

NEWS RELEASE – FOR IMMEDIATE RELEASE

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COMMERCIAL P/C PRICING INCREASES CONTINUE EASING IN FIRST QUARTER OF 2014, ACCORDING TO CIAB SURVEY

WASHINGTON, D.C. – April 25, 2014 – Price increases for commercial property/casualty premiums continued to ease in the first quarter of the new year, according to The Council of Insurance Agents & Brokers’ quarterly Commercial P/C Market Index Survey.

On average, pricing for large, medium and small accounts rose at a rate of 1.5 percent compared with 2.1 percent in the last quarter of 2013, as shown in the charts prepared by Barclays Research based on The Council’s data.

“Last year was good to the carriers, which the survey numbers reflect,” said Ken A. Crerar, president/CEO of The Council. “Catastrophe losses were low, profitability rebounded as a result of higher premiums, and the economy greatly improved. All of that, coupled with ample capacity and more competition in the reinsurance market, no doubt had a dampening effect on price increases,” said Crerar.

Average First Quarter 2014 Commercial Rate Increases Slow

	Small Accounts	Medium Accounts	Large Accounts	Avg
First Quarter 2014	3.0%	1.6%	-0.1%	1.5%
Fourth Quarter 2013	2.6%	2.4%	1.4%	2.1%
Third Quarter 2013	3.8%	3.7%	2.6%	3.4%
Second Quarter 2013	4.6%	4.7%	3.8%	4.3%
First Quarter 2013	5.2%	5.3%	4.9%	5.2%
High (4Q01)	20.8%	31.7%	33.0%	28.5%
Low (3Q07)	-10.0% (1Q08)	-15.0%	-15.9%	-13.6%

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

The exception to the first quarter good news for commercial buyers was workers’ compensation, which continued to be a tough line to write coast to coast. In southern California, brokers reported tighter underwriting, while some carriers added territorial factors. One Northeast broker noted that

workers' compensation capacity "continued to shrink."

The Pacific Northeast saw a spike in flood insurance prices, where the recent mudslide disaster in Washington State underscores the risk in the area. Price increases and issues with employment practices liability insurance (EPLI) and umbrella coverage varied by region. In the Southwest, EPLI retentions went up and terms tightened. In New York, umbrella prices "significantly" increased with lower limits for contractors.

Overall, prices were stable or declined in most lines in the first quarter. New business remained competitive and terms and conditions didn't change appreciably. However, some brokers said carriers were still scrutinizing risks with losses and looking for rate increases if they wrote the business at all. Still capacity appeared to be abundant, with some noted exceptions.

When asked what the impact would be on terrorism coverage if Congress failed to reauthorize the Terrorism Risk Insurance Act before its December 31 expiration, most of those responding said capacity for terrorism risks would be limited. "Appears coverage, at this point, will go away if Congress does not subsidize," a broker from the Southwest commented. A Northeast broker said that "On most commercial accounts, terrorism coverage for property would be eliminated." Another broker was concerned about availability for risks in Washington, D.C., while a few others either said they didn't know or thought there wouldn't be much impact.

Attracting and keeping talent continues to be the top priority for brokers. Capacity issues and uncertainty in health care also keep them on their toes. They predict the M&A trend for wholesale brokers will continue and the number of independent agencies will decline as firms consolidate. A number of brokers are optimistically cautious about the economic rebound. On the political front, the brokers see the lack of leadership in the political system as an ongoing problem for the country.

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.

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Commercial Property – Casualty Market Survey 1st Quarter 2014 Released: April 2014

Below are the survey results for: ALL REGIONS

1. On average, how have premium rates changed over the last three months (January 1-March 31, 2014) 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%	0%	0%	14%	22%	53%	7%	0%	0%	0%	4%
Medium (\$25K – \$100K)	0%	0%	0%	24%	24%	47%	3%	0%	0%	0%	2%
Large (>\$100K)	0%	0%	5%	24%	31%	33%	2%	0%	0%	0%	5%

2. How much have premium rates changed over the last three months (January 1-March 31, 2014) 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%	0%	3%	15%	36%	39%	0%	0%	0%	0%	7%
Commercial Auto	0%	0%	0%	7%	27%	58%	5%	0%	0%	0%	3%
Commercial Property	0%	2%	3%	22%	29%	41%	0%	0%	0%	0%	3%
Construction Risks	0%	2%	0%	8%	39%	37%	7%	0%	0%	0%	7%
D & O	0%	0%	0%	7%	22%	46%	19%	2%	0%	0%	4%
Flood Insurance	0%	0%	0%	5%	31%	40%	10%	3%	0%	0%	11%
Employment Practices	0%	0%	0%	4%	24%	49%	18%	0%	0%	0%	5%
General Liability	0%	0%	2%	12%	36%	47%	0%	0%	0%	0%	3%
Marine	0%	0%	2%	19%	39%	24%	0%	0%	0%	0%	16%
Medical Malpractice	0%	0%	0%	9%	33%	14%	3%	0%	0%	0%	41%
Surety Bonds	0%	0%	0%	2%	54%	15%	2%	0%	0%	0%	27%
Terrorism	0%	0%	3%	5%	48%	27%	0%	0%	0%	0%	17%
Umbrella	0%	0%	2%	17%	36%	36%	7%	0%	0%	0%	2%
Workers' Compensation	0%	0%	0%	14%	19%	50%	12%	2%	0%	0%	3%
Broker E&O	0%	0%	2%	7%	42%	19%	2%	0%	0%	0%	28%

Commercial Property – Casualty Market Survey

1st Quarter 2014 Released: April 2014

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 (January 1-March 31, 2014) 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%	0%	0%	13%	24%	63%	0%	0%	0%	0%	0%
Medium (\$25K – \$100K)	0%	0%	0%	25%	50%	25%	0%	0%	0%	0%	0%
Large (>\$100K)	0%	0%	0%	38%	38%	13%	0%	0%	0%	0%	11%

