



 THE COUNCIL

COMMERCIAL PROPERTY/ CASUALTY MARKET INDEX

Q3/2020



Commercial Property/Casualty Market Index

Q3/2020

EXECUTIVE SUMMARY

The following are key takeaways from The Council of Insurance Agents & Brokers' *Commercial Property/Casualty Market Report Q2 2020 (July 1 – September 30)*:

- Evidence the market continued to harden was apparent in Q3 2020, with premiums increasing by an average of **11.7%** across all-sized accounts, marking the **12th consecutive quarter** of increased premium pricing across all-sized accounts. As with the previous quarter, the impact was most apparent for **large and medium-sized accounts**, which recorded increases of **15.3%** and **12.7%**, respectively. On the other hand, small accounts experienced an average increase of **7.1%**, slightly lower than the 7.3% increase in Q2 2020.
- Premiums continued to increase for all lines of business in Q3 2020, Workers Compensation included. **Umbrella** and **D&O** premiums increased by far the most in Q3 2020, at **22.9%** and **16.1%**, respectively, followed by **Commercial Property** with an increase of **14.2%**.
- Underwriting capacity was down for the most troubled lines in Q3 2020, with **90%** of respondents reporting capacity was down for **Umbrella**, nearly 60% of which said capacity had **significantly** decreased.
- Results from COVID-19 related questions suggested the pandemic's impact was still being felt in Q3 2020. Most respondents said the pandemic impacted **pricing, availability of coverage, renewals** and **underwriting trends**. They also reported increased claims activity for **Business Interruption** and **Workers Compensation**.
- Download the Q3 2020 COVID-19 Supplement [here](#).

PREMIUM PRICING

Pricing increases were more pronounced in Q3 2020 than in previous quarters. The average increase in premium pricing for **all-sized accounts** was **11.7%**, up from 10.8% in Q2 2020—the 12th consecutive quarter of premium increases. When segmenting responses by account size, **large accounts** saw the largest average increase in premium prices, at **15.3%**, compared to 14.2% in Q2 and 12.6% in Q1 2020. **Medium accounts** also experienced notable increases, with an average increase of 12.7%, compared to 11% in Q2 and 9.8% in Q1 2020. On the other hand, **small accounts** seemed to have been more insulated, with an average premium increase of “just” 7.1%.

AVERAGE COMMERCIAL PRICING INCREASES

	By Account Size			AVERAGE
	SMALL	MEDIUM	LARGE	
Third Quarter 2020	7.1%	12.7%	15.3%	11.7%
Second Quarter 2020	7.3%	11.0%	14.2%	10.8%
First Quarter 2020	5.5%	9.8%	12.6%	9.3%
Fourth Quarter 2019	5.2%	8.0%	9.4%	7.5%
Third Quarter 2019	4.4%	6.8%	7.6%	6.2%
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

Prices continued to rise for all lines of business—including Workers Compensation—and the increase for select lines was significant. Across the major lines, the average premium pricing increase was **11.3%**, compared to 10.1% in Q2 and 8.7% in Q1 2020.

“It’s clear the pandemic has accelerated the market conditions observed in previous quarters,” said Ken A. Crerar, president/CEO of The Council. “The financial stress from the extended economic contraction has contributed to increased premium pricing across the board, heightened insurer wariness and reluctance to take on additional risk. It’s critical for brokers to act as trusted advisors for their clients and help them through this troubled time.”

BY-LINE THIRD QUARTER 2020 RATE CHANGES RANGED FROM 1.5% TO 22.9%

	COMM'L AUTO	WORKERS' COMP	COMM'L PROPERTY	GEN'L LIABILITY	UMBRELLA	AVERAGE
Third Quarter 2020	11.0%	1.5%	14.2%	6.7%	22.9%	11.3%
Second Quarter 2020	9.6%	0.7%	13.3%	6.8%	20.0%	10.1%
First Quarter 2020	9.6%	-1.2%	12.0%	5.7%	17.3%	8.7%
Fourth Quarter 2019	10.5%	-1.9%	9.7%	5.8%	13.6%	7.6%
Third Quarter 2019	9.1%	-2.7%	8.8%	4.6%	9.8%	5.9%
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.

Umbrella prices continued to increase in Q3 2020 with an average increase of 22.9%, compared to 20% in Q2 2020. The average premium pricing increase for **D&O** was also significant in Q3 2020, with an increase of **16.1%** compared to Q2. **Commercial Property** prices also continued their upward climb, recording an average increase of **14.2%** versus 13.3% in Q2 2020.

Workers Compensation also recorded an increase of 1.5% in Q3 2020, up from 0.7% in Q2, further demonstrating that the line may have reached an inflection point.

RATE CHANGES IN OTHER LINES

	3Q20	High	Low
Broker E&O	4.4%	15.4%	-4.5%
Business Interruption	9.6%	28.8%	-10.2%
Construction	7.9%	38.7%	-10.7%
Cyber	7.7%	7.7%	-1.5%
D&O Liability	16.1%	32.4%	-8.7%
Employment Practices	10.1%	21.9%	-8.1%
Flood	3.6%	8.6%	-2.7%
Marine	4.5%	4.5%	-10.6%
Medical Malpractice	6.0%	32.5%	-4.1%
Surety Bonds	2.6%	11.2%	-2.3%
Terrorism	2.1%	10.4%	-3.6%

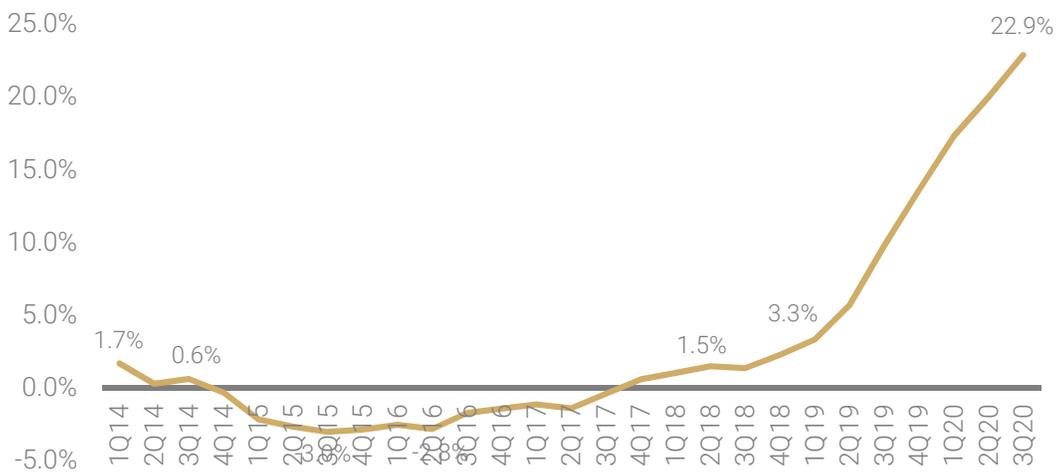
Source:
The Council of Insurance Agents & Brokers.

NOTABLE LINES OF BUSINESS

UMBRELLA

The Umbrella commercial line recorded an average increase of 22.9% in Q3 2020, outstripping Commercial Auto and Commercial Property, the most troubled lines in recent quarters.

Premium Change for Umbrella, 2014 - Q3 2020



Brokers agreed that social inflation and nuclear verdicts were among the primary drivers for the sizeable increase in premiums. “The nuclear decisions in court are hitting their layers more and more,” said one respondent from a mid-sized Northwestern firm. And according to another respondent from a large Southeastern firm, “Social inflation is driving up jury payouts, which mean carriers are scared that anything not banal will potentially lead to claims and are pricing accordingly.”

Several respondents also commented that nuclear verdicts were typically associated with underlying **Commercial Auto** policies. They also noted corresponding price increases for Commercial Auto as well as **General Liability** were

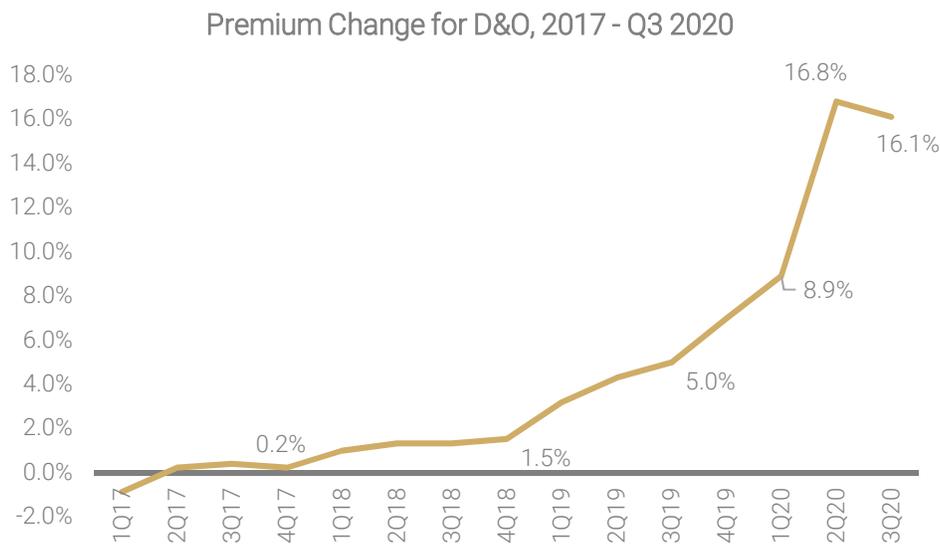
among the main contributors to increases in Umbrella—but all lines were at least partially implicated in the resulting Umbrella pricing increases and capacity restrictions.

Respondents also reported that carriers were justifying increases due to issues with the reinsurance market. “Reinsurance market conditions, social inflation, nuclear verdicts, tort law,” said one respondent from a large Midwestern firm. “Reduction in capacity in the reinsurance market and/or change of carrier philosophy on underlying limits,” said a respondent from a mid-sized Southeastern firm.

The third major reason cited by respondents for Umbrella increases was the consistent underpricing of this line for years. Said a respondent from a mid-sized Midwestern firm, “Umbrella/Excess Liability pricing is not priced commensurate with the millions of dollars of risk assumed by insurers and reinsurers. The return on capital is anemic, more premium rate is required to make this line of coverage profitable.”

DIRECTORS & OFFICERS

Respondents reported a significant average increase in premiums for D&O in Q3 2020 at **16.1%**, slightly down from the 16.8% increase recorded in Q2. This marked the 13th quarter of price increases for this line, though the increase in price only began to notably accelerate at the beginning of 2019.



