Q1 PROPERTY/CASUALTY MARKET INDEX SURVEY

EXECUTIVE SUMMARY

May 2017

THE COUNCIL
The Council of Insurance Agents & Brokers

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The Council of Insurance Agents & Brokers

NEWS RELEASE – FOR IMMEDIATE RELEASE

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MARKET SEES DOWNARD TREND FOR NINTH STRAIGHT QUARTER, ACCORDING TO CIAB MARKET SURVEY

WASHINGTON, D.C. – May 1, 2017 – Commercial property/casualty (P/C) rates remained competitive in Q1 2017 - the average rate decline across all accounts was 2.5 percent, compared to 3.3 percent in Q4 2016, according to The Council of Insurance Agents and Brokers' Commercial P/C Market Survey.

The soft market saw a decline in rates for the ninth straight quarter across small, medium and large accounts. Premium pricing saw its greatest decline throughout 2016, but has since begun to stabilize in 2017.Once again, large accounts saw the greatest rate decrease at 3.8 percent. An increase in new and expanding market entrants and aggressive underwriting led to a competitive first quarter.

Rate change by line of business also saw similar rate decreases, with the exception of commercial auto, which has been a consistent trend since Q3 2011. "Automobile is the only line of business under stress," explained one respondent from a small regional-sized firm in the mid-east. "Premium increases in this line are being offset by the other lines resulting in flat–to-small single digit increases in the overall account premium."

Average First Quarter 2017 Commercial Pricing Declines

	By Account Size			
	Small	**Medium**	**Large**	**Average**
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%
First Quarter 2016	-2.1%	-4.4%	-4.6%	-3.7%
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.

"Commercial premium pricing this quarter was consistent with what we saw in 2016," explained Ken A. Crerar, President/CEO of The Council. "The market remained soft across most lines of business. Poor loss ratios in commercial auto continue to drive pricing upward, a trend we continue to see in accounts of all sizes for that particular line."

Rate Change by Account Size

The average rate decrease across all sized accounts was 2.5 percent. Compared to medium and large accounts, rate decreases for small accounts are closer to being flat with a decline of just 1.4 percent this quarter. Medium and large accounts, on the other hand, are still experiencing larger rate decreases but do appear to be slowing down at a faster rate.

Several respondents also noted that while there was some carrier push back on lowering rates, carriers also tended to offer additional coverage at no increase in premium, netting to a reduction in cost. Another broker from

a mid-sized regional mid-western firm, explained, “Most markets want to try for small rate increases, but will generally move down on rate fairly quickly to retain good business, regardless of account size.”

Rate Change by Line of Business

Commercial P/C premium pricing again saw a slight decrease in rates across most lines, except for commercial auto, which increased an average of 5.4 percent. However, rate declines do appear to be flattening out slightly – the average rate decrease dropped from 2.9 percent a year ago to just .7 percent in Q1 2017.

By-Line First Quarter 2017 Rate Changes Ranged From -3.1% to +5.4%

By-Line First Quarter 2017 Rate Changes Ranged From -3.1% to +5.4%	Comm'l Auto	Workers' Comp	Comm'l Property	Gen'l Liability	Umbrella	Average
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%
First Quarter 2016	3.6%	-3.0%	-5.2%	-3.2%	-2.5%	-2.1%
High	28.6%	24.9%	45.4%	26.0%	51.9%	35.3%
Low	-11.6%	-12.3%	-15.0%	-13.6%	-13.5%	-13.2%

Rate Changes in Other Lines

First Quarter 2017 Rate Changes in Other Lines	1Q17	High	Low
Business interruption	-1.8%	28.8%	-10.2%
Construction	-1.3%	38.7%	-10.7%
D&O liability	-0.9%	32.4%	-8.7%
Employment practices	-0.2%	21.9%	-8.1%
Surety bonds	-0.6%	11.2%	-2.3%

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

Commercial Auto

Respondents had much to say this quarter regarding commercial auto, but trends remained consistent with Q4 2016. Overall, premium pricing continued to increase as the market experienced poor loss ratios due to an increase in both claim frequency and severity. Several respondents also noted seeing more disciplined underwriting due to industry-wide losses.

The Cyber Landscape

Generally, clients are beginning to ask the right questions when it comes to purchasing cyber coverage. Organizations of all sizes are better understanding cyber risk and becoming more interested in purchasing stand-alone policies. As the cyber market matures, we are seeing better pricing with more options, more clarity in policy language and an increase in demand, but the market remains in its infancy. One respondent explained, “Cyber continues to see rate decreases and underwriting decisions affording broader coverage in limits, terms and conditions.” However, a lack of historic case law and a common lexicon result in policies being interpreted in many different ways. While brokers saw much opportunity for the cyber liability market, it has presented some challenges regarding policy language and understanding how to appropriately place cyber coverage.

Market Trends in Q4 2016 – The market remains competitive

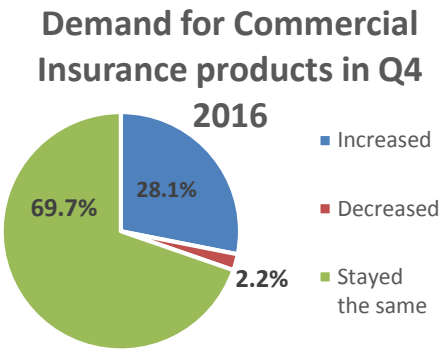
When asked about general changes in the market over the last three months, respondents noted that while there were no major shifts, the soft market has contributed to intense competition for new business, pressure to retain clients and aggressive underwriting. “Carriers continue to protect their best renewals with 5-10 percent rate reductions and improved terms, while also remaining aggressive on writing new business, despite unfavorable loss history,” explained one respondent.

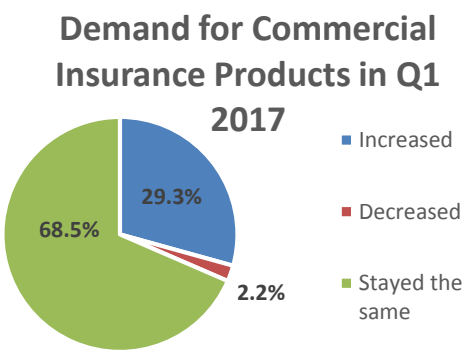
When asked about underwriting capacity in the market, about half of respondents did note an overall increase in capacity across most lines. Respondents were very clear that there was an aggressive push to obtain new clients on the carrier side, and the market’s high capacity was certainly a factor for some. Again, commercial auto went against these trends, as one respondent explained, “Select carriers have pulled out of the commercial auto space,

restricting capacity; otherwise, no change on commercial P&C lines." One broker commented, "Within management & professional liability, capacity is entering the market every year, putting additional downward pressure on pricing with no end in sight."

Demand

Demand for commercial insurance continued to follow a slight upward trend, with mainly the same percentage breakdown compared to Q4 2016. The majority, 68.5 percent, reported that demand for commercial insurance products stayed the same in Q1. Nearly 30 percent saw an increase in demand while only 2.2 percent noted a decrease. A large number of responses also reported an increase in demand for cyber, and product familiarity has supported an increase in sales.





Top of Mind

When asked which business issues kept respondents up at night, talent management again led the way. Price competition/excess capacity came next. Market uncertainties regarding health insurance reform and the client experience tied at third.

Respondents were also asked about their organization's top investments and the consensus was largely talent and technology, which was similar in 2016. Hiring and training client-facing roles, leveraging data analytics, modernizing claims and risk management processes and creating partnerships with non-insurance advisory solutions led the way here.