2. How much have premium rates changed over the last three (January 1-March 31, 2014) 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%	0%	13%	13%	25%	38%	0%	0%	0%	0%	11%
Commercial Auto	0%	0%	0%	13%	38%	25%	0%	0%	0%	0%	24%
Commercial Property	0%	13%	0%	25%	13%	38%	0%	0%	0%	0%	11%
Construction Risks	0%	13%	0%	0%	50%	13%	0%	0%	0%	0%	24%
D & O	0%	0%	0%	0%	38%	38%	13%	0%	0%	0%	11%
Flood Insurance	0%	0%	0%	13%	50%	25%	0%	0%	0%	0%	12%
Employment Practices	0%	0%	0%	0%	38%	50%	0%	0%	0%	0%	12%
General Liability	0%	0%	0%	13%	38%	25%	0%	0%	0%	0%	24%
Marine	0%	0%	0%	25%	25%	13%	0%	0%	0%	0%	37%
Medical Malpractice	0%	0%	0%	0%	50%	13%	0%	0%	0%	0%	37%
Surety Bonds	0%	0%	0%	0%	50%	25%	0%	0%	0%	0%	25%
Terrorism	0%	0%	13%	0%	38%	25%	0%	0%	0%	0%	24%
Umbrella	0%	0%	0%	25%	13%	38%	0%	0%	0%	0%	24%
Worker's Compensation	0%	0%	0%	0%	13%	63%	0%	0%	0%	0%	24%
Broker E&O	0%	0%	13%	13%	25%	0%	0%	0%	0%	0%	49%

Commercial Property – Casualty Market Survey 1st Quarter 2014 Released: April 2014

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 (January 1-March 31, 2014) 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%	0%	0%	31%	38%	25%	0%	0%	0%	0%	6%
Medium (\$25K – \$100K)	0%	0%	0%	38%	24%	38%	0%	0%	0%	0%	0%
Large (>\$100K)	0%	0%	6%	31%	31%	25%	0%	0%	0%	0%	7%

2. How much have premium rates changed over the last three months (January 1-March 31, 2014) 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%	0%	0%	25%	50%	25%	0%	0%	0%	0%	0%
Commercial Auto	0%	0%	0%	13%	24%	50%	13%	0%	0%	0%	0%
Commercial Property	0%	0%	0%	44%	25%	31%	0%	0%	0%	0%	0%
Construction Risks	0%	0%	0%	13%	56%	25%	6%	0%	0%	0%	0%
D & O	0%	0%	0%	13%	37%	44%	6%	0%	0%	0%	0%
Flood Insurance	0%	0%	0%	6%	25%	56%	13%	0%	0%	0%	0%
Employment Practices	0%	0%	0%	6%	37%	44%	13%	0%	0%	0%	0%
General Liability	0%	0%	0%	25%	44%	31%	0%	0%	0%	0%	0%
Marine	0%	0%	0%	38%	44%	13%	0%	0%	0%	0%	5%
Medical Malpractice	0%	0%	0%	13%	38%	19%	0%	0%	0%	0%	30%
Surety Bonds	0%	0%	0%	6%	63%	6%	0%	0%	0%	0%	25%
Terrorism	0%	0%	0%	13%	63%	19%	0%	0%	0%	0%	5%
Umbrella	0%	0%	0%	31%	31%	25%	13%	0%	0%	0%	0%
Workers' Compensation	0%	0%	0%	13%	31%	50%	6%	0%	0%	0%	0%
Broker E&O	0%	0%	0%	13%	63%	6%	0%	0%	0%	0%	18%

Commercial Property – Casualty Market Survey

1st Quarter 2014 Released: April 2014

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 (January 1-March 31, 2014) 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%	0%	0%	6%	12%	65%	12%	0%	0%	0%	5%
Medium (\$25K – \$100K)	0%	0%	0%	12%	18%	59%	6%	0%	0%	0%	5%
Large (>\$100K)	0%	0%	6%	12%	35%	35%	6%	0%	0%	0%	6%

2. How much have premium rates changed over the last three (January 1-March 31, 2014) 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%	0%	0%	12%	35%	41%	0%	0%	0%	0%	12%
Commercial Auto	0%	0%	0%	6%	17%	71%	6%	0%	0%	0%	0%
Commercial Property	0%	0%	6%	12%	41%	35%	0%	0%	0%	0%	6%
Construction Risks	0%	0%	0%	12%	35%	35%	12%	0%	0%	0%	6%
D & O	0%	0%	0%	0%	12%	65%	18%	0%	0%	0%	5%
Flood Insurance	0%	0%	0%	6%	25%	44%	13%	0%	0%	0%	12%
Employment Practices	0%	0%	0%	0%	12%	71%	12%	0%	0%	0%	5%
General Liability	0%	0%	6%	6%	35%	53%	0%	0%	0%	0%	0%
Marine	0%	0%	6%	12%	41%	35%	0%	0%	0%	0%	6%
Medical Malpractice	0%	0%	0%	19%	38%	6%	6%	0%	0%	0%	31%
Surety Bonds	0%	0%	0%	0%	59%	12%	0%	0%	0%	0%	29%
Terrorism	0%	0%	6%	0%	41%	29%	0%	0%	0%	0%	24%
Umbrella	0%	0%	6%	12%	35%	35%	12%	0%	0%	0%	0%
Workers' Compensation	0%	0%	0%	24%	5%	47%	24%	0%	0%	0%	0%
Broker E&O	0%	0%	0%	0%	47%	24%	0%	0%	0%	0%	29%

Commercial Property – Casualty Market Survey

1st Quarter 2014 Released: April 2014

Below are the survey results for: **SOUTHWEST (So. CA, AZ, NM, OK, TX)**

1. On average, how have premium rates changed over the last three months (January 1-March 31, 2014) 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%	0%	0%	8%	17%	67%	8%	0%	0%	0%	0%
Medium (\$25K – \$100K)	0%	0%	0%	33%	25%	42%	0%	0%	0%	0%	0%
Large (>\$100K)	0%	0%	8%	25%	25%	42%	0%	0%	0%	0%	0%

2. How much have premium rates changed over the last three months (January 1-March 31, 2014) 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%	0%	8%	17%	25%	50%	0%	0%	0%	0%	0%
Commercial Auto	0%	0%	0%	0%	42%	58%	0%	0%	0%	0%	0%
Commercial Property	0%	0%	8%	17%	17%	58%	0%	0%	0%	0%	0%
Construction Risks	0%	0%	0%	8%	25%	58%	0%	0%	0%	0%	9%
D & O	0%	0%	0%	8%	8%	33%	42%	0%	0%	0%	9%
Flood Insurance	0%	0%	0%	0%	33%	25%	17%	8%	0%	0%	17%
Employment Practices	0%	0%	0%	0%	10%	10%	20%	50%	0%	0%	10%
General Liability	0%	0%	0%	8%	34%	58%	0%	0%	0%	0%	0%
Marine	0%	0%	0%	8%	42%	33%	0%	0%	0%	0%	17%
Medical Malpractice	0%	0%	0%	0%	17%	25%	0%	0%	0%	0%	58%
Surety Bonds	0%	0%	0%	0%	42%	33%	0%	0%	0%	0%	25%
Terrorism	0%	0%	0%	8%	42%	25%	0%	0%	0%	0%	25%
Umbrella	0%	0%	0%	8%	50%	42%	0%	0%	0%	0%	0%
Workers' Compensation	0%	0%	0%	18%	19%	45%	18%	0%	0%	0%	0%
Broker E&O	0%	0%	0%	8%	33%	33%	0%	0%	0%	0%	26%

Commercial Property – Casualty Market Survey

1st Quarter 2014 Released: April 2014

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 (January 1-March 31, 2014) 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%	0%	0%	0%	20%	60%	20%	0%	0%	0%	0%
Medium (\$25K – \$100K)	0%	0%	0%	0%	0%	80%	20%	0%	0%	0%	0%
Large (>\$100K)	0%	0%	0%	20%	20%	60%	0%	0%	0%	0%	0%

2. How much have premium rates changed over the last three months (January 1-March 31, 2014) for the following lines? Please check N/A if you don't know or don't handle the line.