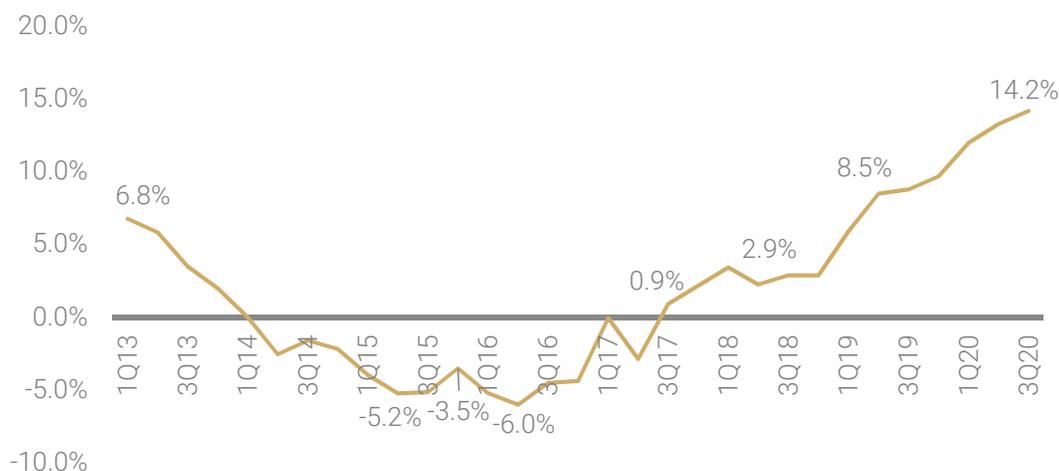
It is possible that the ongoing pandemic drove this increase, but only 20% of respondents said that COVID-19 was responsible for increased D&O claim activity—though undoubtedly the economic impact from the pandemic had at least some effect on how carriers priced this line.

Indeed, **45%** of respondents said they had seen increased claims (not, it should be noted, necessarily due to COVID-19) for this line. **Sixty-seven percent** (67%) of respondents also noted that underwriting capacity for D&O decreased in Q3 2020, possibly in response to the increased claim frequency and severity reported in previous quarters.

COMMERCIAL PROPERTY

The market continued to harden for Commercial Property, with data showing an average premium increase of **14.2%** for this line in Q3 2020, compared to 13.3% in Q2, the 13th consecutive quarter of increased Commercial Property premiums.

Premium Change for Commercial Property, 2013 - Q3 2020

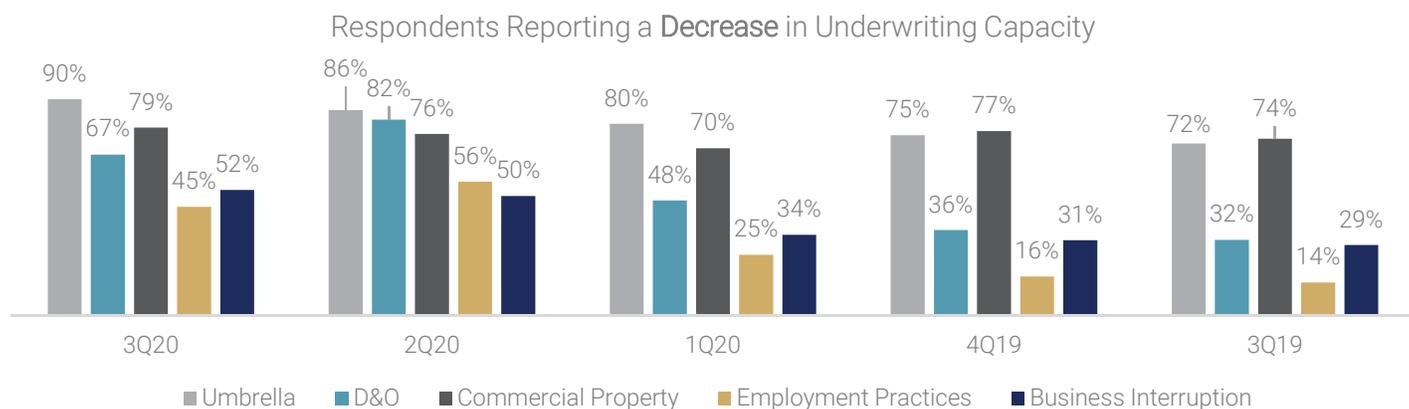


The natural catastrophe season was likely a driver of these increases. California faced (and is facing) a [record-breaking fire season](#). In line with that, respondents from the Northwest painted a sobering picture of the Commercial Property market in California, saying “property is being more aggressively priced or even cancelled” and “Property coverage became increasingly more difficult [to obtain] in California while wildfires raged. CA Fair Plan is limited in the coverage/limit provided and it isn't enough. Most carriers put property moratoriums in place in the surrounding areas during the wildfires.”

Additionally, in early August, [a derecho](#) caused nearly \$7.5 billion in damage across the Midwest, a significant part of the \$16 billion in weather disasters that have struck the U.S. in 2020. Other billion dollar disasters include the tornado outbreak in April; Hurricane Isaias, also in early August; and other severe thunderstorms concentrated in the Southeast from May through August.

UNDERWRITING

UNDERWRITING BY LINE OF BUSINESS



The significant price increases for Umbrella, Commercial Property, and D&O were accompanied by equally significant decreases in capacity for all three of those lines, as seen in the graph above. **90%** of respondents said Umbrella capacity decreased in Q3 2020 (compared to 86% in Q2), with 59% of those specifying it decreased **significantly**. Commercial Property capacity was also cut substantially, with nearly 80% of respondents reporting they saw decreased capacity. And though fewer respondents in Q3 compared to Q2 2020 said there was reduced capacity for D&O—82% compared to 67%, respectively—the vast majority of the remaining respondents (30%) said capacity “didn’t change,” signifying there were continued issues with D&O capacity in Q3.

Capacity contraction for Umbrella, Commercial Property, and D&O came with “increased deductibles,” “lower limits,”

and “reduced coverage,” according to respondents. As an example, a respondent from a mid-sized Northwestern firm commented: “Reduction in CAT property capacity and in Umbrella limits forces a broker to find new layers to provide existing limits to clients. This drives up costs. Umbrella markets moving totally out of habitational Umbrellas or only wanting to attach at \$10 million has driven that market up substantially. We just had one renewal on a claims free account with \$15 million Umbrella where price went from \$40k to \$120k (300% increase).”

Additionally, according to a respondent from a large Northeastern firm, carriers were “requesting more info and [applying] much more scrutiny on insureds’ financial statements and operating procedures around response/preparedness to COVID exposure.” Many respondents agreed with this assessment, mentioning added questions about COVID-19 readiness during renewal, heavy scrutiny for lines such as Commercial Property, and the addition of communicable disease exclusions.

UNDERWRITING BY ACCOUNT SIZE

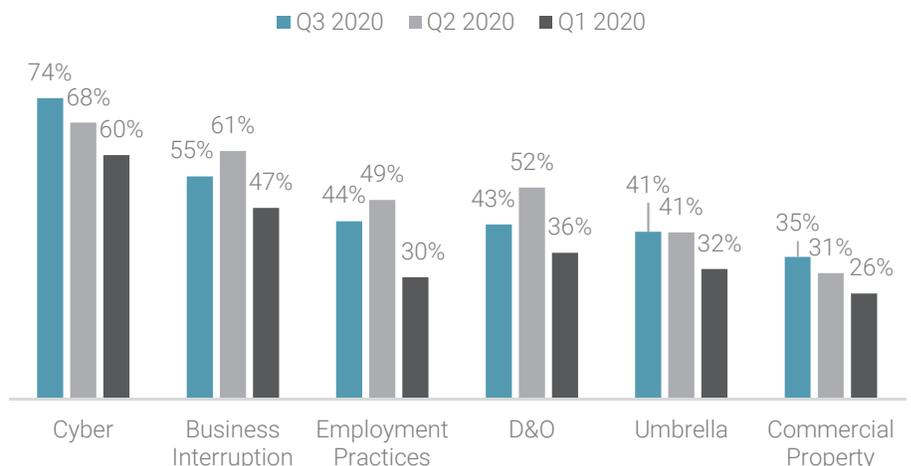
Respondents characterized underwriting for **medium** and **large** accounts as having more restrictive terms and conditions, with increased scrutiny of financials and increased deductibles across the board. Carriers “took a hard look,” on accounts with Commercial Property exposure according to a respondent from a large Midwestern firm. “What used to be [loss control] recommendations are now mandates.” Respondents reported that carriers were also “less flexible on pricing,” especially for accounts with “large fleets” and with Umbrella excess liability coverages. “Property, Auto and Excess increases greatly impacted renewal terms,” said one respondent from a mid-sized Southwestern firm.

As with premium pricing, **small** accounts saw fewer significant changes than medium or large accounts. While a few respondents noted that underwriting had become slightly stricter and carriers had added a few restrictions in renewals, most reported that there had been little to no change in how carriers underwrote small accounts.

DEMAND

The sharp increase in demand for lines such as **Business Interruption**, **Employment Practices**, **D&O** and all lines affected by the pandemic, has moderated somewhat in Q3, as seen in the graph to the right. However, it’s clear that demand for these lines remained higher than normal, because those respondents who did not report an increase in demand for those lines instead said demand hadn’t changed. “Cyber and D&O are lines getting lots of publicity so that may be driving slightly increased demand,” said one respondent from a large Northeastern firm.

Respondents Noting an Increase in Demand



Demand for **Cyber** was up, with 74% of respondents noting increased demand. According to respondents, it seems likely this is due to Cyber “becoming a standard coverage at this juncture.”

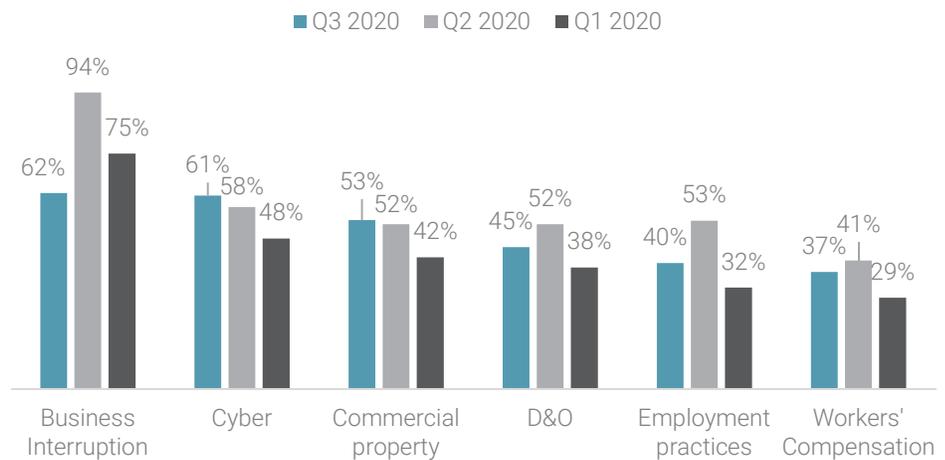
On the other hand, demand for **Commercial Auto**, which was historically relatively high prior to the pandemic—41% of respondents reported increased demand for Commercial Auto in Q4 2019, for example—remained low in Q3 2020. **Twenty-one percent** (21%) of respondents reported increased Auto demand this quarter, roughly in line with

the 19% increase recorded in Q2 and 25% in Q1 after the pandemic began to impact the country.