Looking forward

As 2016 came to a close, respondents were optimistic regarding the Trump administration when asked about its potential effects on the way customers purchase P/C insurance. While the majority of respondents agreed that not much has changed over the past three months in 2017, many remain optimistic that economic growth and less regulation on business could lead to a greater demand for insurance as well as opportunities for business expansion. Respondents also noted the convergence of insurance and technology as both a challenge and opportunity, saying that brokers must understand and embrace emerging technologies and new business models in order to deepen their advisory capabilities and client relationships.

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

Commercial Property – Casualty Market Survey

1st Quarter 2017 Released: May 2017

1. On average, how have premium rates changed over the last three months (Jan 1, 2017 – March 31, 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%**	**43.02%**	**35.48%**	**15.05%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**6.45%**
Medium ($25K – $100K)	**0.00%**	**0.00%**	**1.06%**	**57.45%**	**27.66%**	**11.70%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**2.13%**
Large (>$100K)	**0.00%**	**0.00%**	**11.83%**	**49.46%**	**25.81%**	**8.60%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**4.30%**

2. How much have premium rates changed over the last three months (Jan 1, 2017 – March 31, 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%**	**1.08%**	**36.56%**	**53.75%**	**3.23%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**5.38%**
Commercial Auto	**0.00%**	**0.00%**	**0.00%**	**4.35%**	**7.61%**	**71.74%**	**14.13%**	**0.00%**	**0.00%**	**0.00%**	**2.17%**
Commercial Property	**0.00%**	**1.08%**	**5.38%**	**49.46%**	**34.40%**	**8.60%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**1.08%**
Construction Risks	**0.00%**	**0.00%**	**0.00%**	**42.86%**	**42.86%**	**7.69%**	**0.00%**	**0.00%**	**1.10%**	**0.00%**	**5.49%**
Cyber	**0.00%**	**0.00%**	**3.19%**	**34.04%**	**43.62%**	**13.83%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**5.32%**
D & O	**0.00%**	**0.00%**	**3.23%**	**25.80%**	**47.31%**	**15.05%**	**1.08%**	**0.00%**	**0.00%**	**0.00%**	**7.53%**
Flood Insurance	**0.00%**	**0.00%**	**0.00%**	**9.78%**	**54.35%**	**16.30%**	**4.35%**	**0.00%**	**0.00%**	**0.00%**	**15.22%**
Employment Practices	**0.00%**	**0.00%**	**1.08%**	**22.57%**	**49.46%**	**18.28%**	**1.08%**	**0.00%**	**0.00%**	**0.00%**	**7.53%**
General Liability	**0.00%**	**0.00%**	**1.08%**	**22.57%**	**49.46%**	**18.28%**	**1.08%**	**0.00%**	**0.00%**	**0.00%**	**7.53%**
Marine	**0.00%**	**0.00%**	**9.30%**	**27.91%**	**41.86%**	**3.49%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**17.44%**
Medical Malpractice	**0.00%**	**1.09%**	**0.00%**	**19.57%**	**30.43%**	**6.52%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**42.39%**
Surety Bonds	**0.00%**	**1.11%**	**0.00%**	**8.89%**	**47.78%**	**1.11%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**41.11%**
Terrorism	**0.00%**	**0.00%**	**0.00%**	**13.04%**	**60.87%**	**3.26%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**22.83%**
Umbrella	**0.00%**	**0.00%**	**1.08%**	**34.40%**	**47.31%**	**11.83%**	**1.08%**	**0.00%**	**0.00%**	**0.00%**	**4.30%**
Workers' Compensation	**0.00%**	**0.00%**	**2.17%**	**52.18%**	**30.44%**	**9.78%**	**3.26%**	**0.00%**	**0.00%**	**0.00%**	**2.17%**
Broker E&O	**0.00%**	**0.00%**	**1.08%**	**36.56%**	**53.75%**	**3.23%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**5.38%**

Commercial Property – Casualty Market Survey

1st Quarter 2017 Released: May 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 (Jan 1, 2017 – March 31, 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%	54.16%	29.17%	16.67%	0.00%	0.00%	0.00%	0.00%	0.00%
Medium ($25K – $100K)	0.00%	0.00%	0.00%	62.50%	25.00%	12.50%	0.00%	0.00%	0.00%	0.00%	0.00%
Large (>$100K)	0.00%	0.00%	25.00%	37.50%	25.00%	8.33%	0.00%	0.00%	0.00%	0.00%	4.17%

2. How much have premium rates changed over the last three months (Jan 1, 2017 – March 31, 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%	33.33%	62.50%	4.17%	0.00%	0.00%	0.00%	0.00%	0.00%
Commercial Auto	0.00%	0.00%	0.00%	4.17%	4.17%	83.32%	4.17%	0.00%	0.00%	0.00%	4.17%
Commercial Property	0.00%	0.00%	0.00%	58.33%	41.67%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Construction Risks	0.00%	0.00%	0.00%	25.00%	50.00%	12.50%	0.00%	0.00%	4.17%	0.00%	8.33%
Cyber	0.00%	0.00%	4.17%	25.00%	45.83%	16.67%	0.00%	0.00%	0.00%	0.00%	8.33%
D & O	0.00%	0.00%	4.17%	20.83%	50.00%	20.83%	0.00%	0.00%	0.00%	0.00%	4.17%
Flood Insurance	0.00%	0.00%	0.00%	12.50%	54.17%	8.33%	8.33%	0.00%	0.00%	0.00%	16.67%
Employment Practices	0.00%	0.00%	0.00%	33.33%	45.83%	16.67%	0.00%	0.00%	0.00%	0.00%	4.17%
General Liability	0.00%	0.00%	4.17%	54.16%	25.00%	12.50%	0.00%	0.00%	0.00%	0.00%	4.17%
Marine	0.00%	0.00%	0.00%	33.33%	41.67%	0.00%	0.00%	0.00%	0.00%	0.00%	25.00%
Medical Malpractice	0.00%	0.00%	0.00%	16.67%	25.00%	4.17%	0.00%	0.00%	0.00%	0.00%	54.16%
Surety Bonds	0.00%	0.00%	0.00%	4.17%	50.00%	0.00%	0.00%	0.00%	0.00%	0.00%	45.83%
Terrorism	0.00%	0.00%	0.00%	16.67%	66.66%	0.00%	0.00%	0.00%	0.00%	0.00%	16.67%
Umbrella	0.00%	0.00%	0.00%	37.50%	41.67%	8.33%	0.00%	0.00%	0.00%	0.00%	12.50%
Worker's Compensation	0.00%	0.00%	0.00%	58.33%	20.83%	16.67%	0.00%	0.00%	0.00%	0.00%	4.17%
Broker E&O	0.00%	0.00%	0.00%	20.84%	33.33%	12.50%	0.00%	0.00%	0.00%	0.00%	33.33%

Commercial Property – Casualty Market Survey

1st Quarter 2017 Released: May 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 (Jan 1, 2017 – March 31, 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%**	**27.27%**	**40.91%**	**18.18%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**13.64%**
Medium ($25K – $100K)	**0.00%**	**0.00%**	**4.54%**	**54.55%**	**27.27%**	**13.64%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Large (>$100K)	**0.00%**	**0.00%**	**9.09%**	**54.55%**	**22.72%**	**13.64%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