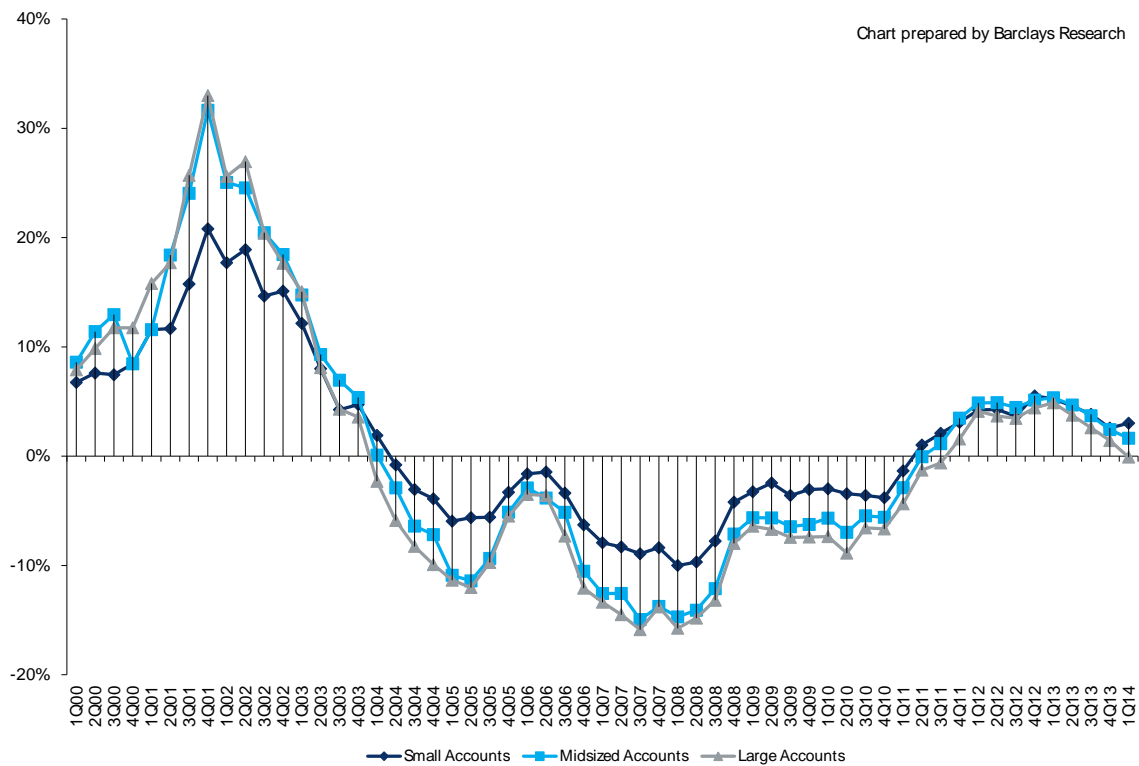
	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10- 20%	8 Up 20- 30%	9 Up 30- 50%	10 Up 50- 100%	N/A
Business Interruption	0%	0%	0%	0%	33%	50%	0%	0%	0%	0%	17%
Commercial Auto	0%	0%	0%	0%	17%	83%	0%	0%	0%	0%	0%
Commercial Property	0%	0%	0%	0%	50%	50%	0%	0%	0%	0%	0%
Construction Risks	0%	0%	0%	0%	16%	67%	17%	0%	0%	0%	0%
D & O	0%	0%	0%	17%	16%	33%	17%	17%	0%	0%	0%
Flood Insurance	0%	0%	0%	0%	33%	33%	0%	17%	0%	0%	17%
Employment Practices	0%	0%	0%	0%	33%	50%	17%	0%	0%	0%	0%
General Liability	0%	0%	0%	0%	17%	83%	0%	0%	0%	0%	0%
Marine	0%	0%	0%	0%	33%	17%	0%	0%	0%	0%	50%
Medical Malpractice	0%	0%	0%	0%	17%	0%	17%	0%	0%	0%	66%
Surety Bonds	0%	0%	0%	0%	50%	0%	17%	0%	0%	0%	33%
Terrorism	0%	0%	0%	0%	50%	50%	0%	0%	0%	0%	0%
Umbrella	0%	0%	0%	0%	50%	50%	0%	0%	0%	0%	0%
Workers' Compensation	0%	0%	0%	0%	33%	50%	0%	17%	0%	0%	0%
Broker E&O	0%	0%	0%	0%	17%	33%	17%	0%	0%	0%	33%

Average First Quarter 2014 Commercial Rate Increases Slow

	Small Accounts	Medium Accounts	Large Accounts	Avg
First Quarter 2014	3.0%	1.6%	-0.1%	1.5%
Fourth Quarter 2013	2.6%	2.4%	1.4%	2.1%
Third Quarter 2013	3.8%	3.7%	2.6%	3.4%
Second Quarter 2013	4.6%	4.7%	3.8%	4.3%
First Quarter 2013	5.2%	5.3%	4.9%	5.2%
High (4Q01)	20.8%	31.7%	33.0%	28.5%
Low (3Q07)	-10.0% (1Q08)	-15.0%	-15.9%	-13.6%