CLAIMS

After the initial rush of Business Interruption claims—jumping from 18% in Q4 2019 to 75% in Q1 2020 and 94% in Q2 2020—things seem to have waned somewhat in Q3. BI claims still remained higher than normal with **62%** of respondents noting an increase. As one respondent from a large Midwestern firm put it, “Most BI claims were reported in the second quarter. So although we have had significant activity in reporting BI claims [this year], those claims have slowed so no new claims increased activity in 3rd quarter.”

Respondents Noting an Increase in Claims



Other lines that saw an outsized impact on number of claims due to the pandemic, though in the opposite direction, such as Commercial Auto or General Liability, have also not yet returned to normal levels. In Q4 2019, 65% of respondents and 39% of respondents reported increased claims for those two lines, respectively, but in Q3 2020, around 20% of respondents reported increased Auto and General Liability claims. As such, the restrictions on public activities appear to have exerted downward pressure on claims numbers for commercial lines whose coverages are generally not triggered by pandemic exposures.

However, the pandemic was not the only cause of claim activity. Several respondents noted increased Commercial Property claims, as seen in the graph above, of which natural catastrophes were a significant driver. “[The] Southeast was exposed to two major hurricanes,” said one respondent from a large Southeastern firm. “[August’s] Midwest derecho caused numerous property claims for our clients,” said another respondent from a large Midwestern firm.

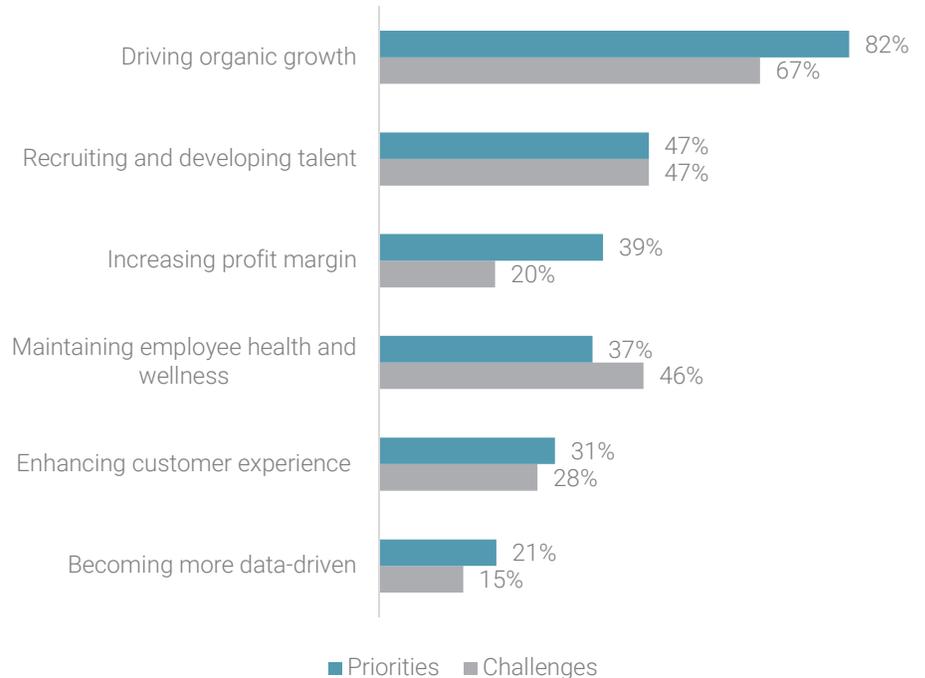
PRIORITIES AND CHALLENGES

“Driving organic growth” was again the top priority and top challenge for respondents’ firms in Q3 2020—**82%** of respondents said it was one of their top three priorities, and **67%** said it was one of their top three challenges. “We need to continue to grow and, in this environment, it has been more difficult,” said one respondent from a mid-sized Northeastern firm, and other respondents agreed that “driving organic growth” was more of a challenge in Q3 2020 than in past quarters, primarily due to the COVID-19 pandemic. “Clients are struggling, meaning it is a challenge today to grow. We are reliant on new business to offset clients that leave or go out of business—getting new business is harder today than ever,” said another respondent from a large Southeastern firm. And according to a third respondent from a large Northwestern firm: “New business has been suppressed by COVID. Clients are not

looking to engage new brokers during this difficult time.”

Apart from “driving organic growth,” **“recruiting and developing talent”** and **“increasing profit margin”** were respondents’ other two top three priorities, with **47%** and **39%** of respondents listing them as such, respectively. Again, respondents highlighted that the pandemic had made achieving these priorities more challenging. “We use recruiters to find people,” one respondent from a mid-sized Northwestern firm explained. “Right now, they are not finding the best people. Good people are not moving because of COVID-19 and want to stay secure.” “It is hard to develop talent and recruit in this COVID-19 world when many clients are not letting you into their offices and much of the work and meetings are remote,” said another respondent from a mid-sized Southeastern firm.

Top 3 Broker Priorities and Challenges for Q3 2020



Still, firms pushed to achieve these priorities despite the challenges the pandemic posed, making use of methods discussed in previous surveys. Firms turned to third-party recruiting services to bring in fresh talent and have also taken advantage of “utilizing carrier and other referral sources to find talent that fits our agency culture.” Some firms have also turned inward to focus on developing and refining talent already on board by employing, for example, “in-house assistance with continuing professional education” in order to help their employees specialize.

As for “increasing profit margin,” respondents emphasized that “investment in technology to drive efficiency” was crucial, as it would enable them to “monitor and minimize agency costs.” There will be a need, one respondent said, for “elimination of processes that don’t match up with the direction the industry is moving toward.” One respondent also suggested that “with WFH and [fewer] travel expenses, this [increasing profit margin] should be achieved,” pointing to the fact that the pandemic offered brokers an opportunity to adjust their business model in favor of a more virtual workforce equipped with digital tools that allow for greater efficiency.

“Maintaining employee health and wellness,” an option added in Q2 2020 to gauge how firms were handling the impact of the pandemic on the health and welfare of their employees, was the third of respondents’ top three challenges in Q3 2020, with **46%** of respondents reporting it as a top-three challenge. “We continue to monitor the health of staff. COVID-19 has generated a lot of unusual stress,” said one respondent from a large Southeastern firm. “COVID-19, the election, etc. Insurance folks are working harder than ever during the pandemic and trying to keep it together. It’s hard for everyone right now,” commented another respondent from a large Northwestern firm.

To address the added stress from the current environment and the negative impact on company culture from extended periods of working from home, firms offered health and wellness-focused programs, such as mental wellness coaching or physical fitness activities (like online courses for yoga and meditation). One respondent said, “Every day we receive health and wellness tips as well as education/training opportunities,” and another commented they had been leveraging their relationships with their carriers, which had “stepped up their online training availability to help develop our staff.”

In general, respondents agreed it was essential for them to ensure their employees could work comfortably from

home and to pay close attention to their employees' mental and physical wellbeing, not just because employees are the lifeblood of a brokerage, but also because it could help them achieve their goal of developing, recruiting and retaining talent. In the words of a respondent from a large Northwestern firm, "Our people are our #1 asset. We invest in our people with the best benefits, support and mentoring we can muster so that the best stay and can then act as word of mouth recruiters."

The Council of Insurance Agents & Brokers is the premier association for the top regional, national and international commercial insurance and employee benefits intermediaries worldwide. Council members are market leaders who annually place 85 percent of U.S. commercial property/casualty insurance premiums and administer billions of dollars in employee benefits accounts. With expansive international reach, The Council fosters industry wide relationships around the globe by engaging lawmakers, regulators and stakeholders to promote the interests of its members and the valuable role they play in the mitigation of risk for their clients. Founded in 1913, The Council is based in Washington, D.C.

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

1. During the third quarter of 2020 (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 2020 (April 1 - June 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not sure
Small Account (Less than \$25k in commission and fees)	0.00%	0.00%	0.00%	0.00%	1.87%	68.22%	26.17%	0.00%	0.00%	0.00%	3.74%
Medium Account (Between \$25k to \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	0.93%	28.04%	59.81%	9.35%	0.93%	0.00%	0.93%
Large Account (More than \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	0.94%	26.42%	42.45%	20.75%	7.55%	0.00%	1.89%

2. During the third quarter of 2020 (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 2020 (April 1 - June 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No Change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not Sure
Business interruption	0.00%	0.00%	0.00%	0.00%	5.83%	47.57%	34.95%	10.68%	0.00%	0.00%	0.97%
Broker E&O	0.00%	0.00%	0.00%	0.00%	36.73%	31.63%	15.31%	1.02%	0.00%	1.02%	14.29%
Commercial auto	0.00%	0.00%	0.97%	0.00%	2.91%	36.89%	48.54%	7.77%	1.94%	0.00%	0.97%
Commercial property	0.00%	0.00%	0.00%	0.00%	2.91%	21.36%	50.49%	21.36%	2.91%	0.00%	0.97%
Construction risks	0.00%	0.00%	0.00%	0.00%	15.31%	38.78%	29.59%	8.16%	1.02%	0.00%	7.14%
Cyber	0.00%	0.00%	0.00%	1.94%	12.62%	50.49%	24.27%	8.74%	0.00%	0.00%	1.94%
D&O	0.00%	0.00%	0.00%	0.00%	8.91%	21.78%	34.65%	21.78%	10.89%	1.98%	0.00%
Flood	0.00%	0.00%	0.00%	0.00%	49.49%	28.28%	14.14%	2.02%	0.00%	0.00%	6.06%
Employment practices	0.00%	0.00%	0.00%	0.00%	15.84%	36.63%	28.71%	14.85%	2.97%	0.00%	0.99%
General liability	0.00%	0.00%	0.00%	0.00%	13.73%	62.75%	16.67%	4.90%	0.98%	0.00%	0.98%
Marine	0.00%	0.00%	1.03%	0.00%	40.21%	31.96%	17.53%	1.03%	0.00%	1.03%	7.22%
Medical malpractice	0.00%	0.00%	0.00%	1.05%	41.05%	22.11%	10.53%	12.63%	1.05%	1.05%	10.53%
Surety bonds	0.00%	0.00%	0.00%	0.00%	66.32%	14.74%	8.42%	1.05%	0.00%	1.05%	8.42%
Terrorism	0.00%	0.00%	0.00%	0.00%	78.13%	9.38%	6.25%	1.04%	0.00%	1.04%	4.17%
Umbrella	0.00%	0.00%	0.00%	0.00%	1.92%	7.69%	33.65%	29.81%	21.15%	3.85%	1.92%
Workers' compensation	0.00%	0.00%	1.94%	21.36%	39.81%	28.16%	4.85%	1.94%	0.97%	0.00%	0.97%