2. How much have premium rates changed over the last three months (Jan 1, 2017 – March 31, 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%**	**4.55%**	**40.90%**	**50.00%**	**4.55%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Commercial Auto	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**9.52%**	**71.43%**	**19.05%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Commercial Property	**0.00%**	**4.55%**	**4.55%**	**50.00%**	**27.27%**	**13.63%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Construction Risks	**0.00%**	**0.00%**	**0.00%**	**52.38%**	**42.86%**	**4.76%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Cyber	**0.00%**	**0.00%**	**0.00%**	**54.55%**	**40.90%**	**4.55%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
D & O	**0.00%**	**0.00%**	**4.55%**	**36.36%**	**40.90%**	**13.64%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**4.55%**
Flood Insurance	**0.00%**	**0.00%**	**0.00%**	**18.18%**	**59.09%**	**13.64%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**9.09%**
Employment Practices	**0.00%**	**0.00%**	**0.00%**	**27.27%**	**63.63%**	**4.55%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**4.55%**
General Liability	**0.00%**	**0.00%**	**4.55%**	**54.55%**	**31.81%**	**9.09%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Marine	**0.00%**	**0.00%**	**4.55%**	**54.55%**	**31.80%**	**4.55%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**4.55%**
Medical Malpractice	**0.00%**	**0.00%**	**0.00%**	**22.73%**	**40.91%**	**13.64%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**22.72%**
Surety Bonds	**0.00%**	**4.55%**	**0.00%**	**13.64%**	**54.55%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**27.27%**
Terrorism	**0.00%**	**0.00%**	**0.00%**	**18.18%**	**63.64%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**18.18%**
Umbrella	**0.00%**	**0.00%**	**4.55%**	**45.45%**	**40.91%**	**9.09%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Workers' Compensation	**0.00%**	**0.00%**	**4.55%**	**59.08%**	**9.09%**	**13.64%**	**13.64%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Broker E&O	**0.00%**	**0.00%**	**0.00%**	**13.64%**	**40.91%**	**9.09%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**36.36%**

Commercial Property – Casualty Market Survey
1st Quarter 2017 Released: May 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 (Jan 1, 2017 – March 31, 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%**	**46.15%**	**30.77%**	**15.38%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**7.70%**
Medium ($25K – $100K)	**0.00%**	**0.00%**	**0.00%**	**61.54%**	**23.07%**	**11.54%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**3.85%**
Large (>$100K)	**0.00%**	**0.00%**	**3.85%**	**53.85%**	**26.92%**	**7.69%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**7.69%**

2. How much have premium rates changed over the last three months (Jan 1, 2017 – March 31, 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%**	**36.00%**	**52.00%**	**4.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**8.00%**
Commercial Auto	**0.00%**	**0.00%**	**0.00%**	**8.00%**	**8.00%**	**72.00%**	**12.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Commercial Property	**0.00%**	**0.00%**	**16.00%**	**44.00%**	**28.00%**	**8.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**4.00%**
Construction Risks	**0.00%**	**0.00%**	**0.00%**	**60.00%**	**28.00%**	**8.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**4.00%**
Cyber	**0.00%**	**0.00%**	**3.85%**	**23.08%**	**34.62%**	**26.91%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**11.54%**
D & O	**0.00%**	**0.00%**	**3.85%**	**26.92%**	**38.46%**	**15.39%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**15.38%**
Flood Insurance	**0.00%**	**0.00%**	**0.00%**	**4.00%**	**48.00%**	**28.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**20.00%**
Employment Practices	**0.00%**	**0.00%**	**3.85%**	**19.23%**	**42.31%**	**19.23%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**15.38%**
General Liability	**0.00%**	**0.00%**	**4.00%**	**52.00%**	**32.00%**	**12.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Marine	**0.00%**	**0.00%**	**8.00%**	**44.00%**	**40.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**8.00%**
Medical Malpractice	**0.00%**	**4.00%**	**0.00%**	**28.00%**	**28.00%**	**8.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**32.00%**
Surety Bonds	**0.00%**	**0.00%**	**0.00%**	**16.00%**	**48.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**36.00%**
Terrorism	**0.00%**	**0.00%**	**0.00%**	**12.00%**	**48.00%**	**8.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**32.00%**
Umbrella	**0.00%**	**0.00%**	**0.00%**	**32.00%**	**52.00%**	**16.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Workers' Compensation	**0.00%**	**0.00%**	**4.17%**	**41.67%**	**45.82%**	**4.17%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**4.17%**
Broker E&O	**0.00%**	**0.00%**	**3.85%**	**15.38%**	**50.00%**	**3.85%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**26.92%**

Commercial Property – Casualty Market Survey

1st Quarter 2017 Released: May 2017

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 (Jan 1, 2017 – March 31, 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%**	**50.00%**	**50.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Medium ($25K – $100K)	**0.00%**	**0.00%**	**0.00%**	**75.00%**	**25.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Large (>$100K)	**0.00%**	**0.00%**	**0.00%**	**62.50%**	**37.50%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

2. How much have premium rates changed over the last three months (Jan 1, 2017 – March 31, 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%**	**50.00%**	**50.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Commercial Auto	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**87.50%**	**12.50%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Commercial Property	**0.00%**	**0.00%**	**0.00%**	**37.50%**	**50.00%**	**12.50%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Construction Risks	**0.00%**	**0.00%**	**0.00%**	**50.00%**	**50.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Cyber	**0.00%**	**0.00%**	**0.00%**	**25.00%**	**75.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
D & O	**0.00%**	**0.00%**	**0.00%**	**25.00%**	**62.50%**	**12.50%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Flood Insurance	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**75.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**25.00%**
Employment Practices	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**75.00%**	**25.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
General Liability	**0.00%**	**0.00%**	**0.00%**	**62.50%**	**37.50%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Marine	**0.00%**	**0.00%**	**0.00%**	**50.00%**	**37.50%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**12.50%**
Medical Malpractice	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**37.50%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**62.50%**
Surety Bonds	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**42.86%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**57.14%**
Terrorism	**0.00%**	**0.00%**	**0.00%**	**12.50%**	**50.00%**	**12.50%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**25.00%**
Umbrella	**0.00%**	**0.00%**	**0.00%**	**37.50%**	**50.00%**	**12.50%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Workers' Compensation	**0.00%**	**0.00%**	**0.00%**	**62.50%**	**37.50%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Broker E&O	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**75.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**25.00%**

Commercial Property – Casualty Market Survey

1st Quarter 2017 Released: May 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 (Jan 1, 2017 – March 31, 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%**	**38.46%**	**38.46%**	**15.39%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**7.69%**
Medium ($25K – $100K)	**0.00%**	**0.00%**	**0.00%**	**35.71%**	**42.86%**	**14.29%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**7.14%**
Large (>$100K)	**0.00%**	**0.00%**	**15.38%**	**46.16%**	**23.08%**	**7.69%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**7.69%**

2. How much have premium rates changed over the last three months (Jan 1, 2017 – March 31, 2017) for the following lines? Please check N/A if you don't know or don't handle the line.