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

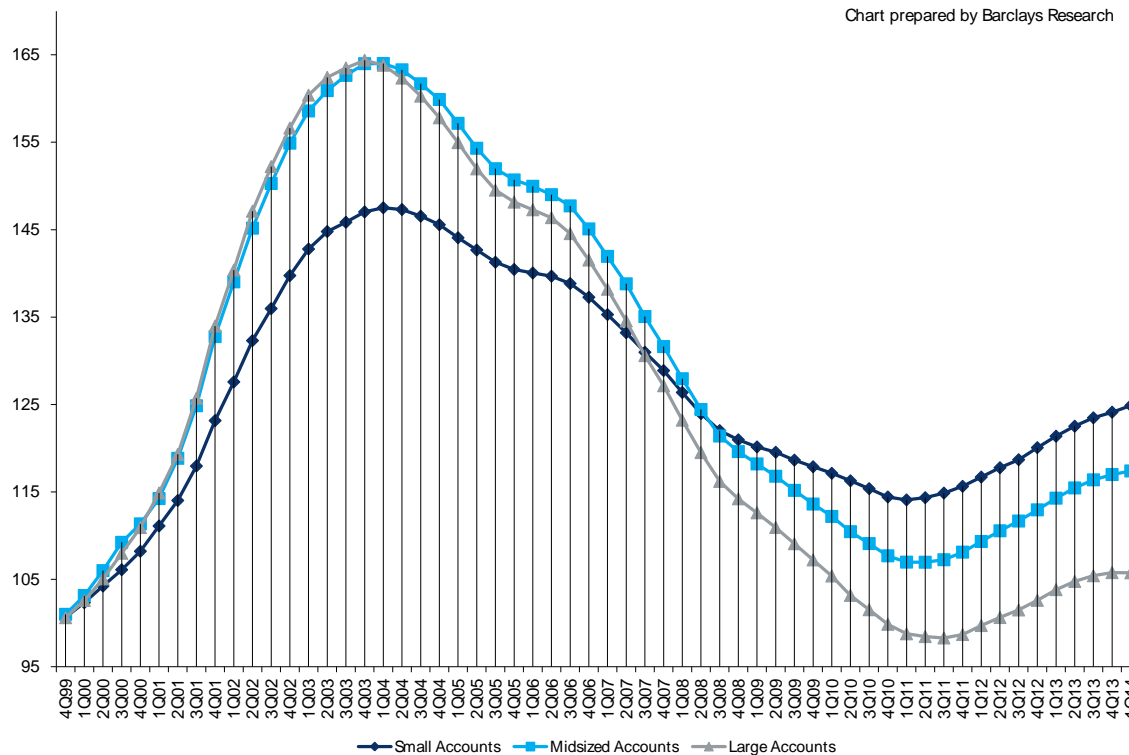
Average Commercial Premium Rate Changes by Account Size



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

Cumulative Quarterly Rate Increases by Account Size

Chart prepared by Barclays Research



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

By-Line First Quarter 2014 Rate Changes Ranged From +0.0% to +4.1%

	Comm'l Auto	Workers' Comp	Comm'l Property	Gen'l Liability	Umbrella	Average
First Quarter 2014	3.3%	4.1%	0.0%	1.5%	1.7%	2.1%
Fourth Quarter 2013	3.0%	4.9%	2.1%	2.3%	2.3%	2.9%
Third Quarter 2013	3.3%	5.8%	3.5%	2.9%	2.9%	3.7%
Second Quarter 2013	4.4%	8.3%	5.9%	3.5%	3.7%	5.2%
First Quarter 2013	4.6%	9.8%	6.8%	4.3%	4.6%	6.0%
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%

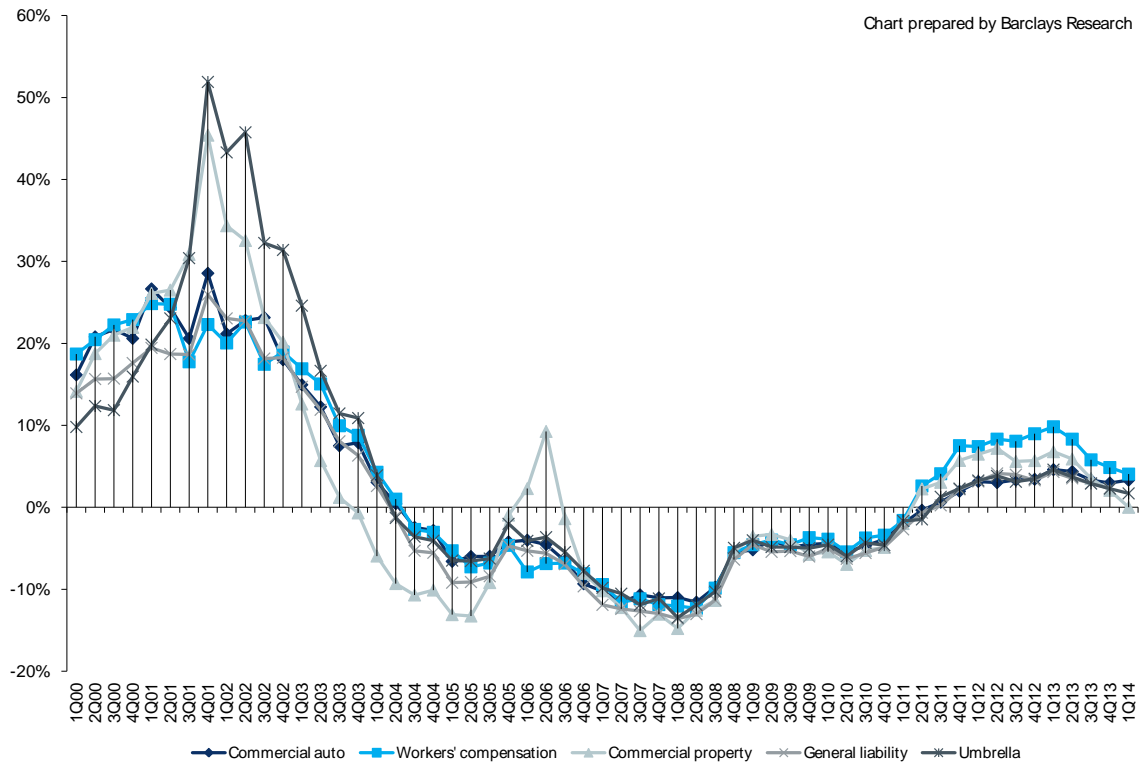
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

Rate Changes in Other Lines

First Quarter 2014 Rate Changes in Other Lines	1Q14	High	Low
Business interruption	0.7%	28.8%	-10.2%
Construction	2.0%	38.7%	-10.7%
D&O liability	5.2%	32.4%	-8.7%
Employment practices	4.9%	21.9%	-8.1%
Surety bonds	0.9%	11.2%	-2.3%