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

1. During the third quarter of 2020 (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 2020 (April 1 - June 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not sure
Small Account (Less than \$25k in commission and fees)	0.00%	0.00%	0.00%	0.00%	4.55%	77.27%	18.18%	0.00%	0.00%	0.00%	0.00%
Medium Account (Between \$25k to \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	4.55%	50.00%	40.91%	4.55%	0.00%	0.00%	0.00%
Large Account (More than \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	4.55%	36.36%	36.36%	13.64%	4.55%	0.00%	4.55%

2. During the third quarter of 2020 (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 2020 (April 1 - June 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No Change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not Sure
Business interruption	0.00%	0.00%	0.00%	0.00%	4.76%	52.38%	28.57%	14.29%	0.00%	0.00%	0.00%
Broker E&O	0.00%	0.00%	0.00%	0.00%	40.00%	25.00%	10.00%	5.00%	0.00%	0.00%	20.00%
Commercial auto	0.00%	0.00%	0.00%	0.00%	9.52%	23.81%	52.38%	9.52%	4.76%	0.00%	0.00%
Commercial property	0.00%	0.00%	0.00%	0.00%	5.00%	30.00%	40.00%	20.00%	5.00%	0.00%	0.00%
Construction risks	0.00%	0.00%	0.00%	0.00%	20.00%	35.00%	25.00%	5.00%	5.00%	0.00%	10.00%
Cyber	0.00%	0.00%	0.00%	4.76%	14.29%	47.62%	23.81%	9.52%	0.00%	0.00%	0.00%
D&O	0.00%	0.00%	0.00%	0.00%	19.05%	14.29%	33.33%	23.81%	9.52%	0.00%	0.00%
Flood	0.00%	0.00%	0.00%	0.00%	47.62%	28.57%	19.05%	0.00%	0.00%	0.00%	4.76%
Employment practices	0.00%	0.00%	0.00%	0.00%	19.05%	33.33%	28.57%	14.29%	4.76%	0.00%	0.00%
General liability	0.00%	0.00%	0.00%	0.00%	4.76%	66.67%	19.05%	9.52%	0.00%	0.00%	0.00%
Marine	0.00%	0.00%	0.00%	0.00%	28.57%	42.86%	19.05%	0.00%	0.00%	0.00%	9.52%
Medical malpractice	0.00%	0.00%	0.00%	5.00%	50.00%	15.00%	0.00%	20.00%	0.00%	0.00%	10.00%
Surety bonds	0.00%	0.00%	0.00%	0.00%	65.00%	10.00%	15.00%	0.00%	0.00%	0.00%	10.00%
Terrorism	0.00%	0.00%	0.00%	0.00%	75.00%	5.00%	15.00%	0.00%	0.00%	0.00%	5.00%
Umbrella	0.00%	0.00%	0.00%	0.00%	4.76%	9.52%	33.33%	19.05%	28.57%	4.76%	0.00%
Workers' compensation	0.00%	0.00%	0.00%	28.57%	42.86%	14.29%	9.52%	4.76%	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 2020 (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 2020 (April 1 - June 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not sure
Small Account (Less than \$25k in commission and fees)	0.00%	0.00%	0.00%	0.00%	0.00%	60.87%	34.78%	0.00%	0.00%	0.00%	4.35%
Medium Account (Between \$25k to \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	0.00%	26.09%	60.87%	13.04%	0.00%	0.00%	0.00%
Large Account (More than \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	0.00%	27.27%	40.91%	22.73%	9.09%	0.00%	0.00%

2. During the third quarter of 2020 (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 2020 (April 1 - June 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No Change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not Sure
Business interruption	0.00%	0.00%	0.00%	0.00%	9.09%	36.36%	50.00%	4.55%	0.00%	0.00%	0.00%
Broker E&O	0.00%	0.00%	0.00%	0.00%	45.45%	27.27%	9.09%	0.00%	0.00%	4.55%	13.64%
Commercial auto	0.00%	0.00%	0.00%	0.00%	0.00%	31.82%	59.09%	9.09%	0.00%	0.00%	0.00%
Commercial property	0.00%	0.00%	0.00%	0.00%	4.35%	30.43%	52.17%	13.04%	0.00%	0.00%	0.00%
Construction risks	0.00%	0.00%	0.00%	0.00%	18.18%	45.45%	18.18%	18.18%	0.00%	0.00%	0.00%
Cyber	0.00%	0.00%	0.00%	4.55%	9.09%	59.09%	22.73%	4.55%	0.00%	0.00%	0.00%
D&O	0.00%	0.00%	0.00%	0.00%	13.64%	27.27%	31.82%	22.73%	0.00%	4.55%	0.00%
Flood	0.00%	0.00%	0.00%	0.00%	68.18%	22.73%	4.55%	0.00%	0.00%	0.00%	4.55%
Employment practices	0.00%	0.00%	0.00%	0.00%	27.27%	36.36%	22.73%	9.09%	4.55%	0.00%	0.00%
General liability	0.00%	0.00%	0.00%	0.00%	30.43%	56.52%	8.70%	4.35%	0.00%	0.00%	0.00%
Marine	0.00%	0.00%	4.76%	0.00%	61.90%	14.29%	9.52%	0.00%	0.00%	4.76%	4.76%
Medical malpractice	0.00%	0.00%	0.00%	0.00%	38.10%	28.57%	9.52%	9.52%	4.76%	4.76%	4.76%
Surety bonds	0.00%	0.00%	0.00%	0.00%	66.67%	9.52%	9.52%	0.00%	0.00%	4.76%	9.52%
Terrorism	0.00%	0.00%	0.00%	0.00%	86.36%	4.55%	0.00%	0.00%	0.00%	4.55%	4.55%
Umbrella	0.00%	0.00%	0.00%	0.00%	0.00%	13.04%	26.09%	30.43%	26.09%	4.35%	0.00%
Workers' compensation	0.00%	0.00%	4.55%	27.27%	54.55%	13.64%	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 2020 (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 2020 (April 1 - June 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not sure
Small Account (Less than \$25k in commission and fees)	0.00%	0.00%	0.00%	0.00%	3.33%	70.00%	16.67%	0.00%	0.00%	0.00%	10.00%
Medium Account (Between \$25k to \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	0.00%	30.00%	56.67%	6.67%	3.33%	0.00%	3.33%
Large Account (More than \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	0.00%	26.67%	43.33%	20.00%	6.67%	0.00%	3.33%

2. During the third quarter of 2020 (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 2020 (April 1 - June 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No Change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not Sure
Business interruption	0.00%	0.00%	0.00%	0.00%	6.90%	51.72%	24.14%	13.79%	0.00%	0.00%	3.45%
Broker E&O	0.00%	0.00%	0.00%	0.00%	37.04%	29.63%	18.52%	0.00%	0.00%	0.00%	14.81%
Commercial auto	0.00%	0.00%	0.00%	0.00%	3.57%	46.43%	46.43%	0.00%	0.00%	0.00%	3.57%
Commercial property	0.00%	0.00%	0.00%	0.00%	3.45%	13.79%	48.28%	31.03%	0.00%	0.00%	3.45%
Construction risks	0.00%	0.00%	0.00%	0.00%	13.79%	37.93%	31.03%	6.90%	0.00%	0.00%	10.34%
Cyber	0.00%	0.00%	0.00%	0.00%	10.34%	44.83%	27.59%	10.34%	0.00%	0.00%	6.90%
D&O	0.00%	0.00%	0.00%	0.00%	3.70%	29.63%	33.33%	18.52%	14.81%	0.00%	0.00%
Flood	0.00%	0.00%	0.00%	0.00%	35.71%	32.14%	17.86%	7.14%	0.00%	0.00%	7.14%
Employment practices	0.00%	0.00%	0.00%	0.00%	11.11%	44.44%	25.93%	14.81%	0.00%	0.00%	3.70%
General liability	0.00%	0.00%	0.00%	0.00%	14.81%	55.56%	18.52%	3.70%	3.70%	0.00%	3.70%
Marine	0.00%	0.00%	0.00%	0.00%	29.63%	37.04%	25.93%	0.00%	0.00%	0.00%	7.41%
Medical malpractice	0.00%	0.00%	0.00%	0.00%	29.63%	25.93%	22.22%	11.11%	0.00%	0.00%	11.11%
Surety bonds	0.00%	0.00%	0.00%	0.00%	62.96%	22.22%	7.41%	0.00%	0.00%	0.00%	7.41%
Terrorism	0.00%	0.00%	0.00%	0.00%	77.78%	7.41%	7.41%	3.70%	0.00%	0.00%	3.70%
Umbrella	0.00%	0.00%	0.00%	0.00%	3.57%	7.14%	28.57%	35.71%	14.29%	3.57%	7.14%
Workers' compensation	0.00%	0.00%	3.45%	20.69%	27.59%	37.93%	3.45%	3.45%	0.00%	0.00%	3.45%

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

1. During the third quarter of 2020 (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 2020 (April 1 - June 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not sure
Small Account (Less than \$25k in commission and fees)	0.00%	0.00%	0.00%	0.00%	0.00%	75.00%	25.00%	0.00%	0.00%	0.00%	0.00%
Medium Account (Between \$25k to \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	0.00%	12.50%	87.50%	0.00%	0.00%	0.00%	0.00%
Large Account (More than \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	0.00%	37.50%	50.00%	12.50%	0.00%	0.00%	0.00%

2. During the third quarter of 2020 (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 2020 (April 1 - June 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No Change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not Sure
Business interruption	0.00%	0.00%	0.00%	0.00%	0.00%	75.00%	25.00%	0.00%	0.00%	0.00%	0.00%
Broker E&O	0.00%	0.00%	0.00%	0.00%	42.86%	28.57%	14.29%	0.00%	0.00%	0.00%	14.29%
Commercial auto	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%	50.00%	0.00%	0.00%	0.00%	0.00%
Commercial property	0.00%	0.00%	0.00%	0.00%	0.00%	37.50%	62.50%	0.00%	0.00%	0.00%	0.00%
Construction risks	0.00%	0.00%	0.00%	0.00%	14.29%	28.57%	42.86%	0.00%	0.00%	0.00%	14.29%
Cyber	0.00%	0.00%	0.00%	0.00%	12.50%	62.50%	12.50%	12.50%	0.00%	0.00%	0.00%
D&O	0.00%	0.00%	0.00%	0.00%	0.00%	12.50%	50.00%	37.50%	0.00%	0.00%	0.00%
Flood	0.00%	0.00%	0.00%	0.00%	57.14%	28.57%	0.00%	0.00%	0.00%	0.00%	14.29%
Employment practices	0.00%	0.00%	0.00%	0.00%	0.00%	37.50%	25.00%	37.50%	0.00%	0.00%	0.00%
General liability	0.00%	0.00%	0.00%	0.00%	25.00%	62.50%	12.50%	0.00%	0.00%	0.00%	0.00%
Marine	0.00%	0.00%	0.00%	0.00%	50.00%	25.00%	12.50%	0.00%	0.00%	0.00%	12.50%
Medical malpractice	0.00%	0.00%	0.00%	0.00%	14.29%	42.86%	14.29%	0.00%	0.00%	0.00%	28.57%
Surety bonds	0.00%	0.00%	0.00%	0.00%	71.43%	14.29%	0.00%	0.00%	0.00%	0.00%	14.29%
Terrorism	0.00%	0.00%	0.00%	0.00%	66.67%	16.67%	0.00%	0.00%	0.00%	0.00%	16.67%
Umbrella	0.00%	0.00%	0.00%	0.00%	0.00%	12.50%	37.50%	50.00%	0.00%	0.00%	0.00%
Workers' compensation	0.00%	0.00%	0.00%	0.00%	37.50%	62.50%	0.00%	0.00%	0.00%	0.00%	0.00%