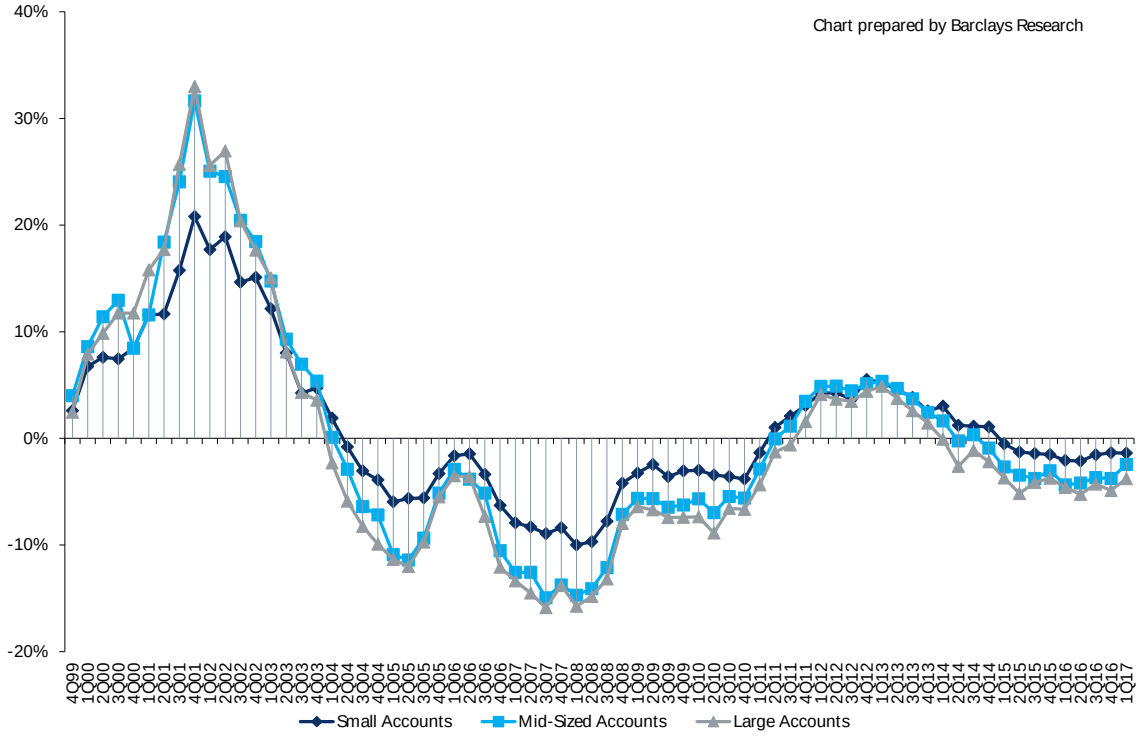
	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10-20%	8 Up 20-30%	9 Up 30-50%	10 Up 50-100%	N/A
Business Interruption	**0.00%**	**0.00%**	**0.00%**	**28.57%**	**50.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**21.43%**
Commercial Auto	**0.00%**	**0.00%**	**0.00%**	**7.14%**	**14.29%**	**42.86%**	**28.57%**	**0.00%**	**0.00%**	**0.00%**	**7.14%**
Commercial Property	**0.00%**	**0.00%**	**0.00%**	**50.00%**	**35.71%**	**14.29%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Construction Risks	**0.00%**	**0.00%**	**0.00%**	**23.08%**	**53.85%**	**7.69%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**15.38%**
Cyber	**0.00%**	**0.00%**	**7.14%**	**42.86%**	**42.86%**	**7.14%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
D & O	**0.00%**	**0.00%**	**0.00%**	**15.38%**	**61.55%**	**7.69%**	**7.69%**	**0.00%**	**0.00%**	**0.00%**	**7.69%**
Flood Insurance	**0.00%**	**0.00%**	**0.00%**	**7.69%**	**46.16%**	**23.08%**	**15.38%**	**0.00%**	**0.00%**	**0.00%**	**7.69%**
Employment Practices	**0.00%**	**0.00%**	**0.00%**	**15.38%**	**30.77%**	**38.47%**	**7.69%**	**0.00%**	**0.00%**	**0.00%**	**7.69%**
General Liability	**0.00%**	**0.00%**	**0.00%**	**35.71%**	**64.29%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Marine	**0.00%**	**0.00%**	**0.00%**	**53.85%**	**30.77%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**15.38%**
Medical Malpractice	**0.00%**	**0.00%**	**0.00%**	**15.38%**	**23.08%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**61.54%**
Surety Bonds	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**33.33%**	**8.34%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**58.33%**
Terrorism	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**76.92%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**23.08%**
Umbrella	**0.00%**	**0.00%**	**0.00%**	**14.29%**	**57.14%**	**14.29%**	**7.14%**	**0.00%**	**0.00%**	**0.00%**	**7.14%**
Workers' Compensation	**0.00%**	**0.00%**	**0.00%**	**42.86%**	**50.00%**	**7.14%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Broker E&O	**0.00%**	**0.00%**	**0.00%**	**23.09%**	**15.38%**	**15.38%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**46.15%**

Average First Quarter 2017 Commercial Pricing Declines

	By Account Size			
	Small	Medium	Large	Average
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%
First Quarter 2016	-2.1%	-4.4%	-4.6%	-3.7%
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*	

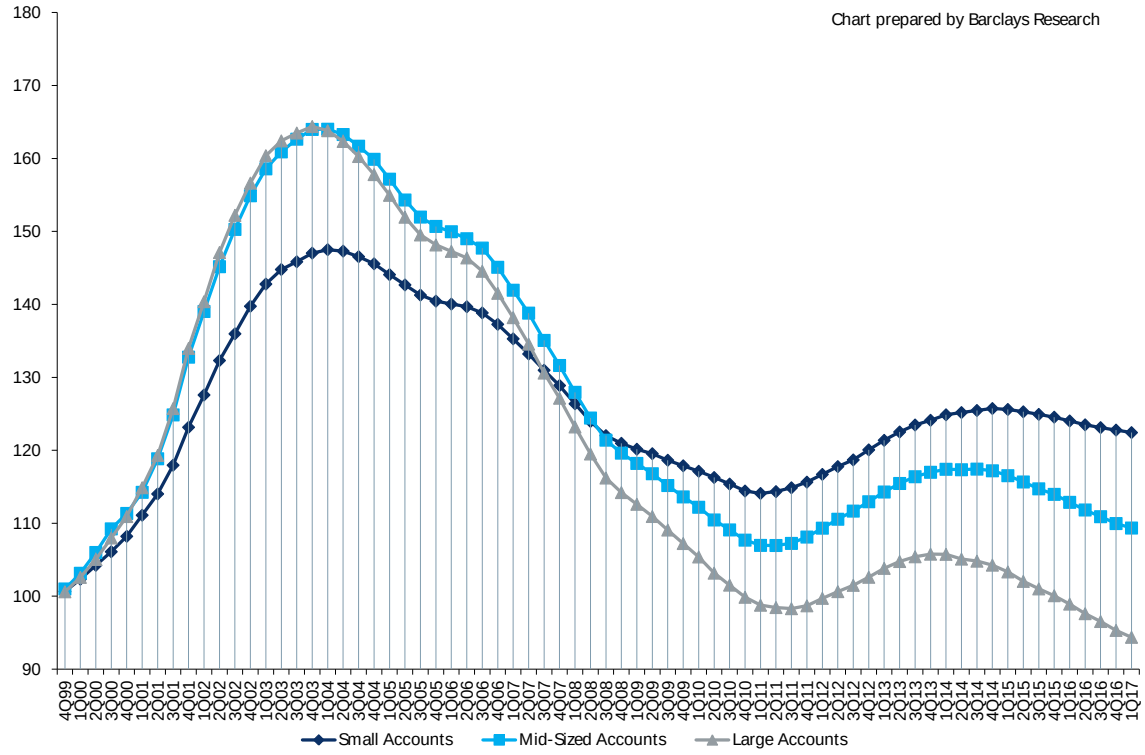
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

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 First Quarter 2017 Rate Changes Ranged From -3.1% to +5.4%