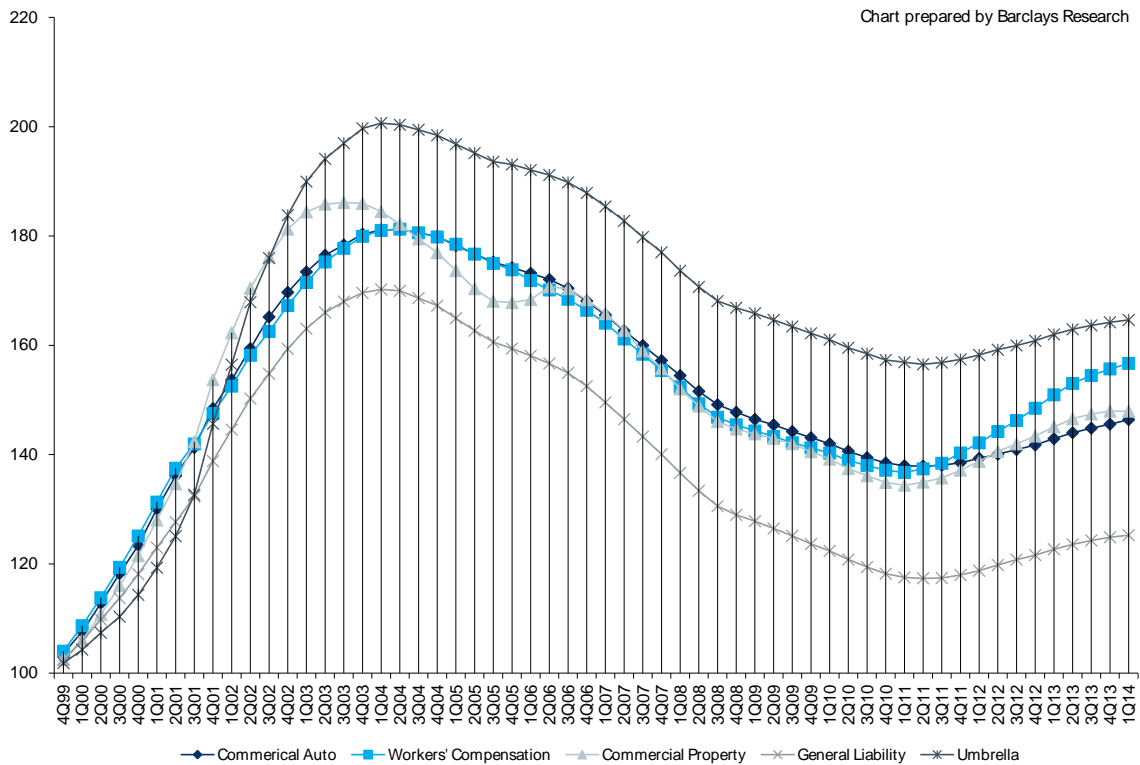
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