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

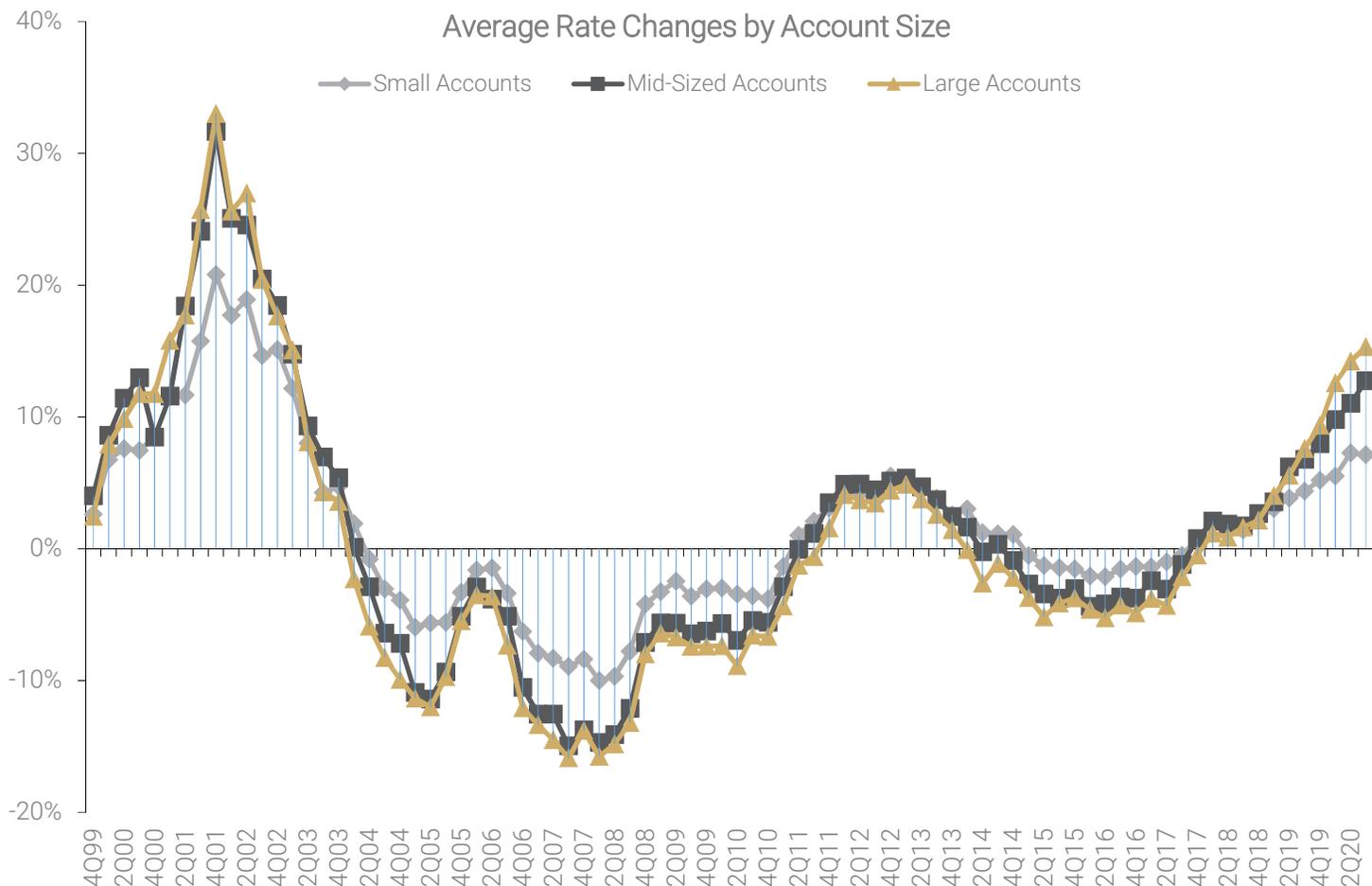
1. During the third quarter of 2020 (July 1 – September 30), on average, did premiums go up or down for each of the following account sizes, compared to the second quarter of 2020 (April 1 - June 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not sure
Small Account (Less than \$25k in commission and fees)	0.00%	0.00%	0.00%	0.00%	0.00%	62.50%	37.50%	0.00%	0.00%	0.00%	0.00%
Medium Account (Between \$25k to \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	0.00%	12.50%	70.83%	16.67%	0.00%	0.00%	0.00%
Large Account (More than \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	0.00%	12.50%	45.83%	29.17%	12.50%	0.00%	0.00%

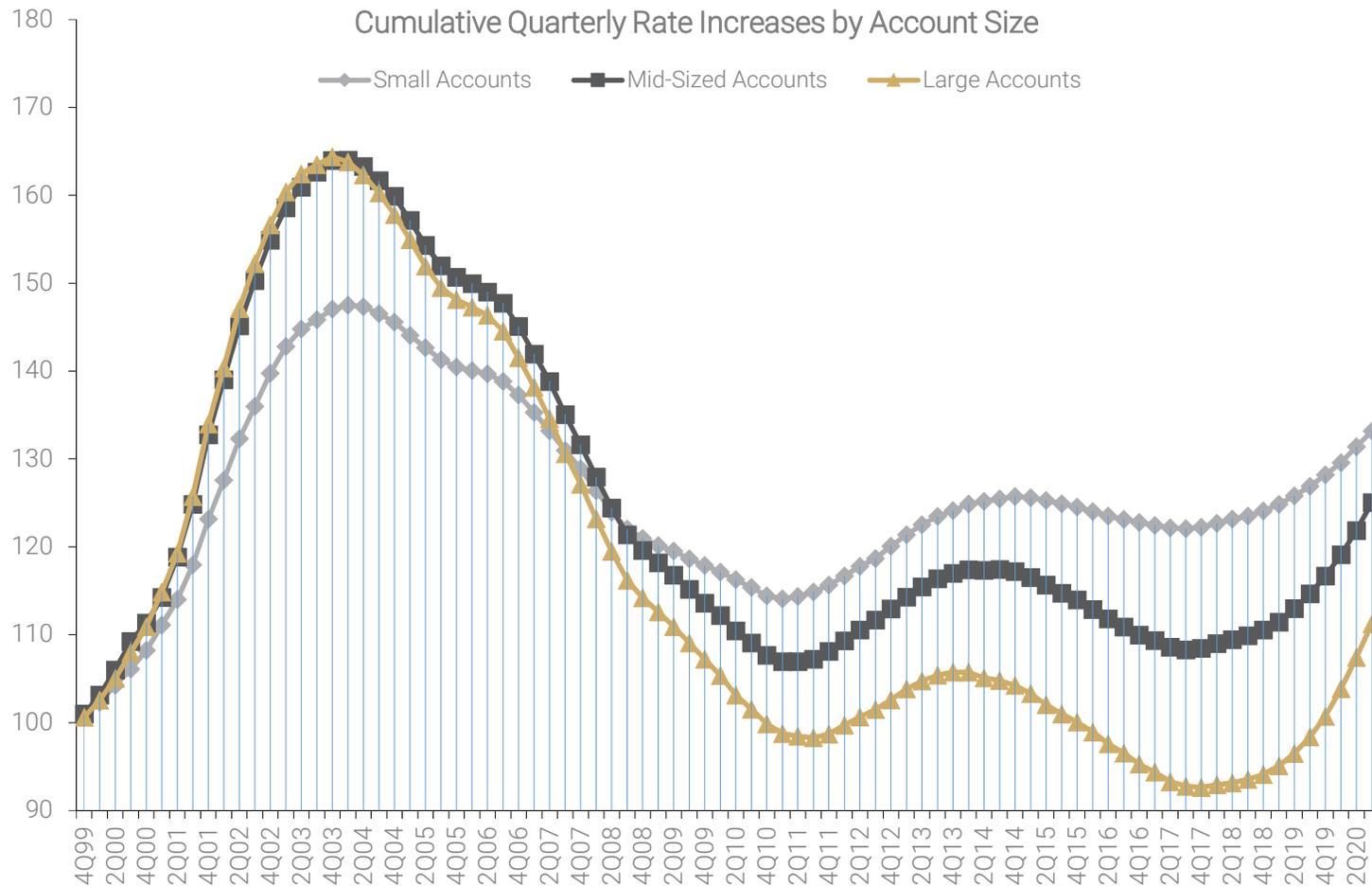
2. During the third quarter of 2020 (July 1 – September 30), on average, did premiums go up or down for each of the following lines of business, compared to the second quarter of 2020 (April 1 - June 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

