



THE COUNCIL
of Insurance Agents + Brokers

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NEWS RELEASE

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Commercial Insurance Market Index Documents Signs of Market Distress *The Council Releases Fourth Quarter 2001 Data*

WASHINGTON – The insurance industry is showing the first signs of distress in the aftermath of the Sept. 11 terrorist attacks, with major commercial property/casualty premiums uniformly on the upswing and confusion in the market as carriers try to decide what they can and cannot cover and at what price.

These findings are reflected in the 2001 fourth quarter Commercial Insurance Market Index released today by The Council of Insurance Agents + Brokers. The survey compared rates over the last year and the last quarter. In the survey, the nation's largest commercial insurance brokers were asked both specific and open-ended questions regarding the market in the post-Sept. 11 environment, and their responses indicate emerging disruption and dislocation.

Rate increases continued through the fourth quarter, with the most significant hikes in the midsize and large accounts. Buyers in general are getting less coverage at higher prices. Brokers also reported more exclusions in general, but terrorism cover is scarce. And where it is available the limits are so low and the prices so high, many businesses are simply choosing to go without. The survey also showed there is no predictability on coverage or costs for many lines of insurance.

“This is not a crisis situation yet,” said Ken Crerar, president of The Council, “but the uncertainty and confusion our members find when trying to place certain lines are sure to contribute to an overall unsettled business environment. It's too early to tell whether this disruption is a short-term response to the trauma of Sept. 11 or a more permanent market condition.”

The difficulties of placing and calculating risk were evident in the market survey, which is significant because it includes the period leading up to Jan. 1, 2002, when about 70 percent of the reinsurance treaties expired and were up for renewal. Reinsurance is insurance purchased by carriers to minimize their exposure.

“Carriers seem in disarray and [it is] impossible to get responses until [the] last minute,” one broker from the Southeast observed.

“Underwriters are overwhelmed, don’t have reinsurance in place and can’t get quotes out on time. Many accounts [are being] transferred and reunderwritten. [The] market is a royal mess!” said another Southeastern broker.

“The underwriters look critically at every single piece of business now. What used to be a slam dunk is no more. Coverages are harder to place, and rates are anywhere from 35 percent to 50 percent higher on even the cleanest accounts. Tougher, it’s just tougher,” said a broker from the Southwest.

Rates, meanwhile, continued their upward rise, a trend evident even before the Sept. 11 attacks. The brokers reported insurance rates for small accounts climbed on average 10 percent to 30 percent since last year, while nearly half said rates for medium and large accounts increased 30 percent to 50 percent. Prices shot up considerably by line, with commercial property and umbrella rates leading the way with sharp increases, in some cases as much as 50 percent to 100 percent. No accounts are being spared a rate hike.

Not surprisingly, some of the most difficult commercial underwriting challenges and biggest rate hikes came in the New York City and Washington, D.C., markets, where terrorists slammed passenger-loaded jets into the World Trade Center and the Pentagon.

“We are having difficulty with terrorism coverage in New York and Washington, D.C., with high density occupancy, in workers’ compensation and in property,” one broker from the Northeast commented.

Others said that also is the case with many high-profile structures or commercial properties that have large concentrations of visitors, workers or occupants. For the high profile accounts, the premium increases can be 100 percent or more.

“Rates have increased more than 100 percent on high profile properties, high rise office towers, restaurant accounts and transportation,” a broker from the Southeast reported.

Another broker reported 100 percent to 200 percent increases for large New York City properties.

A broker from the Southwestern United States said accounts driven by catastrophe exposure, accounts with loss frequency and certain classes of risks such as real estate, power generating plants, chemical companies and apartments are all seeing these types of increases.

Even where the rate increases are lower, brokers report policy terms and conditions have toughened, deductibles are substantially higher, exclusions from mold to terrorism are common, and the limits on overall liability in umbrella policies have been capped at much lower levels. Often, blanket property coverage is no longer available as underwriters tend to weigh the risk on each exposure individually and price it accordingly.

Brokers across the country appear to run into similar coverage issues. A broker from the Pacific Northwest remarked, “In certain cases, umbrella rates have increased well in excess of 100 percent. This includes accounts with heavy auto exposures, residential contractors and developers, and accounts with tough product liability exposures.”

“[The] main difficulty is that terms and conditions are often nonnegotiable. It is either take it or leave it,” an agent commented.

“Terms and conditions are being tightened across the board. Higher deductibles, lower limits and more exclusions are the rule rather than the exception,” added a broker from the Midwest.

Underwriting has moved beyond strict to burdensome in many cases. Some brokers reported that as many as five years of loss detail are being required, along with extensive financial data.

Group medical rates also continued to increase, with premiums for all sizes of accounts increasing from 10 percent to 50 percent.