By-Line First Quarter 2017 Rate Changes Ranged From -3.1% to +5.4%	Comm'l Auto	Workers' Comp	Comm'l Property	Gen'l Liability	Umbrella	Average
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%
First Quarter 2016	3.6%	-3.0%	-5.2%	-3.2%	-2.5%	-2.1%
High	28.6%	24.9%	45.4%	26.0%	51.9%	35.3%
Low	-11.6%	-12.3%	-15.0%	-13.6%	-13.5%	-13.2%

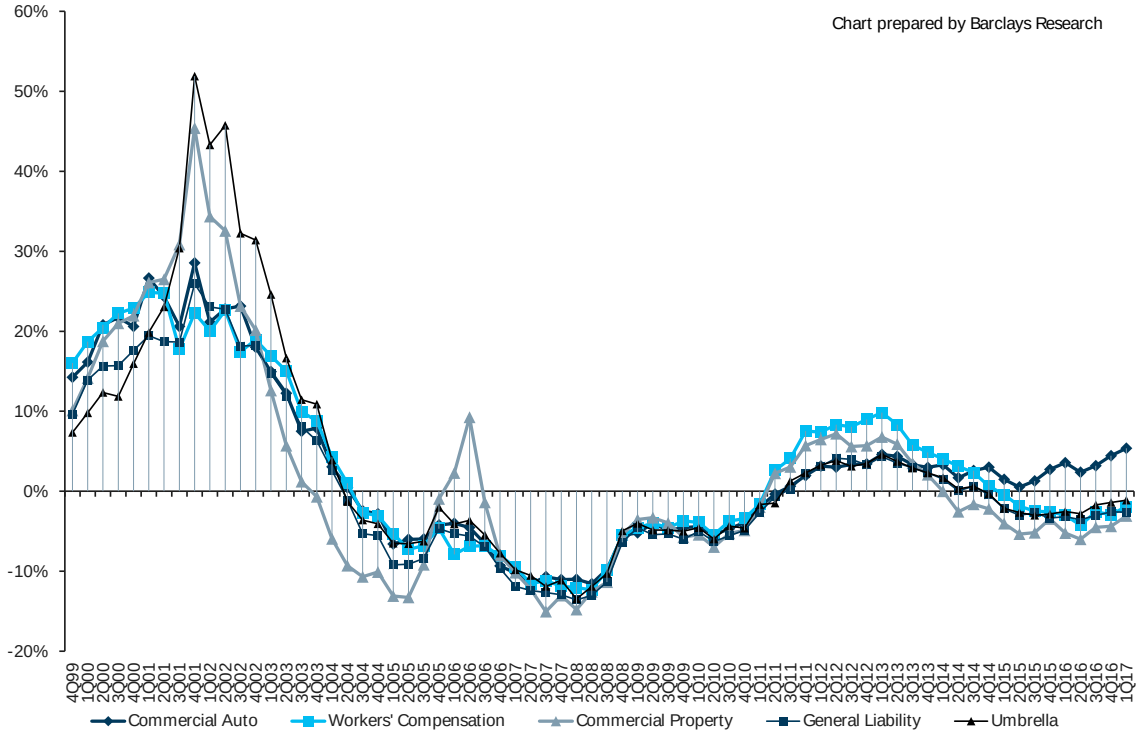
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

Rate Changes in Other Lines

First Quarter 2017 Rate Changes in Other Lines	1Q17	High	Low
Business interruption	-1.8%	28.8%	-10.2%
Construction	-1.3%	38.7%	-10.7%
D&O liability	-0.9%	32.4%	-8.7%
Employment practices	-0.2%	21.9%	-8.1%
Surety bonds	-0.6%	11.2%	-2.3%

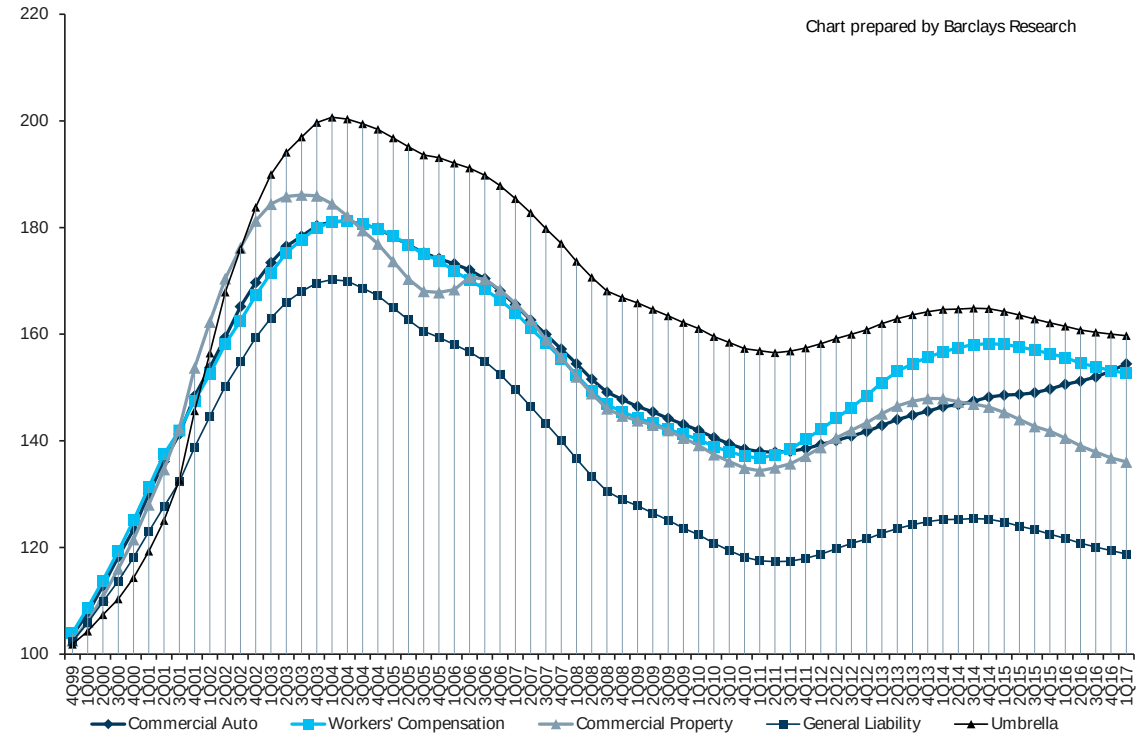
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