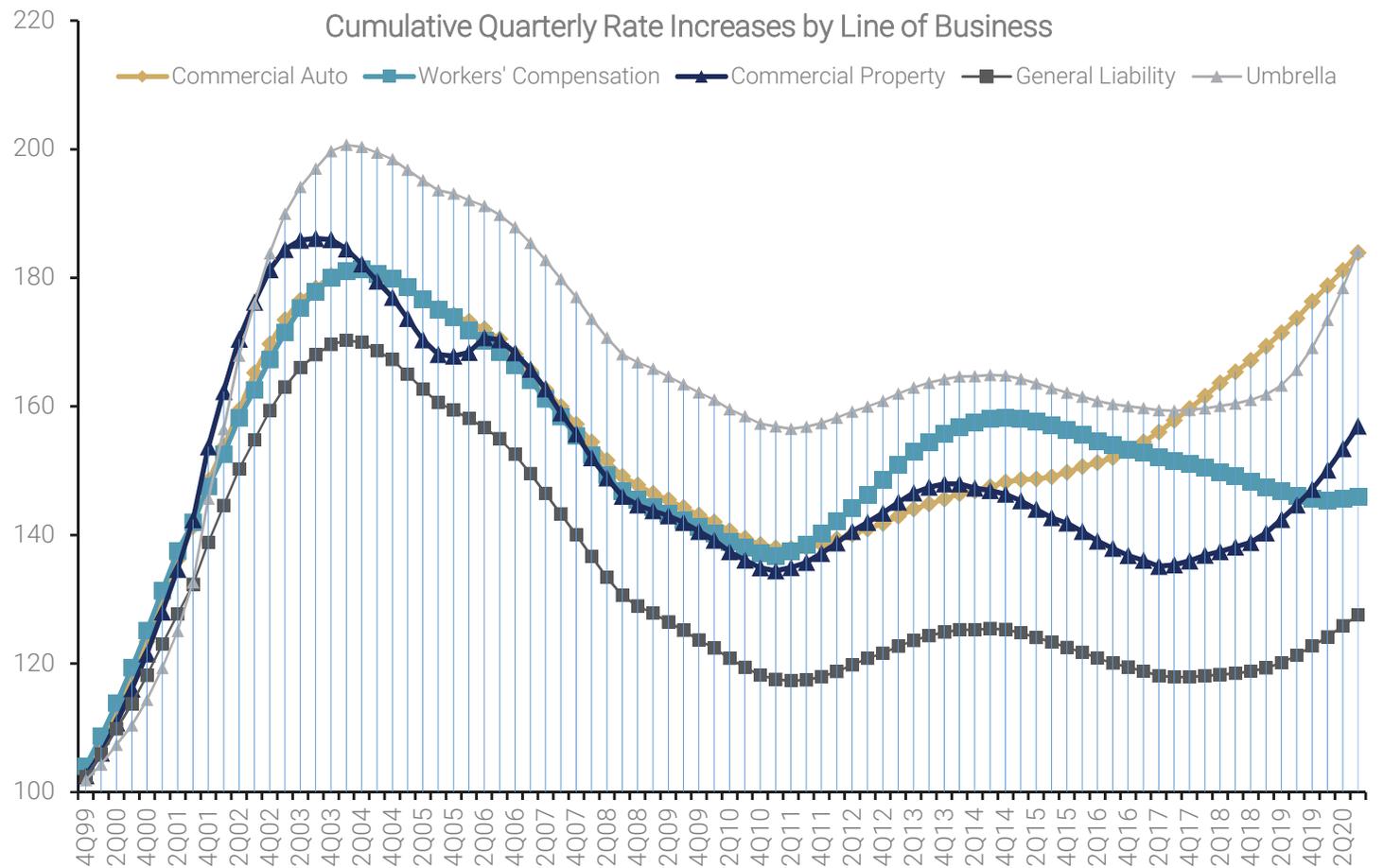
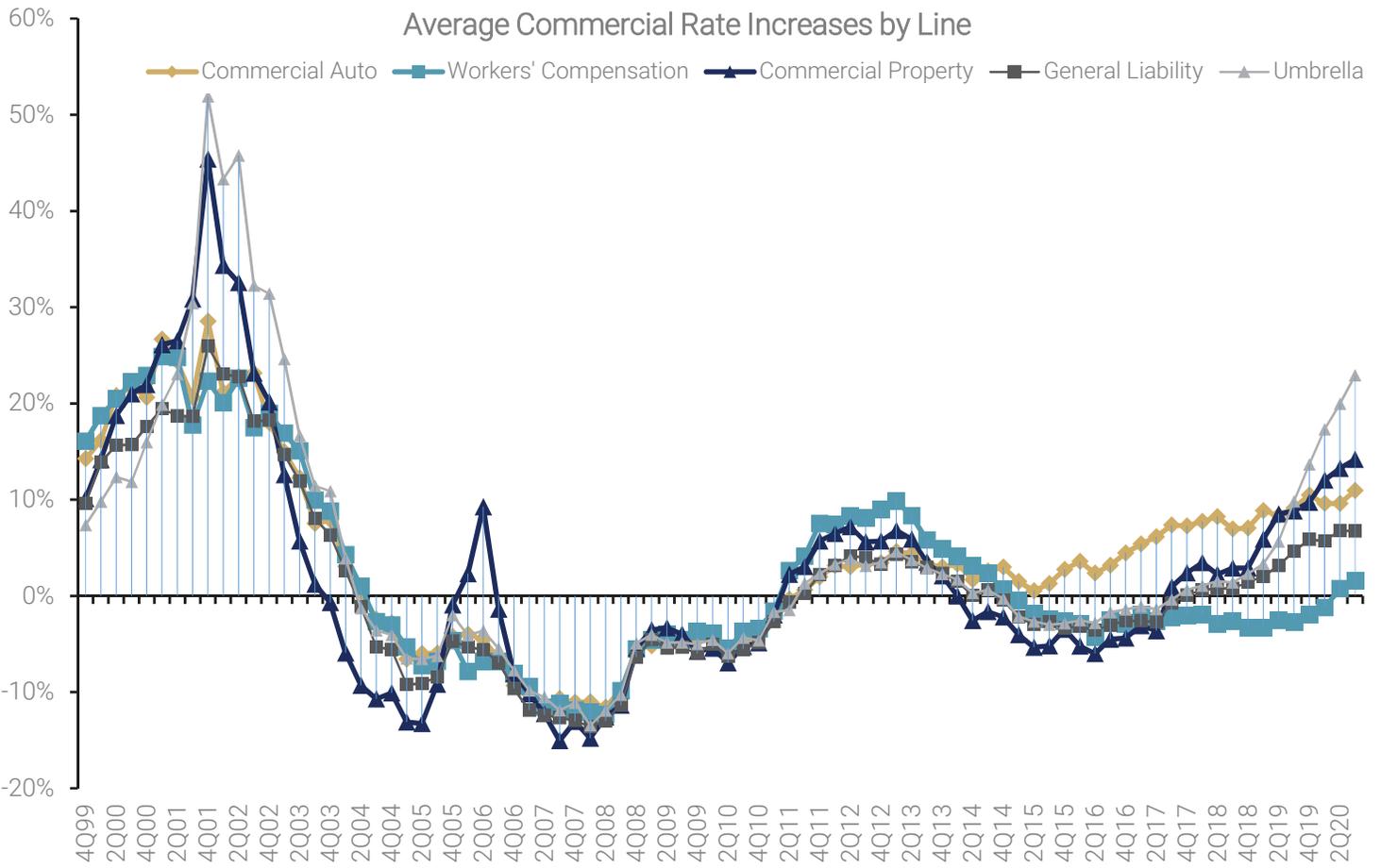
	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No Change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not Sure
Business interruption	0.00%	0.00%	0.00%	0.00%	4.35%	39.13%	43.48%	13.04%	0.00%	0.00%	0.00%
Broker E&O	0.00%	0.00%	0.00%	0.00%	22.73%	45.45%	22.73%	0.00%	0.00%	0.00%	9.09%
Commercial auto	0.00%	0.00%	4.17%	0.00%	0.00%	37.50%	37.50%	16.67%	4.17%	0.00%	0.00%
Commercial property	0.00%	0.00%	0.00%	0.00%	0.00%	8.70%	56.52%	26.09%	8.70%	0.00%	0.00%
Construction risks	0.00%	0.00%	0.00%	0.00%	10.00%	40.00%	40.00%	5.00%	0.00%	0.00%	5.00%
Cyber	0.00%	0.00%	0.00%	0.00%	17.39%	47.83%	26.09%	8.70%	0.00%	0.00%	0.00%
D&O	0.00%	0.00%	0.00%	0.00%	4.35%	17.39%	34.78%	17.39%	21.74%	4.35%	0.00%
Flood	0.00%	0.00%	0.00%	0.00%	47.62%	28.57%	19.05%	0.00%	0.00%	0.00%	4.76%
Employment practices	0.00%	0.00%	0.00%	0.00%	13.04%	30.43%	39.13%	13.04%	4.35%	0.00%	0.00%
General liability	0.00%	0.00%	0.00%	0.00%	0.00%	73.91%	21.74%	4.35%	0.00%	0.00%	0.00%
Marine	0.00%	0.00%	0.00%	0.00%	40.00%	35.00%	15.00%	5.00%	0.00%	0.00%	5.00%
Medical malpractice	0.00%	0.00%	0.00%	0.00%	60.00%	10.00%	5.00%	15.00%	0.00%	0.00%	10.00%
Surety bonds	0.00%	0.00%	0.00%	0.00%	70.00%	15.00%	5.00%	5.00%	0.00%	0.00%	5.00%
Terrorism	0.00%	0.00%	0.00%	0.00%	76.19%	19.05%	4.76%	0.00%	0.00%	0.00%	0.00%
Umbrella	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	45.83%	25.00%	25.00%	4.17%	0.00%
Workers' compensation	0.00%	0.00%	0.00%	17.39%	39.13%	30.43%	8.70%	0.00%	4.35%	0.00%	0.00%

Average Rate Changes by Account Size



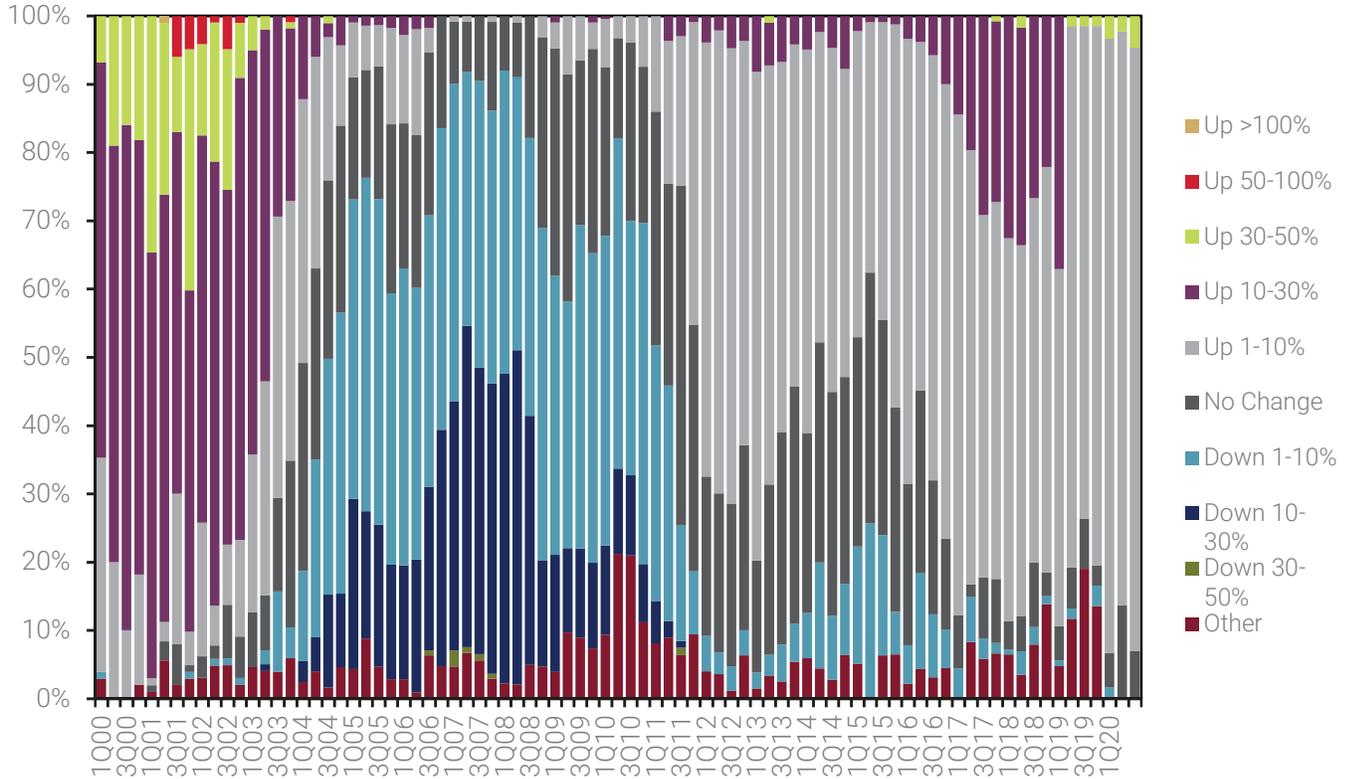
Cumulative Quarterly Rate Increases by Account Size





