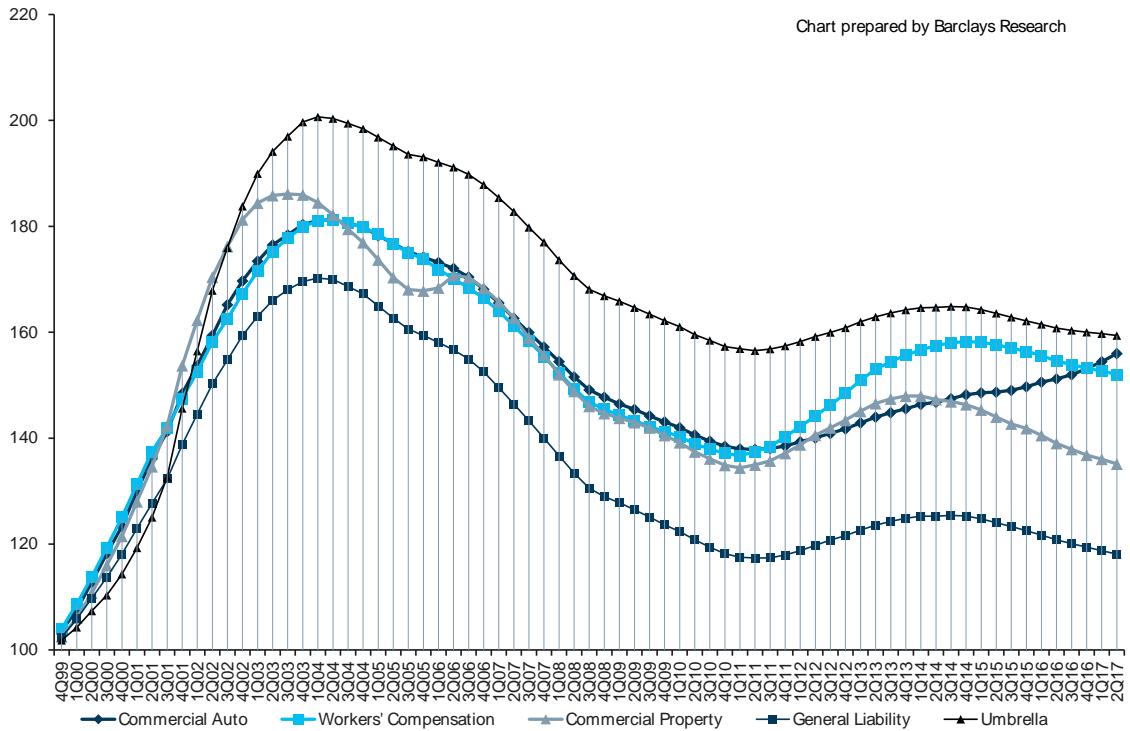
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

Average Commercial Rate Increases by Line

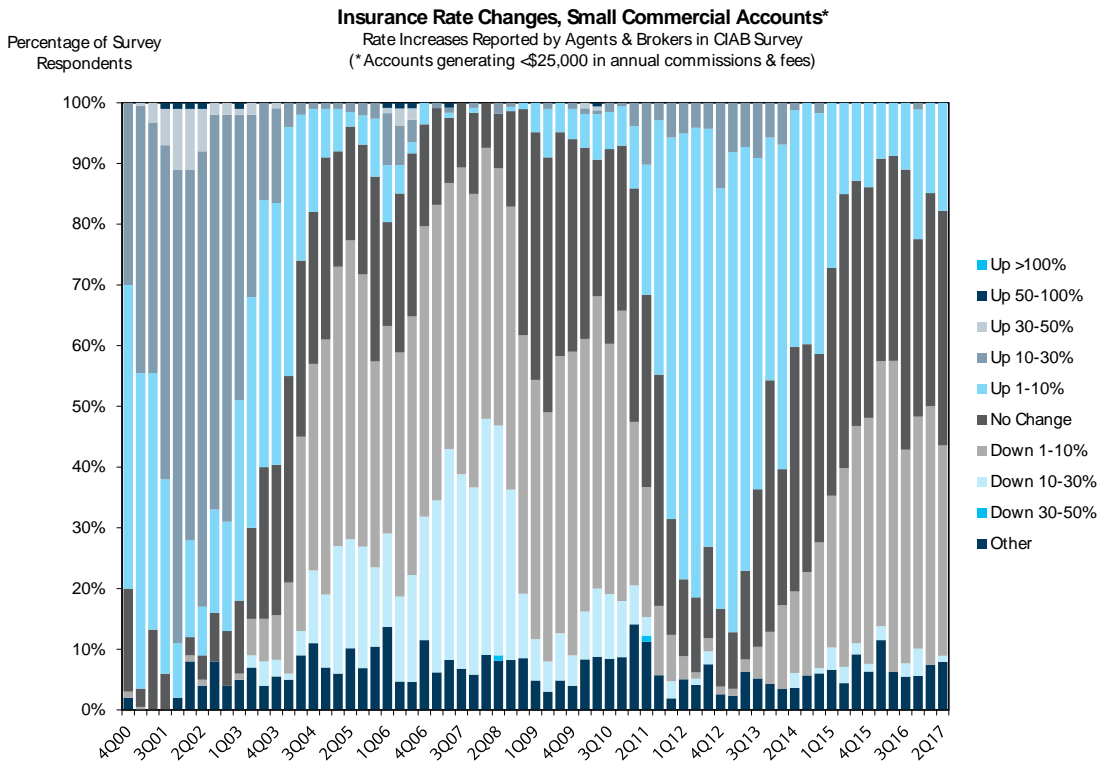


Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

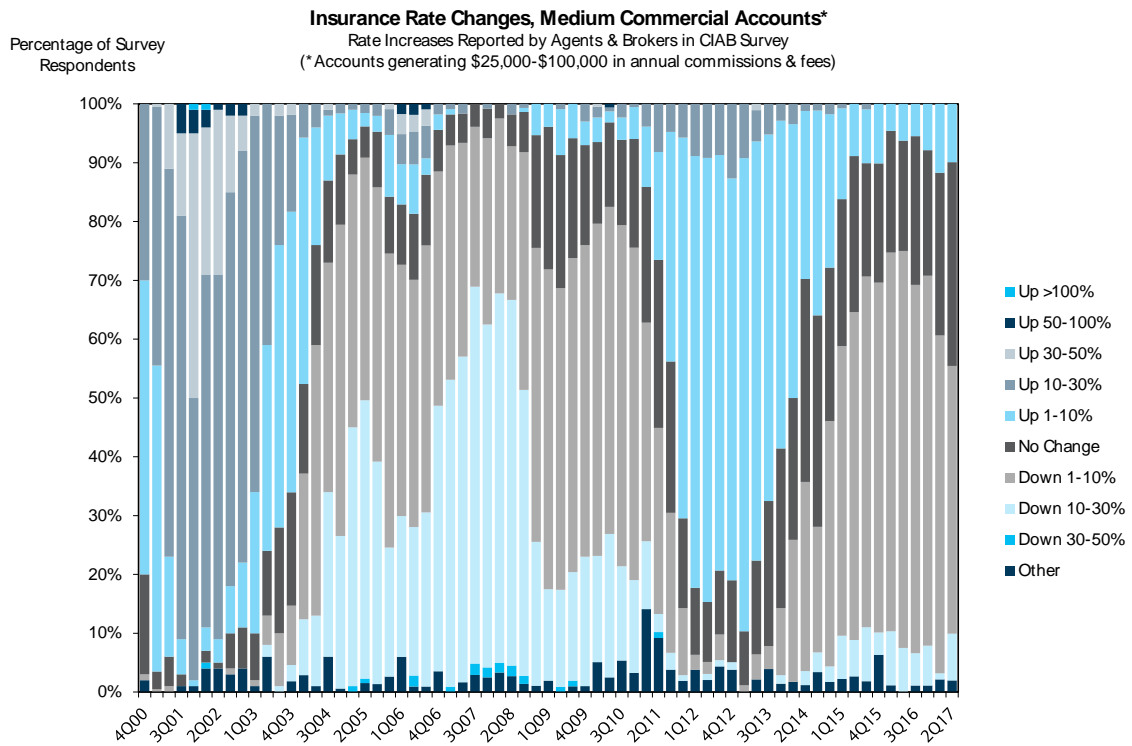
Cumulative Quarterly Rate Increases by Line