Average Commercial Rate Increases by Line

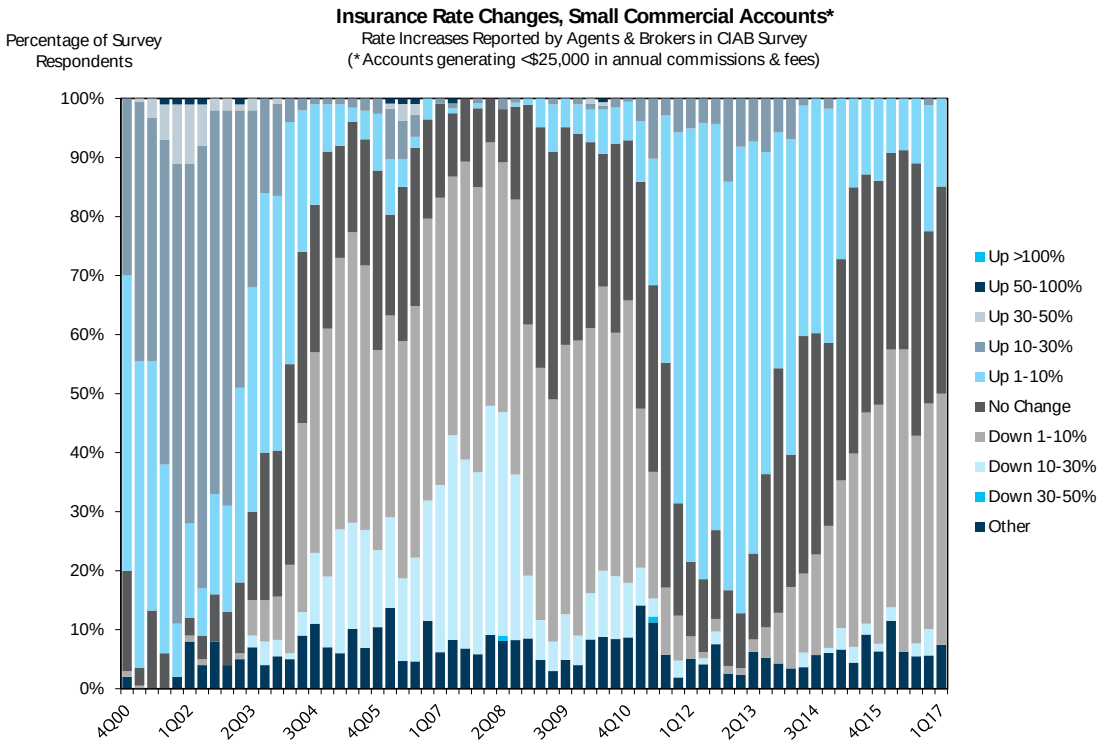


Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

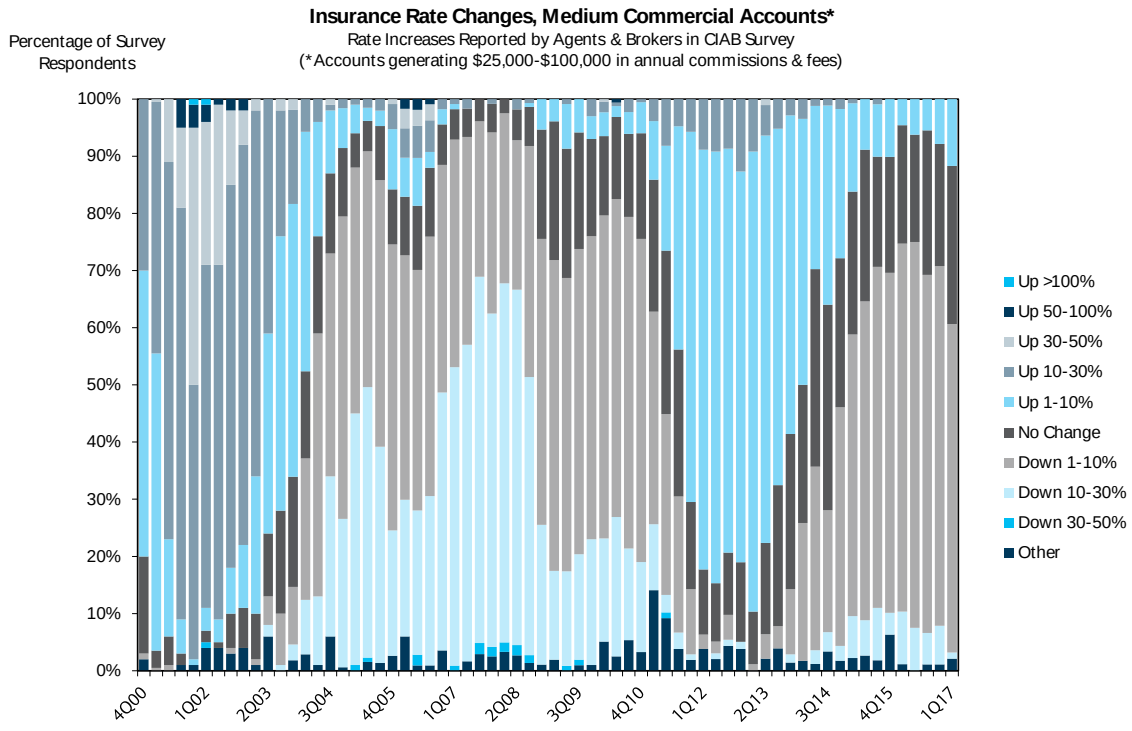
Cumulative Quarterly Rate Increases by Line



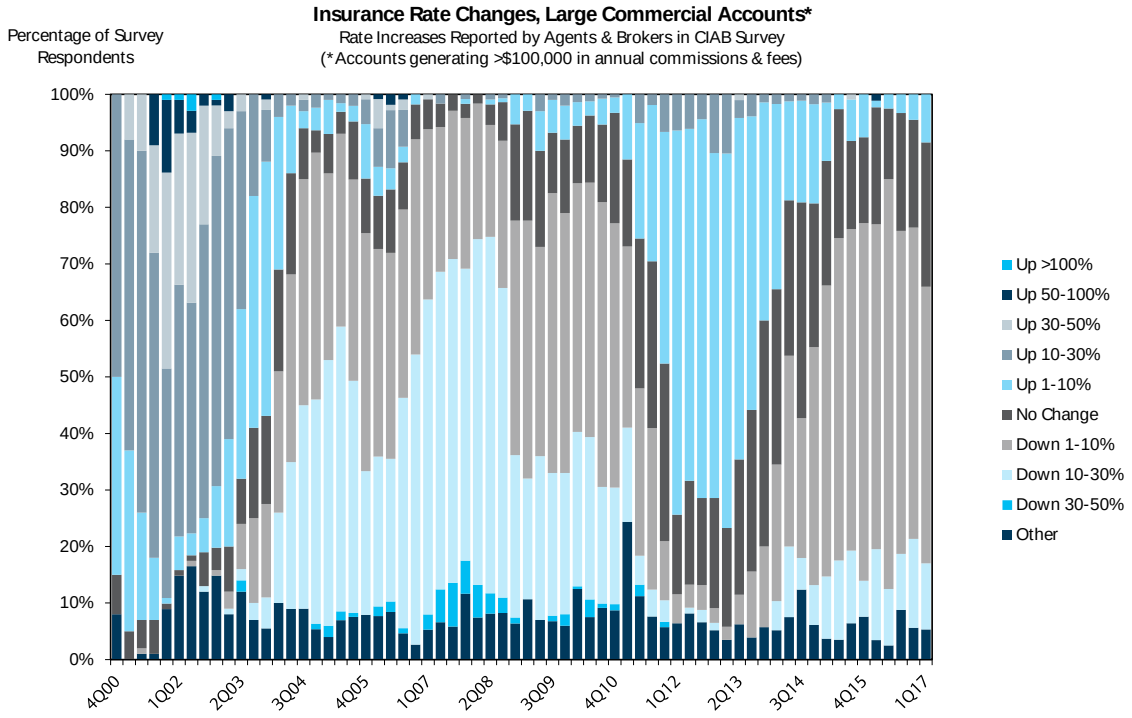
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