Average Commercial Rate Increases by Line

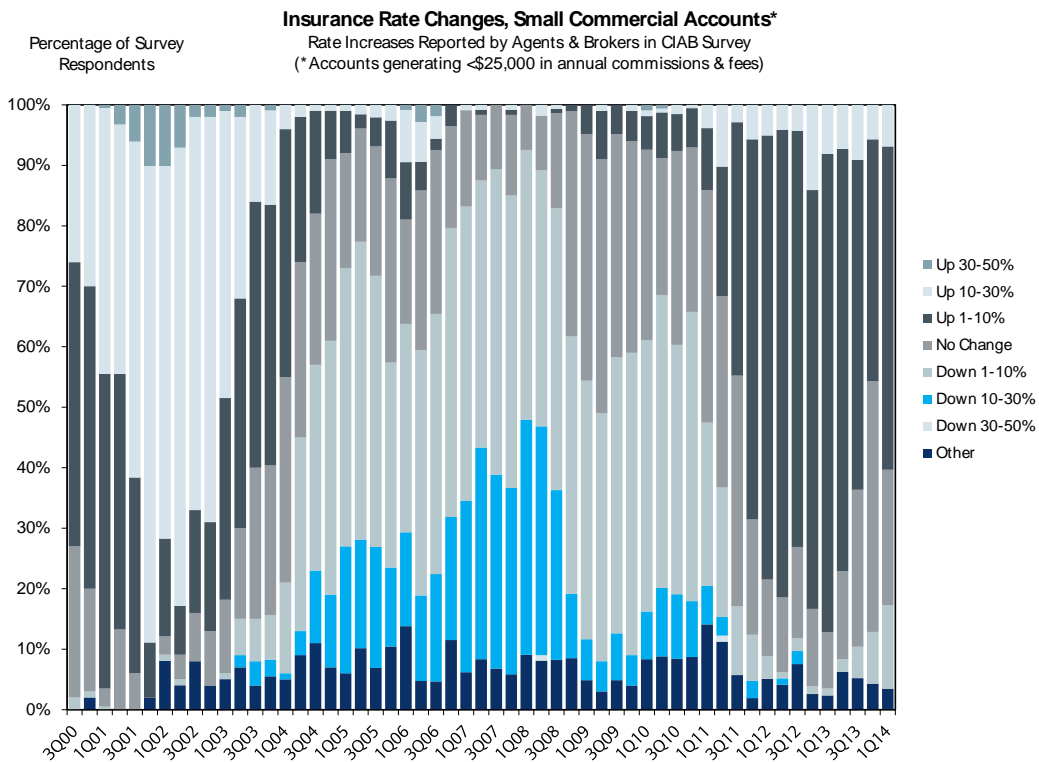


Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

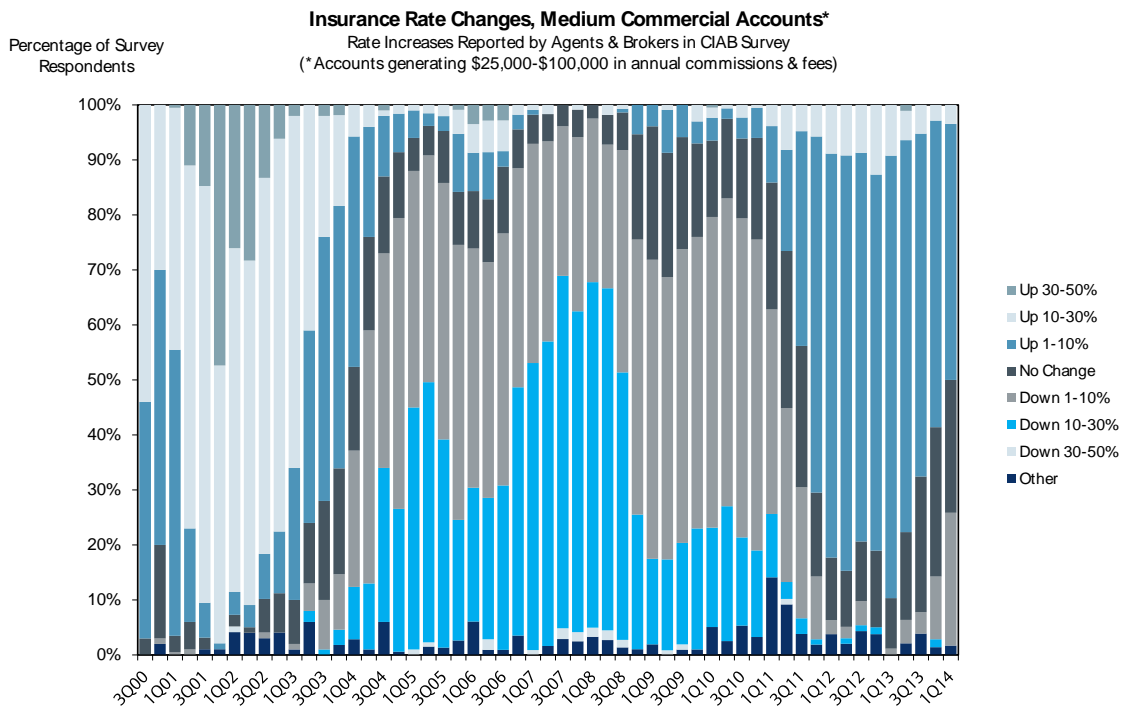
Cumulative Quarterly Rate Increases by Line



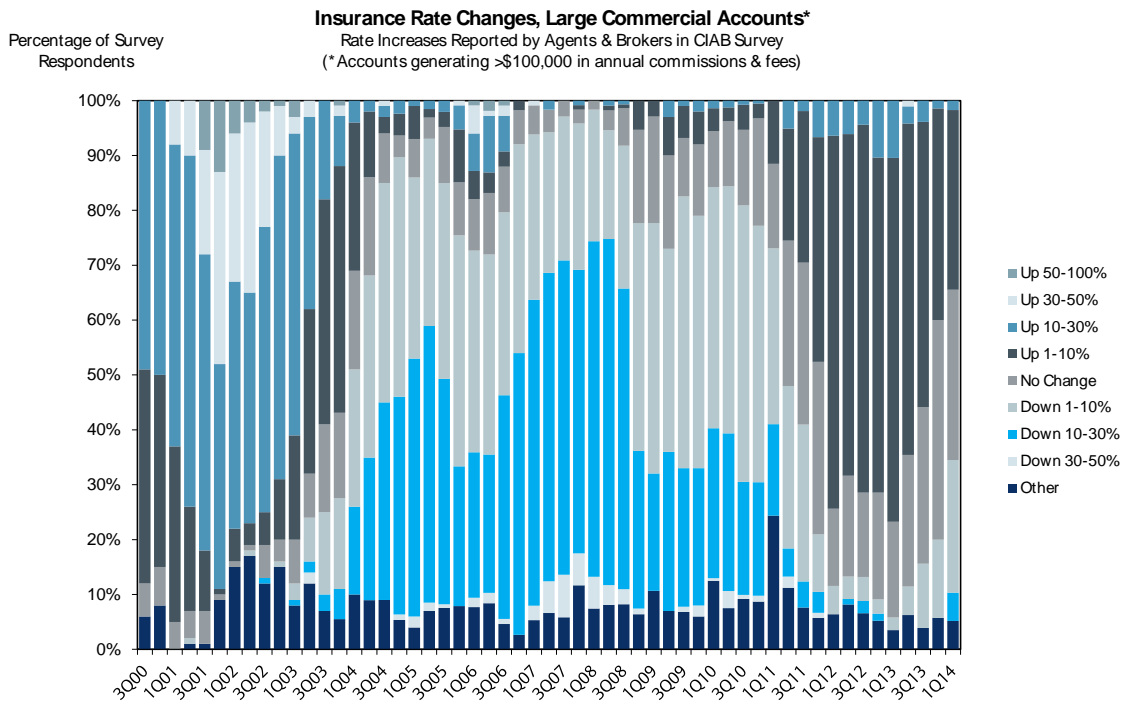
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



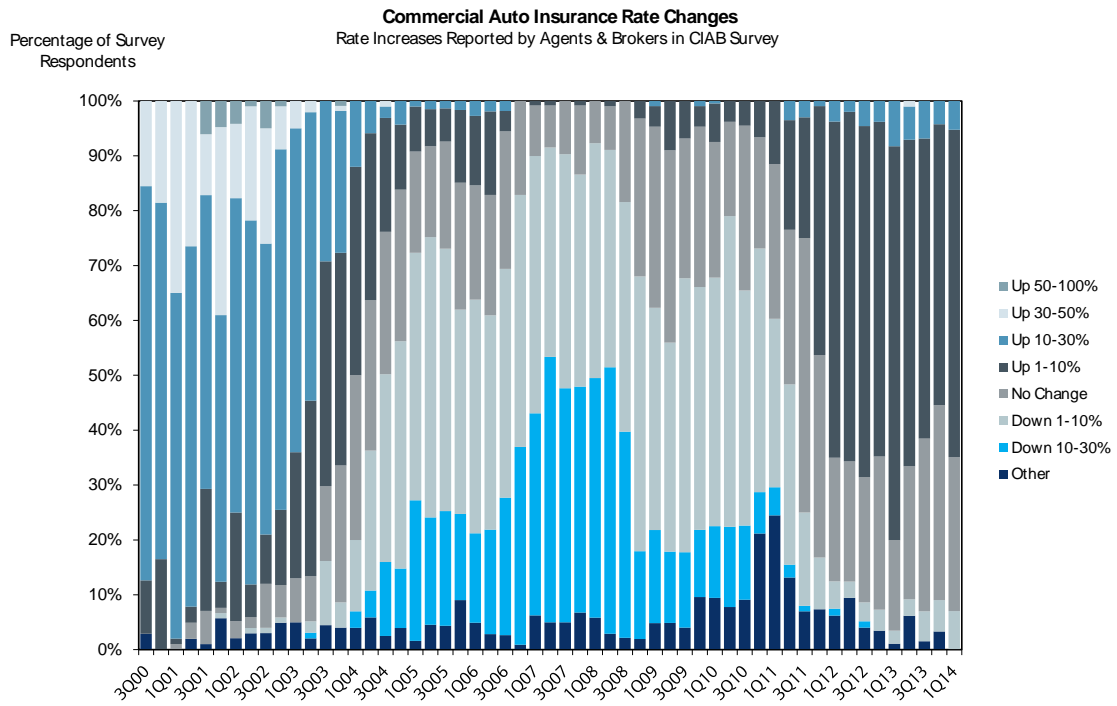
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