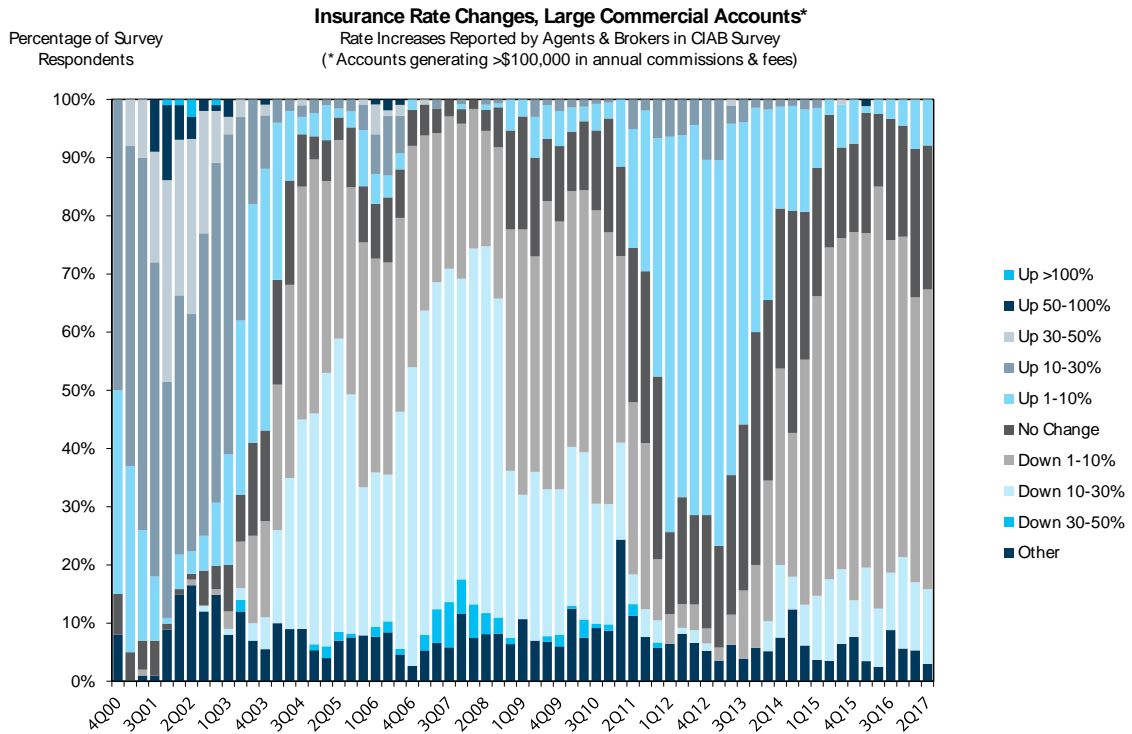
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



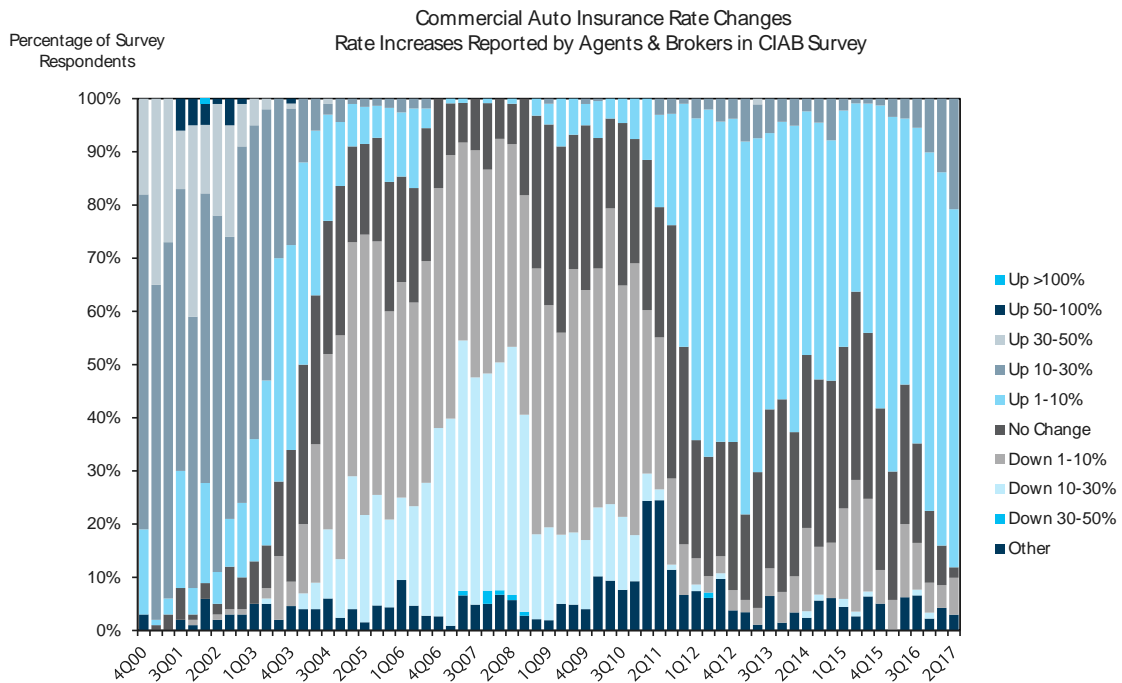
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