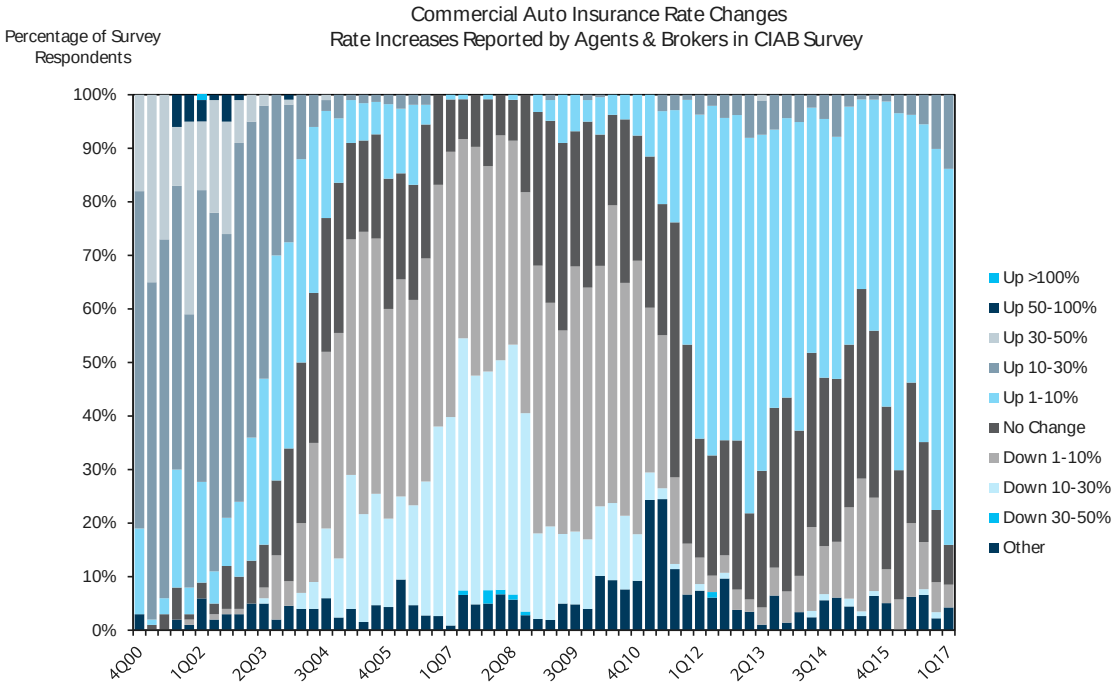
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



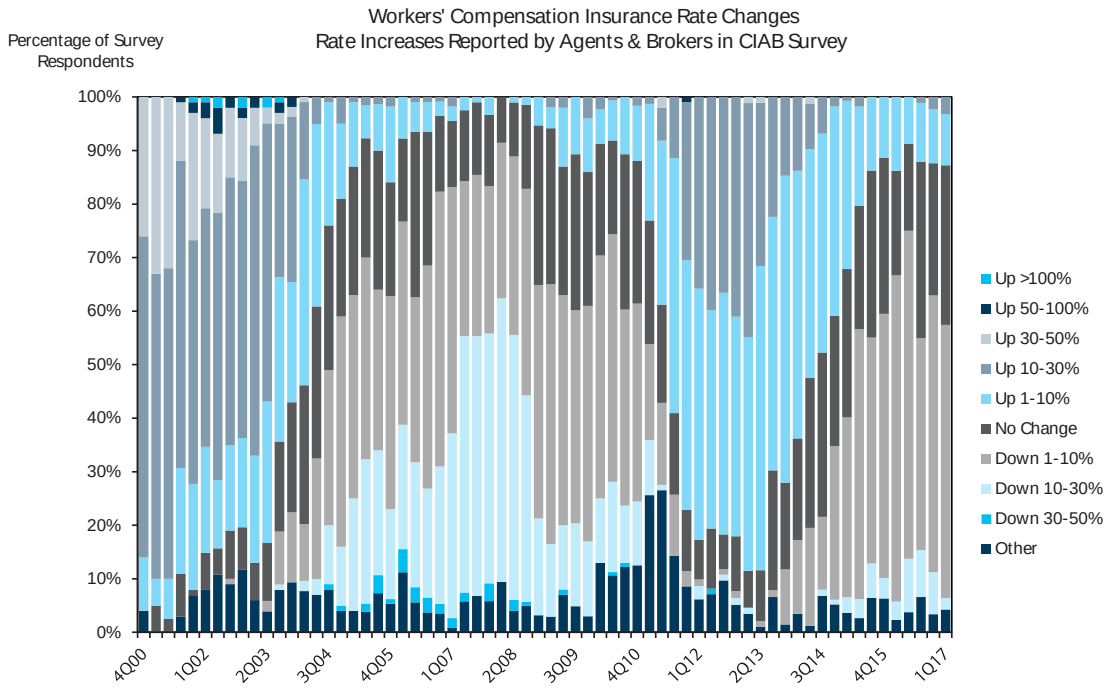
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



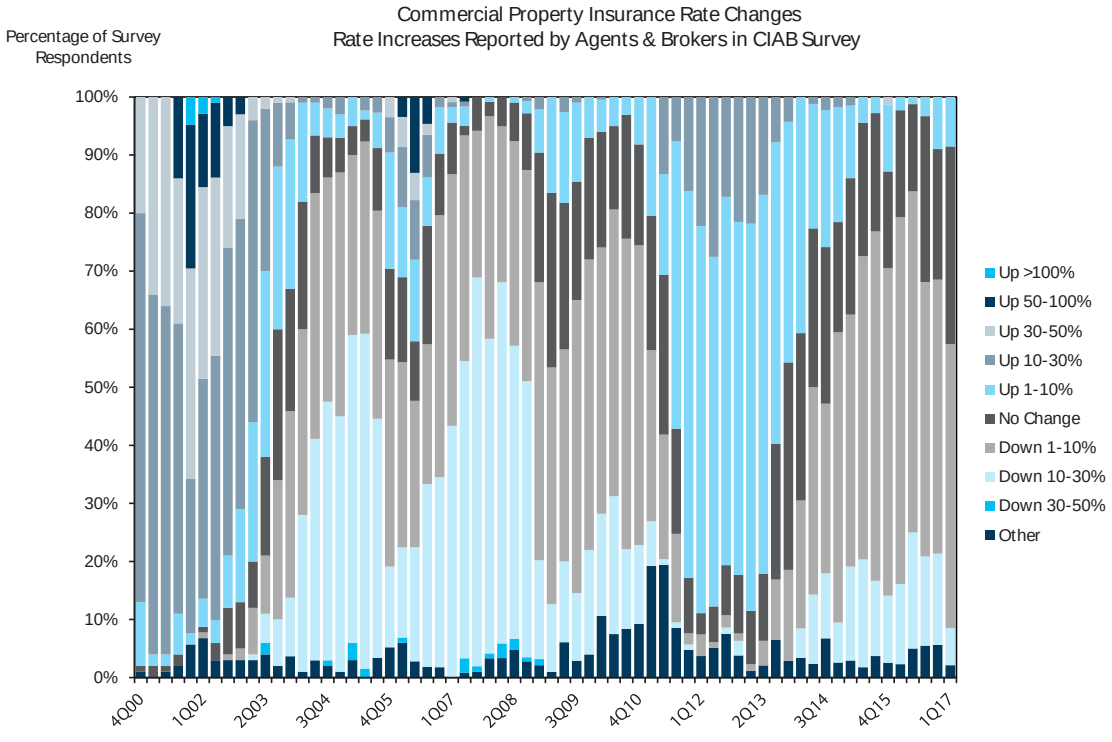
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



