



THE COUNCIL
of Insurance Agents + Brokers

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News Alert

July 24, 2001

Second Quarter 2001 Commercial Insurance Market Index -- National and Regional Data Released

Washington, DC -- According national and regional data from The Council's 2nd quarter Commercial P/C Market Index, released today, commercial insurance premium rates surged forward last quarter with double digit increases in the five property/casualty lines. Regional and national charts for the Index are attached.

Data show less than one percent of all survey respondents from across the United States, reported *any decrease* in small, medium, or large property and casualty accounts. In fact, today's release of national and regional data from the second quarter 2001 survey -- which includes July 1 renewals -- seems to indicate the market continues upward overall -- as the number of brokers reporting "no change" in market rates has not changed significantly between the first and second quarters of the year.

Over three months, the period April 1 -- July 1 renewals, 80 percent of brokers responding to the survey reported price increases of one to 30 percent for small, medium and large commercial accounts. For medium and large accounts, more than 10 percent of respondents said increases were greater than 30 percent.

Hard market trends continued in all five commercial lines: auto, workers' compensation, property, general liability, and umbrella. Over 80 percent of those surveyed continued to say these lines were "somewhat hard" or "very hard."

Once again, brokers reported the greatest increases occurred in accounts with poor loss experience. Increases ranged as high as 30-100% for umbrella, nursing homes, trucking, construction and property, particularly property with catastrophic exposures.

For group medical, rates for small, medium and large accounts also rose, with the largest increases reported in the 10-30 percent range. A few brokers reported group rates jumping up as much as 30-50 percent with fewer markets available.

The Index is compiled by surveying the largest and most successful commercial insurance agents and brokers from across the country, all members of The Council.

The Council's Index has tracked premium rates since the last quarter of 1999, when changes in the market's direction began to surface. The Council's Commercial Insurance Market Index is generally considered the best and most reliable measure of current market conditions and a good indicator of future general trends.

Through its quarterly survey, The Council documents trends in property/casualty rates throughout the U.S. and by region. The first quarter 2001 survey, covering the period from April 1 -- July 1, 2001, was sent to 250 Council member firms throughout the U.S. Second quarter results are based on 111 responses from all regions.

Since 1913, **The Council of Insurance Agents + Brokers** has provided industry leadership while representing the largest, most productive and most profitable commercial insurance agencies and brokerage firms in the U.S., and around the globe. Council members in over 3,000 locations, place nearly 80 percent -- well over \$90 billion -- of the U.S. commercial property/casualty premiums. In addition, Council members specialize in a wide range of insurance products and risk management services for business, industry, government and the public. Council members, who operate nationally and internationally, also administer billions of dollars in employee benefits. Web site: www.ciab.com.



Property / Casualty Market Survey

Reflects Data from April 1 - July 1, 2001

Total Responses: 111

All Regions

- 1. How has the market (pricing and underwriting) changed over the LAST THREE MONTHS (April 1 - July 1) for the following account categories?
Please select N/A if there has been no rate change.**

	Down > 10%	Down 1 – 10%	No Change	Up 1 – 10%	Up 10 – 30%	Up > 30%
Small (<\$25K Comm & Fees)	1%	0%	13%	42%	41%	3%
Medium (\$25K – \$100K)	0%	1%	5%	17%	66%	11%
Large (>\$100K)	0%	1%	5%	19%	64%	10%

- 2. How has the market (pricing and underwriting) changed over the LAST THREE MONTHS (April 1 - July 1) in the following lines of business for medium and large accounts?
Please select N/A if there has been no rate change.**

	Very Soft	Somewhat Soft	No Change	Somewhat Hard	Very Hard
Auto	0%	3%	3%	67%	27%
Workers' Compensation	0%	3%	8%	58%	32%
Property	0%	1%	2%	60%	36%
General Liability	0%	7%	6%	80%	6%
Umbrella	0%	6%	1%	69%	23%

- 3. How has GROUP MEDICAL pricing changed over the LAST THREE MONTHS (April 1 - July 1) for the following account categories?
Please select N/A if there has been no rate change.**

	Down > 10%	Down 1 – 10%	No Change	Up 1 – 10%	Up 10 – 30%	Up > 30%
Small (<\$25K Comm & Fees)	0%	0%	24%	13%	56%	5%
Medium (\$25K – \$100K)	0%	0%	22%	16%	55%	3%
Large (>\$100K)	0%	0%	26%	23%	46%	3%