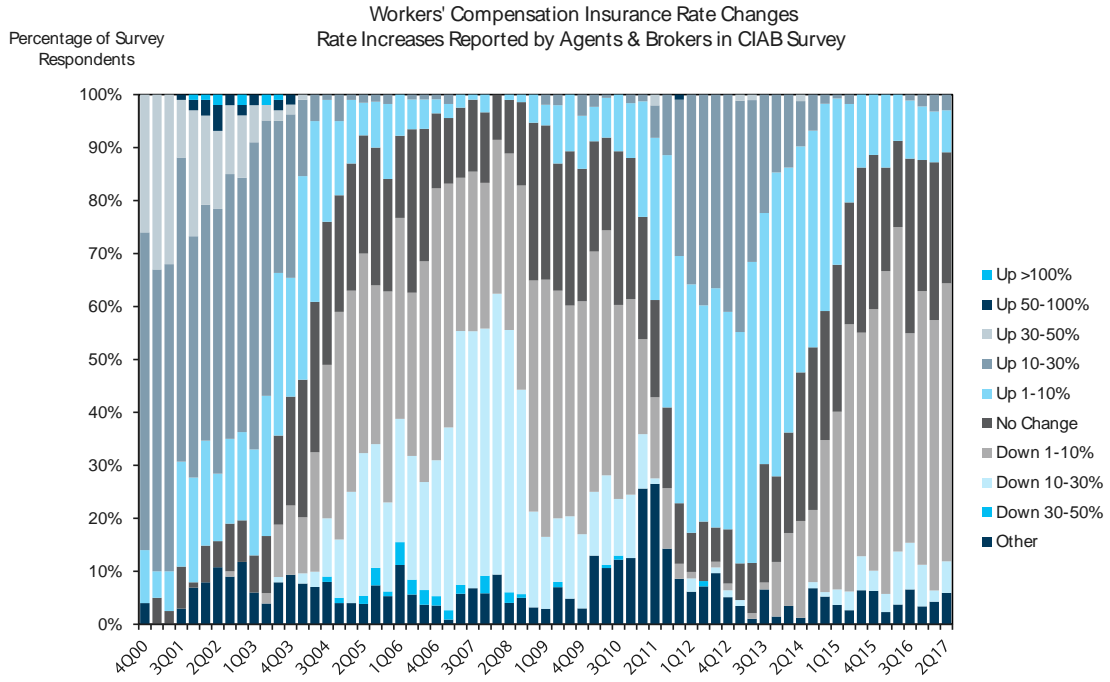
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



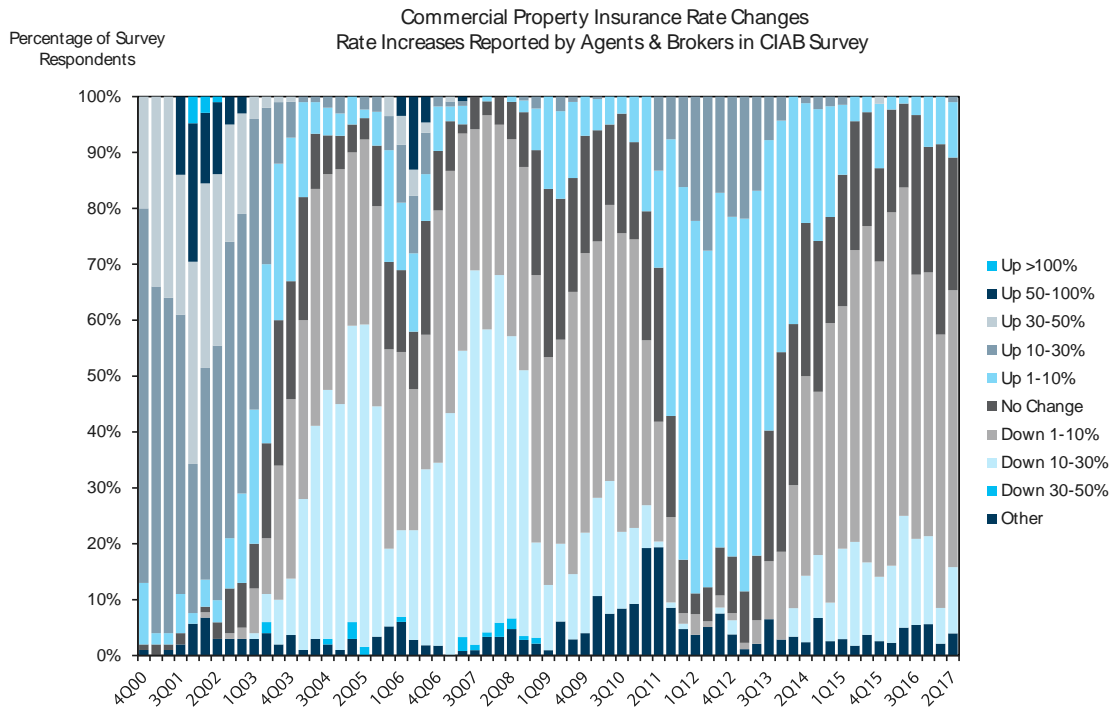