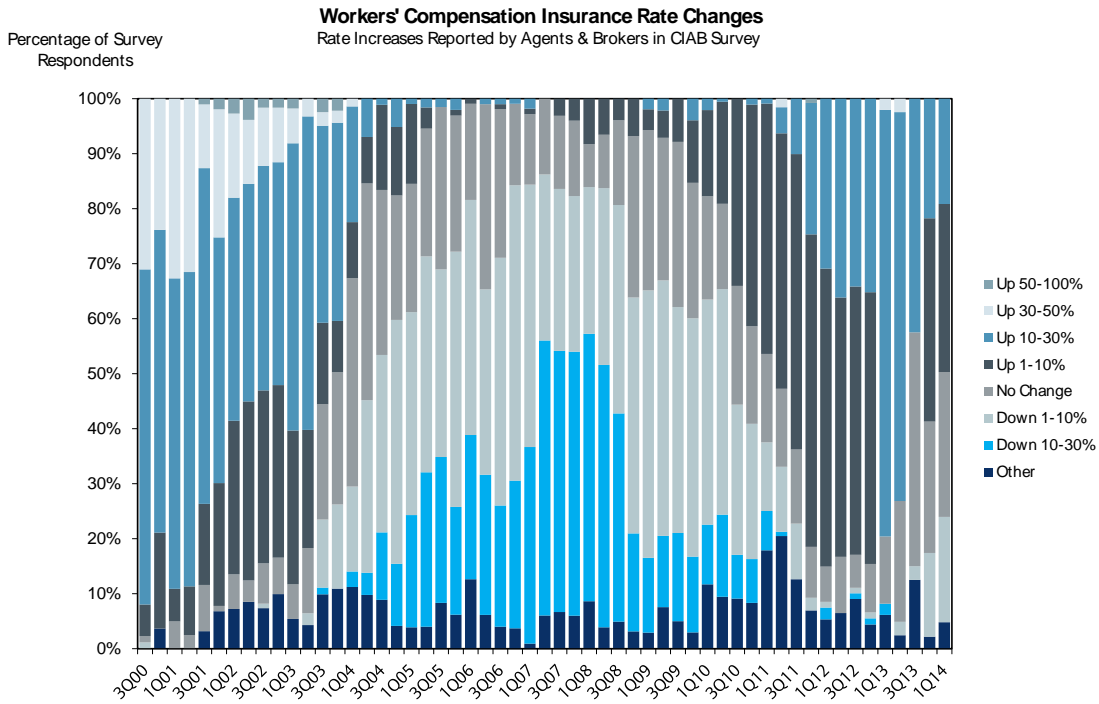
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



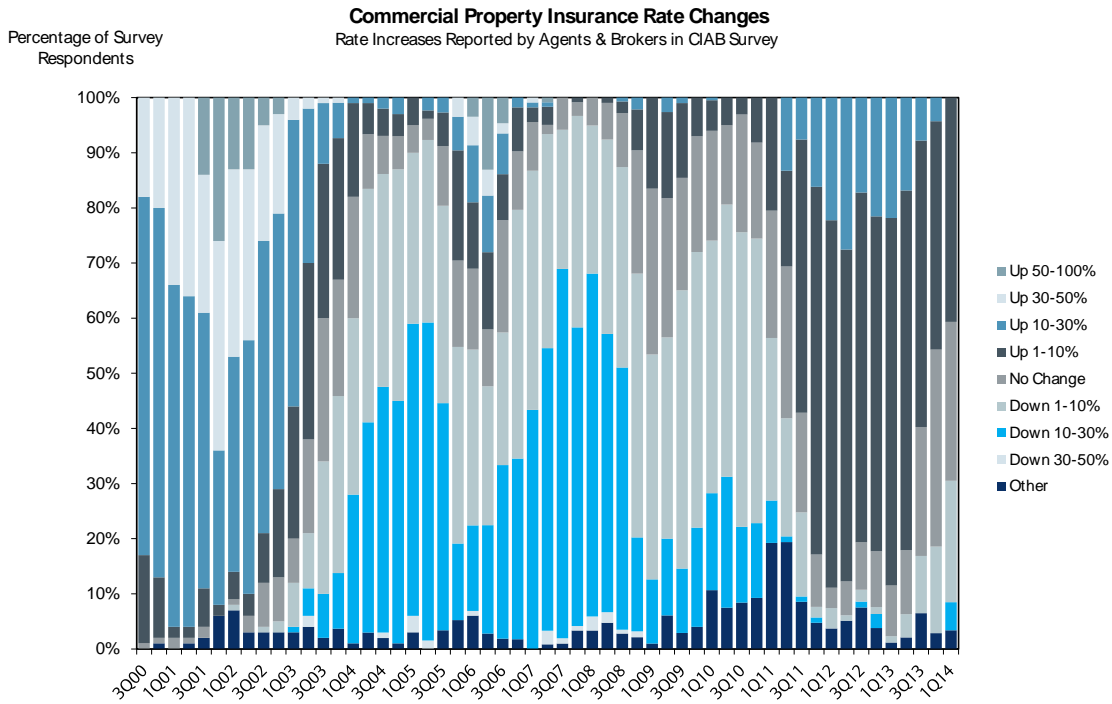
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