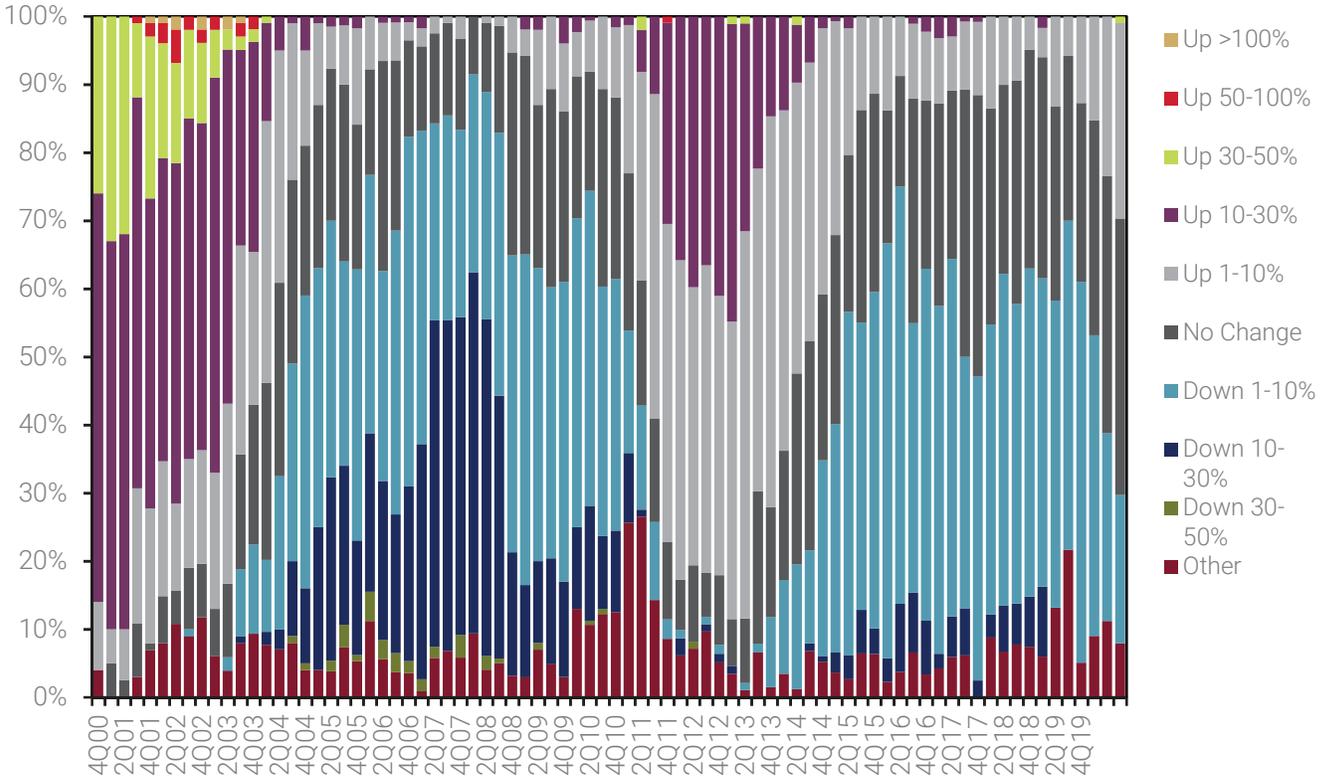
Commercial Auto Insurance Rate Changes

Percentage of Survey Respondents



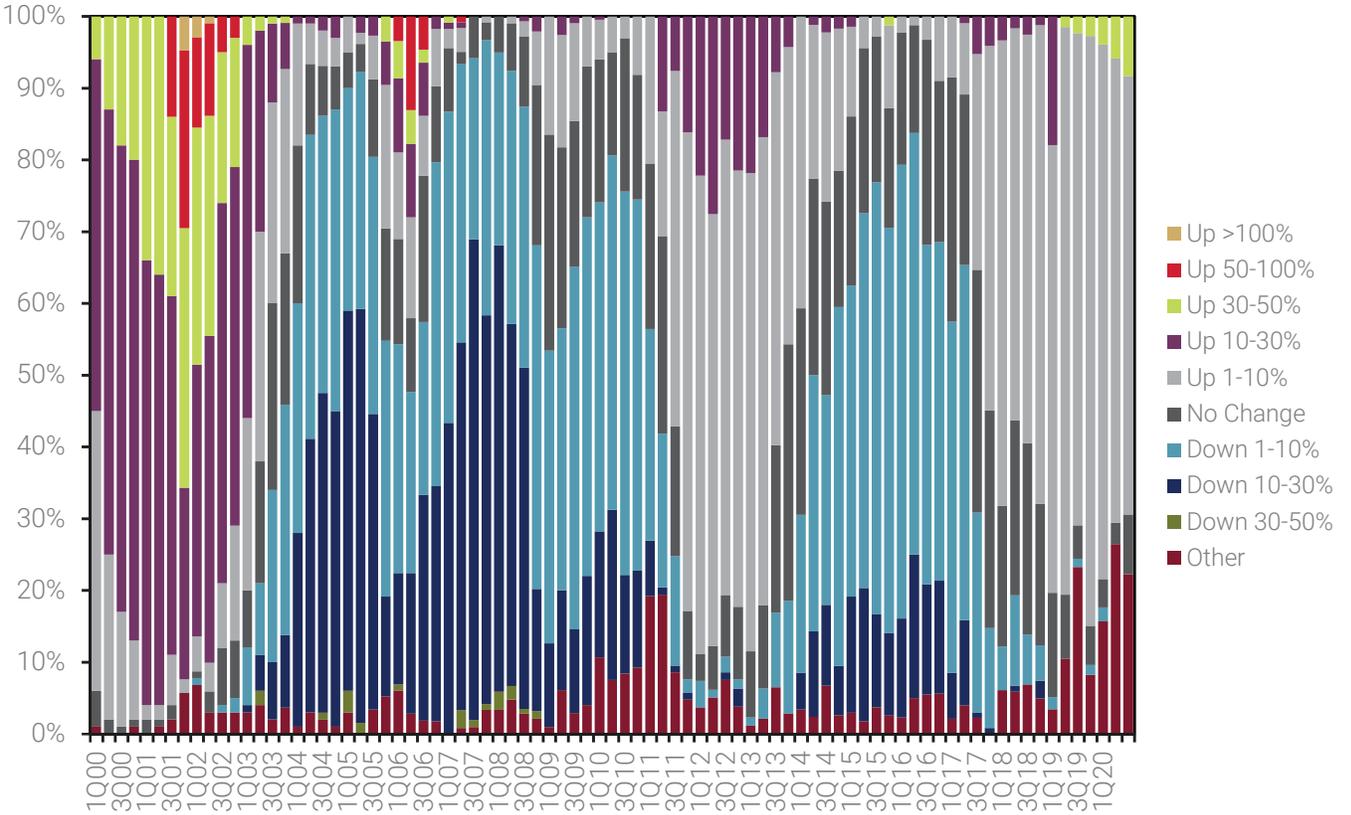
Workers' Compensation Insurance Rate Changes

Percentage of Survey Respondents



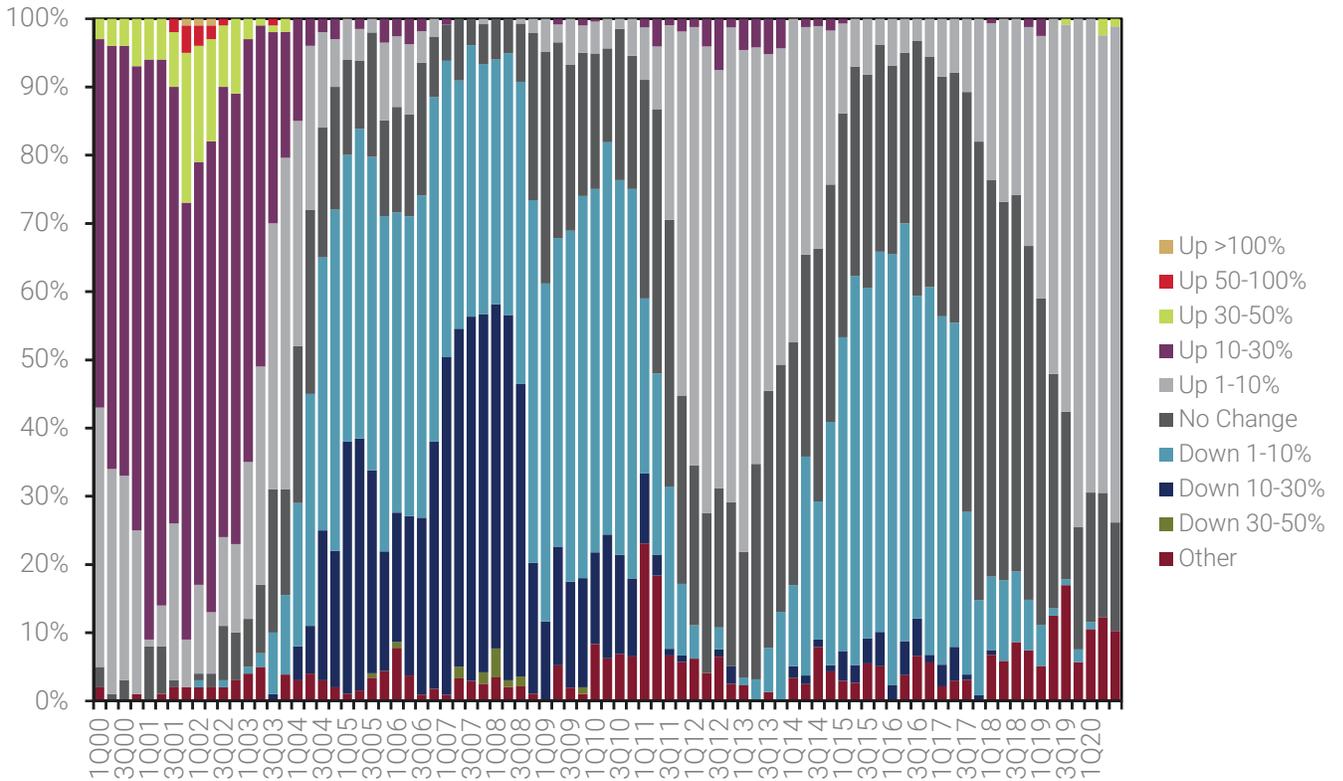
Commercial Property Insurance Rate Changes