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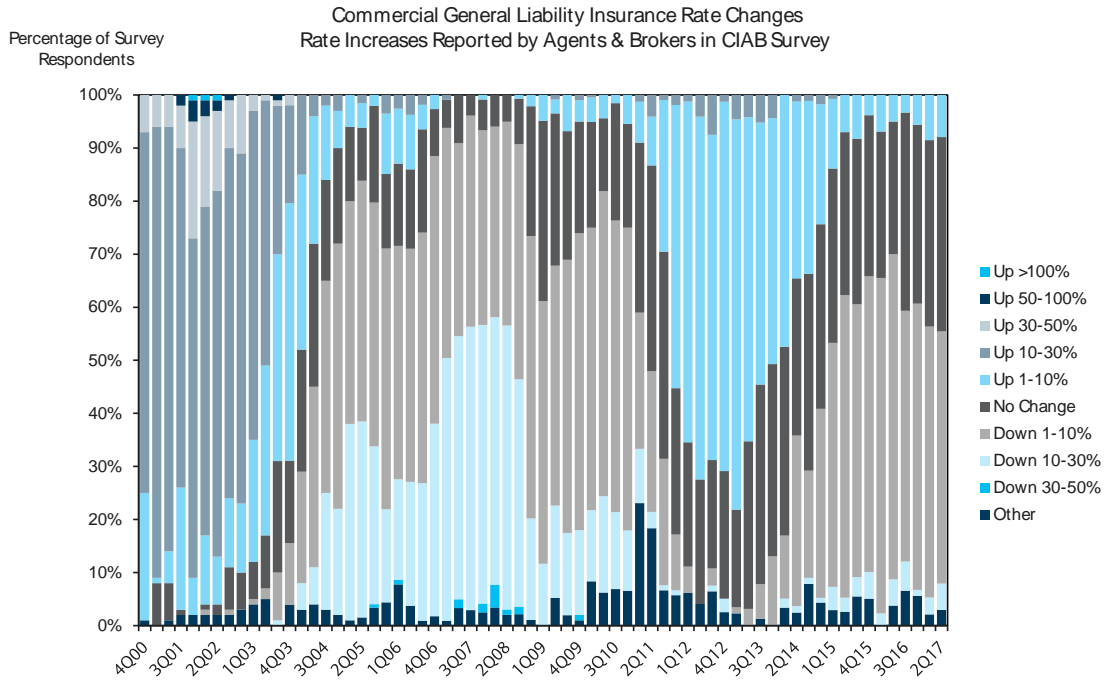
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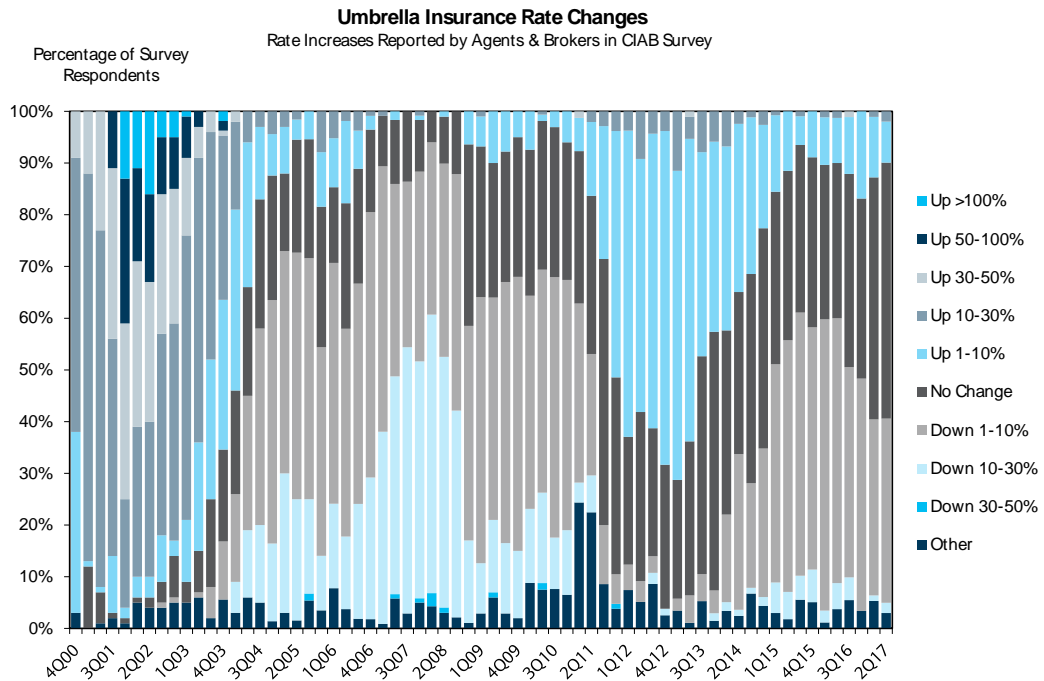