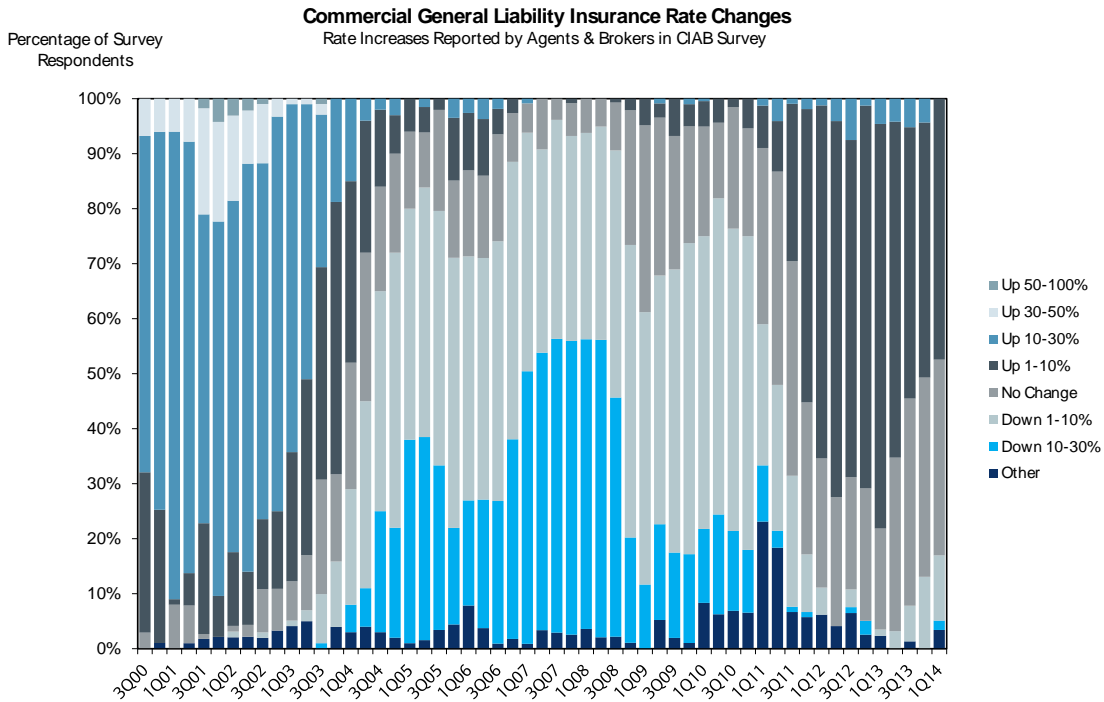
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



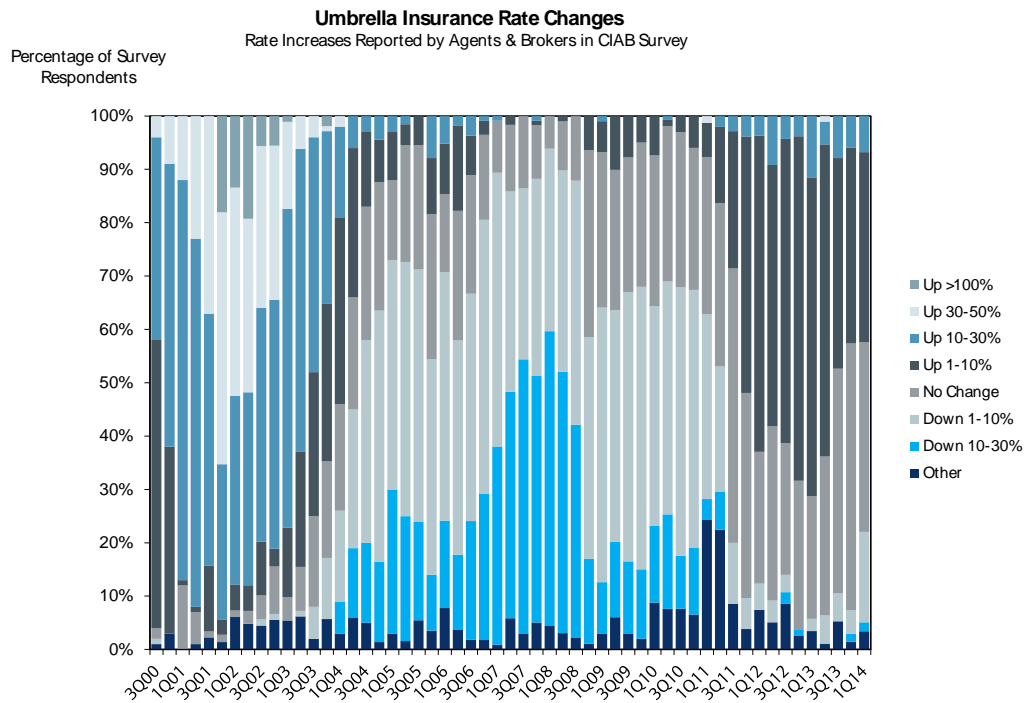
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



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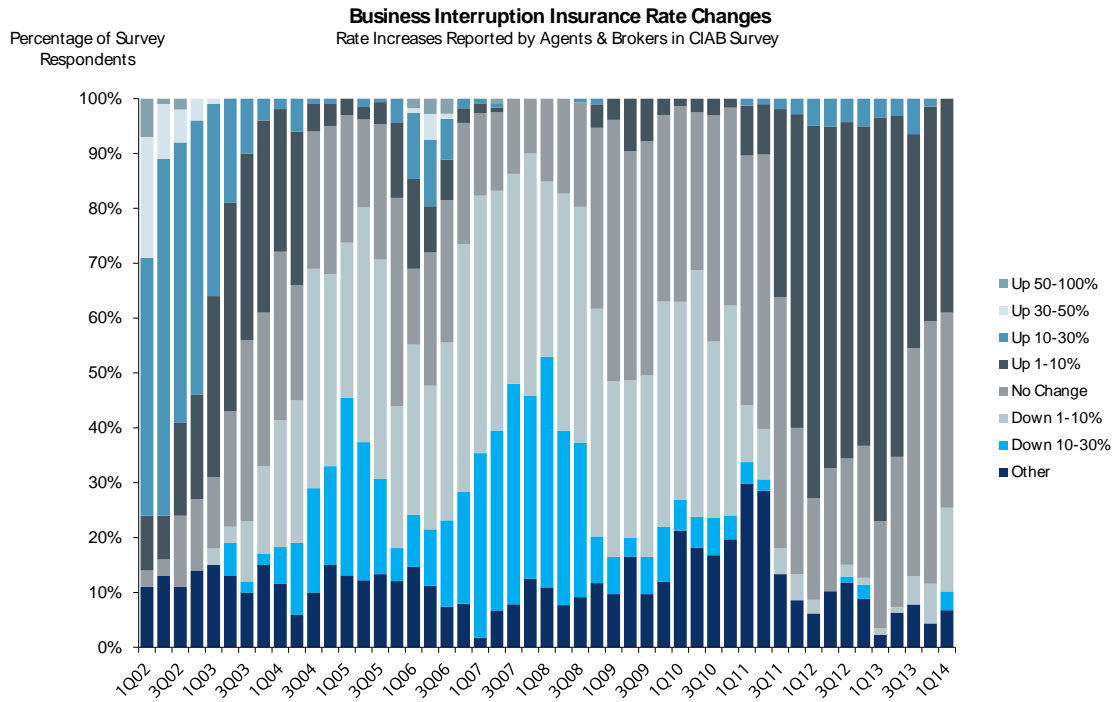


Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



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