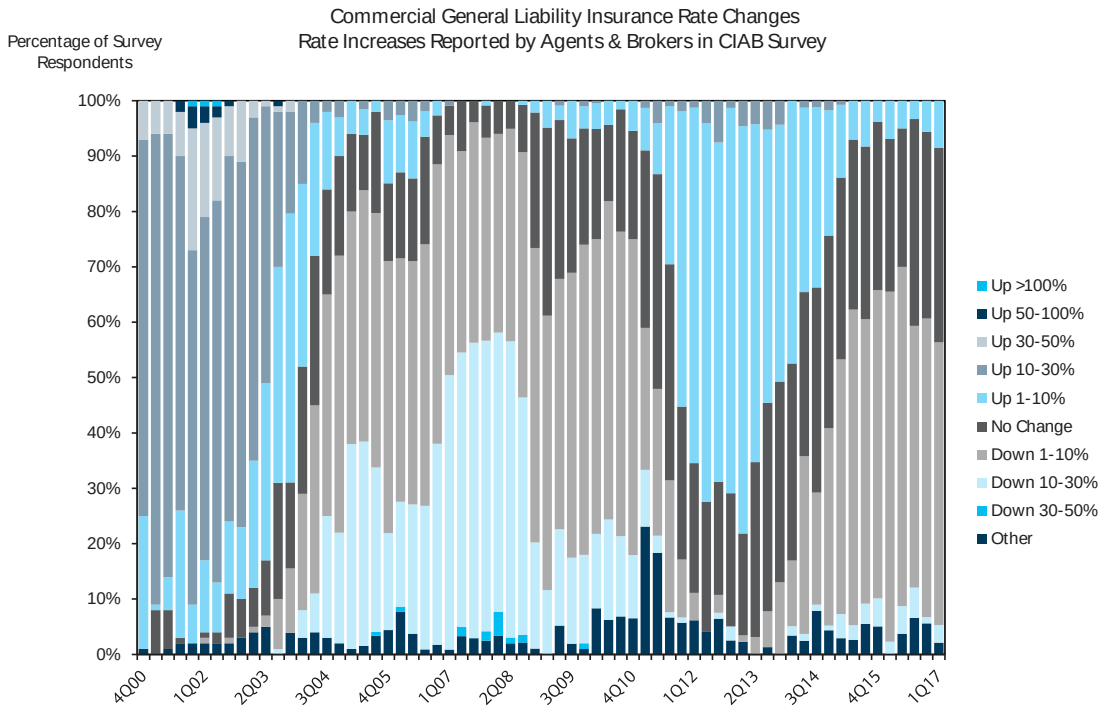
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



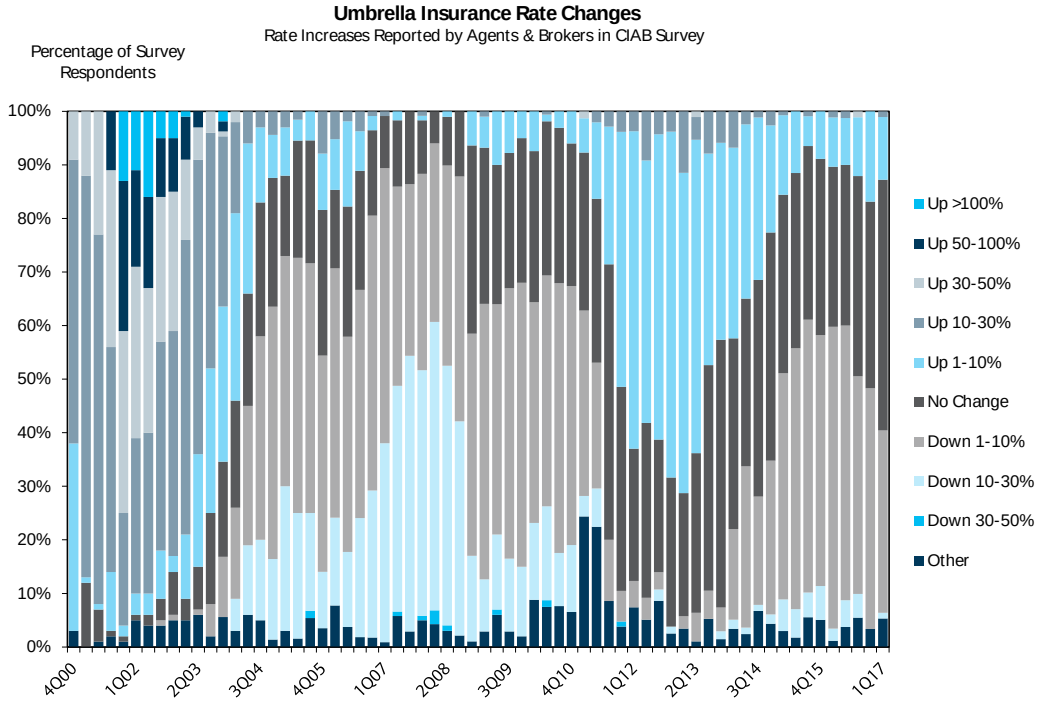
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



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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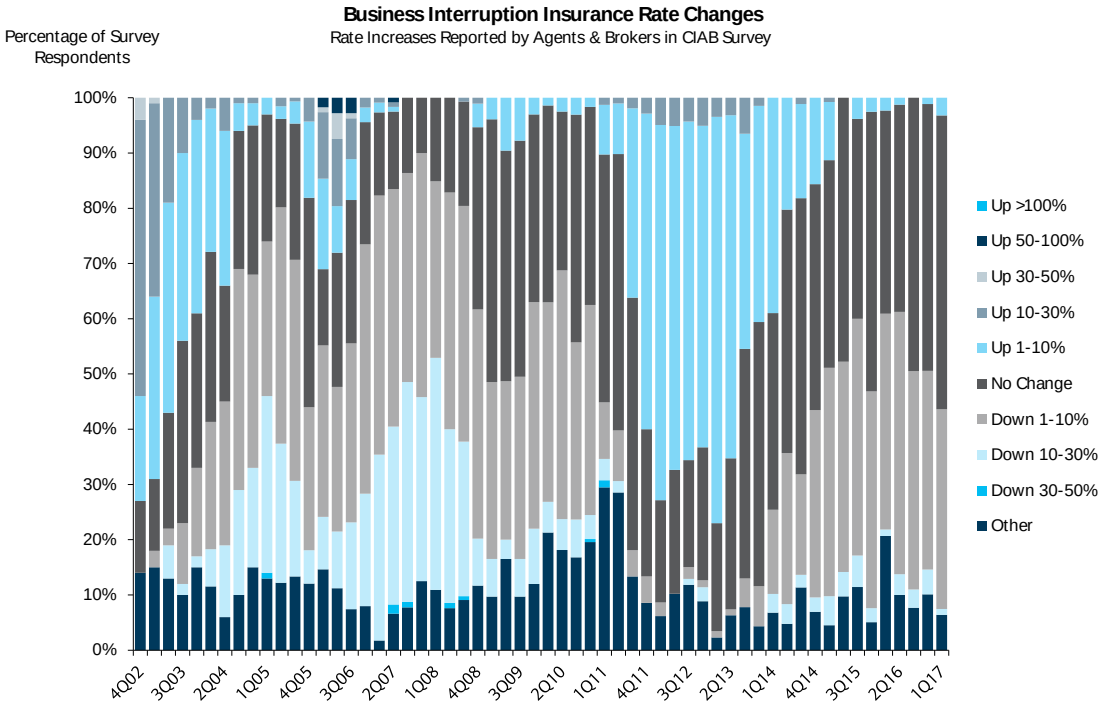

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The Council of Insurance Agents & Brokers is the premier association for the top regional, national and international commercial insurance and employee benefits intermediaries worldwide. Council members are market leaders who annually place 85 percent 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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