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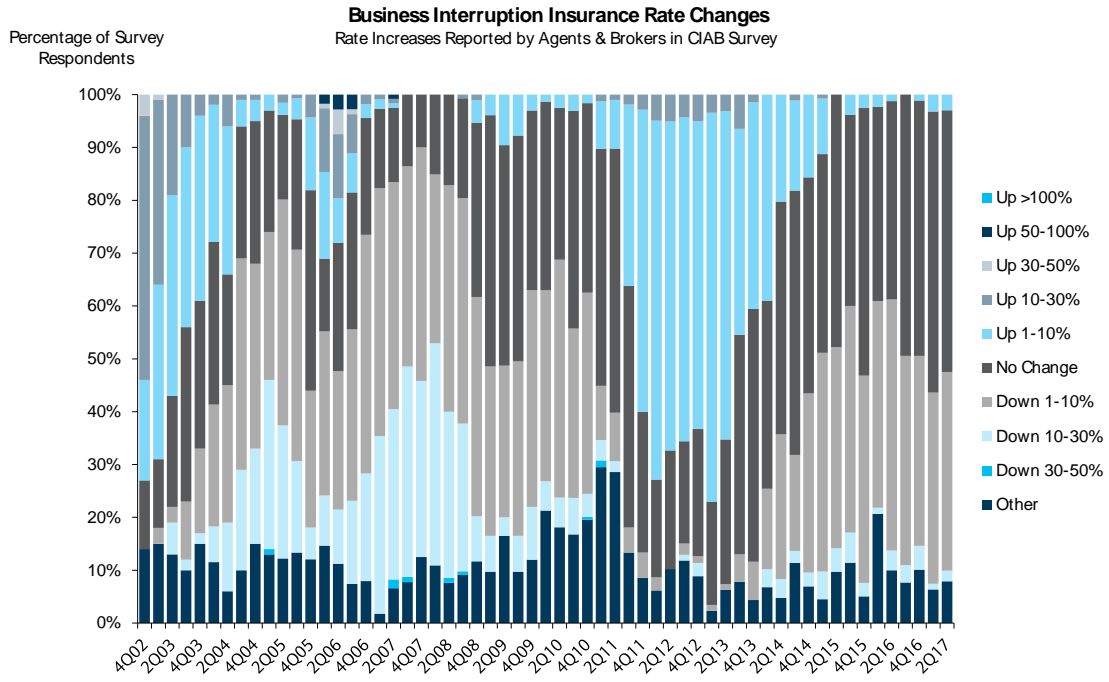
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