Percentage of Survey Respondents

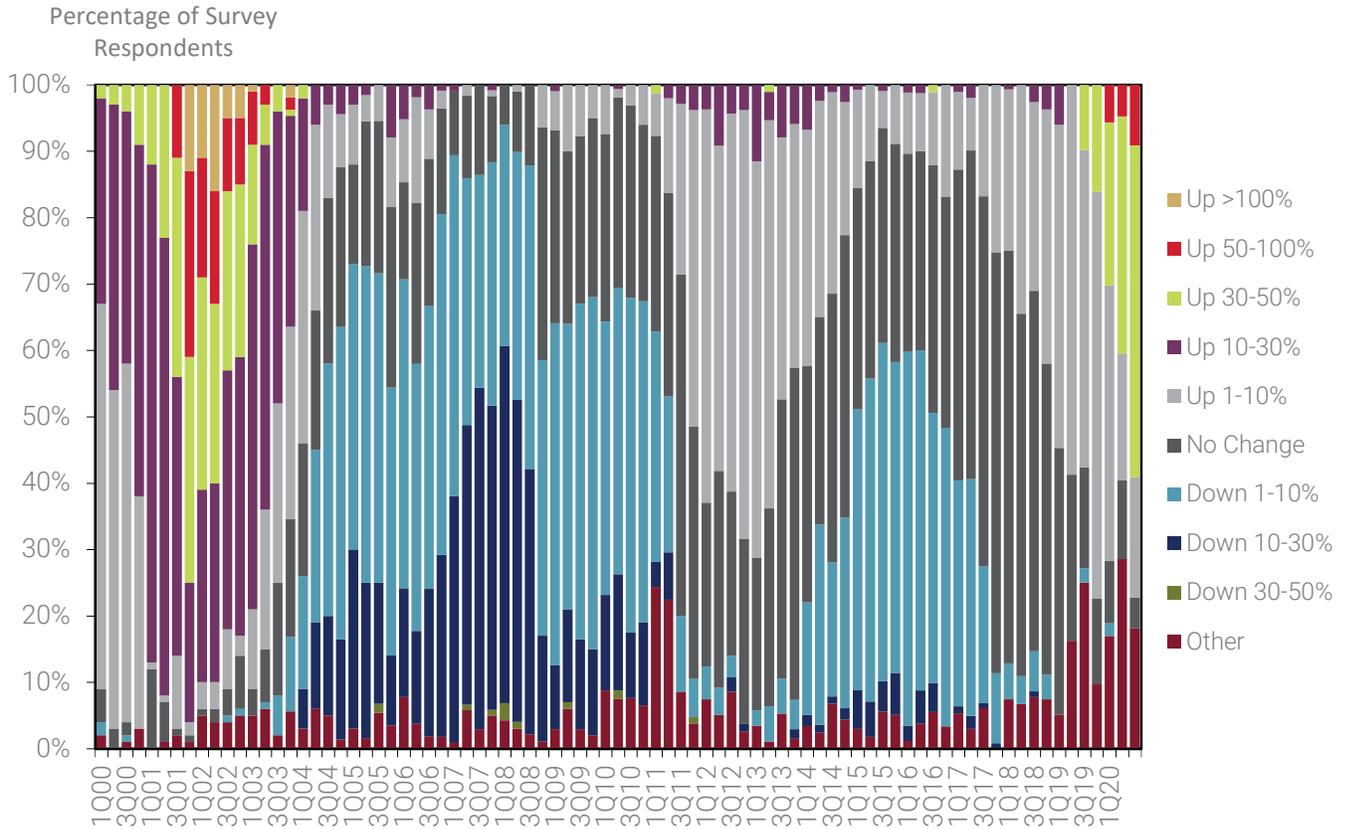


Commercial General Liability Insurance Rate Changes

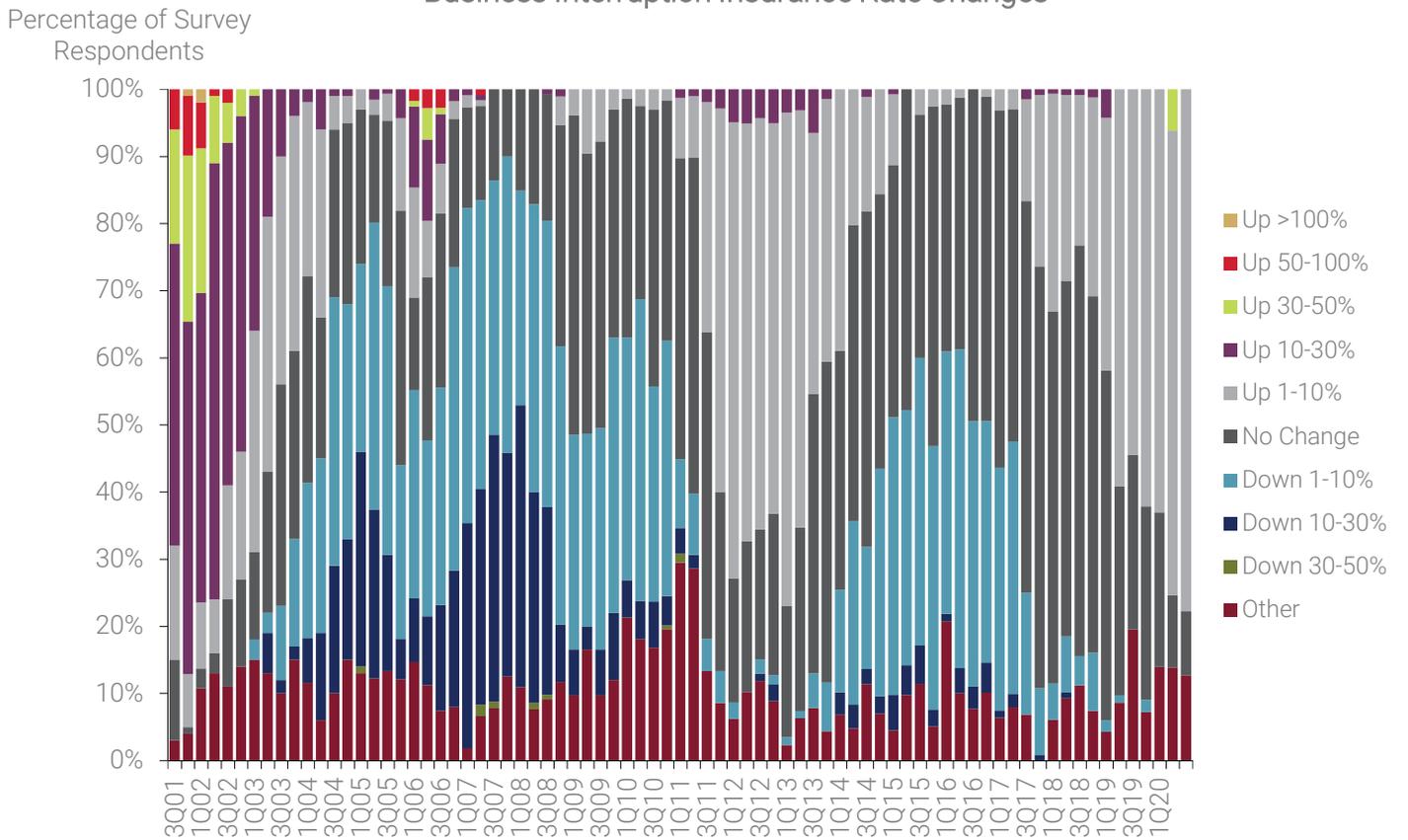
Percentage of Survey Respondents



Umbrella Insurance Rate Changes



Business Interruption Insurance Rate Changes



AVERAGE COMMERCIAL PRICING INCREASES

	By Account Size SMALL	MEDIUM	LARGE	AVERAGE
Third Quarter 2020	7.1%	12.7%	15.3%	11.7%
Second Quarter 2020	7.3%	11.0%	14.2%	10.8%
First Quarter 2020	5.5%	9.8%	12.6%	9.3%
Fourth Quarter 2019	5.2%	8.0%	9.4%	7.5%
Third Quarter 2019	4.4%	6.8%	7.6%	6.2%
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.

BY-LINE THIRD QUARTER 2020 RATE CHANGES RANGED FROM 1.5% TO 22.9%

	COMM'L AUTO	WORKERS' COMP	COMM'L PROPERTY	GEN'L LIABILITY	UMBRELLA	AVERAGE
Third Quarter 2020	11.0%	1.5%	14.2%	6.7%	22.9%	11.3%
Second Quarter 2020	9.6%	0.7%	13.3%	6.8%	20.0%	10.1%
First Quarter 2020	9.6%	-1.2%	12.0%	5.7%	17.3%	8.7%
Fourth Quarter 2019	10.5%	-1.9%	9.7%	5.8%	13.6%	7.6%
Third Quarter 2019	9.1%	-2.7%	8.8%	4.6%	9.8%	5.9%
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

	3Q20	High	Low
Broker E&O	4.4%	15.4%	-4.5%
Business Interruption	9.6%	28.8%	-10.2%
Construction	7.9%	38.7%	-10.7%
Cyber	7.7%	7.7%	-1.5%
D&O Liability	16.1%	32.4%	-8.7%
Employment Practices	10.1%	21.9%	-8.1%
Flood	3.6%	8.6%	-2.7%
Marine	4.5%	4.5%	-10.6%
Medical Malpractice	6.0%	32.5%	-4.1%
Surety Bonds	2.6%	11.2%	-2.3%
Terrorism	2.1%	10.4%	-3.6%

Source:

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