Brokers across the country report they are coping with availability problems by turning to the alternative marketplace for coverage. The excess/surplus lines market, the so-called “market of last resort,” has seen a surge in business, particularly for umbrella and property risks. Rates and forms are not regulated in the E&S market so carriers are generally able to price coverage and set conditions to their liking. Brokers also say clients are showing more interest in captives as a result of the hard market.

“The marketing is clearly struggling,” Crerar said. “The combination of liabilities from Sept. 11, Enron, and the big hit on state guaranty funds from the Reliance insolvency has the industry reeling. Congressional action on terrorism insurance would help stabilize the market, but we don’t expect to see a downturn in the market for a long time.”

A chart of national data for the Fourth Quarter 2001 Commercial Insurance Market Index is attached. For regional charts, as well as complete historical data on Commercial Insurance Market Index, visit our web site at <http://www.ciab.com/resources/marketindex.jsp>.

Since 1913, **The Council of Insurance Agents + Brokers** has provided industry leadership while representing the largest, most productive and most profitable commercial insurance and employee benefits agencies and brokerage firms in the U.S. and around the globe. The Council’s members in over 3,000 locations, place nearly 80% — well over \$90 billion — of the U.S. commercial property/casualty premiums and billions of dollars in employee benefits. Web site: www.ciab.com.

Commercial Property – Casualty Market Survey

4th Quarter 2001

Released: *January 2002*

Total Responses: 140 (Represents independent insurance agents + brokers across the United States)

Below are the survey results for: **All Regions of the United States**

1. On average, how much have market rates changed since ONE YEAR AGO (January 1, 2001-January 1, 2002) for the following lines? (In other words, have rates decreased or increased since last January 1st and by how much?) Please check N/A for “no answer”

	1 Down > 50 %	2 Down 30-50%	3 Down 10 - 30%	4 Down 1 – 10%	5 No Change	6 Up 1 – 10%	7 Up 10 - 30%	8 Up 30 - 50%	9 Up 50 - 100%	10 Up >100 %	N/A
Small (<\$25K Comm. & Fees)					0 %	9 %	78 %	10 %	1 %	0 %	2 %
Medium (\$25K – \$100K)					0%	1 %	48 %	45 %	4 %	1 %	1 %
Large (>\$100)					1 %	1 %	41 %	35 %	13 %	1 %	8 %

2. On average, how have the premium rates changed since THREE MONTHS AGO (October 1, 2001 - January 1, 2002) for the following accounts?

	1 Down > 50 %	2 Down 30-50%	3 Down 10 - 30%	4 Down 1 – 10%	5 No Change	6 Up 1 – 10%	7 Up 10 - 30%	8 Up 30 - 50%	9 Up 50 - 100%	10 Up >100 %	N/A
Small (<\$25K Comm. & Fees)				1 %	5 %	24 %	54 %	14 %	1 %	0 %	1 %
Medium (\$25K – \$100K)				0 %	1 %	12 %	49 %	31 %	5 %	0 %	2 %
Large (>\$100 K)				0 %	0 %	9 %	41 %	27 %	11 %	2 %	8%

3. On average, how much have premium rates changed since ONE YEAR AGO (January 1, 2001 - January 1, 2002) for the following lines? (In other words, how much have rates decreased or increased since last January 1st and by how much?)

	1 Down >50%	2 Down 30 - 50%	3 Down 10 - 30%	4 Down 1 - 10%	5 No Change	6 Up 1- 10%	7 Up 10- 30%	8 Up 30- 50 %	9 Up 50 - 100%	10 Up >100%	N/A
Business Interruption				0 %	1 %	8 %	53 %	25 %	9 %	1 %	3 %
Construction				0 %	0%	1 %	24 %	39 %	19 %	4 %	13 %
Commercial Auto				1 %	1 %	5 %	51 %	36 %	5 %	0 %	1 %
Commercial Property				0 %	0 %	2 %	28 %	38 %	26 %	5 %	1 %
General Liability				0 %	0 %	7 %	64 %	22 %	4 %	1 %	2 %
Umbrella				0 %	1 %	2 %	21 %	34 %	28 %	13 %	1 %
Workers' Compensation				0 %	1 %	20 %	46 %	24 %	2 %	1 %	6 %

4. How much have the premium rates changed since THREE MONTHS AGO (October 1, 2001 - January 1, 2002) for the following lines?

	1 Down >50%	2 Down 30 - 50%	3 Down 10 - 30%	4 Down 1 - 10%	5 No Change	6 Up 1- 10%	7 Up 10- 30%	8 Up 30- 50 %	9 Up 50 - 100%	10 Up >100%	N/A
Business Interruption					4 %	14 %	41 %	24 %	9 %	2 %	6 %
Construction					0 %	4 %	36 %	28 %	10 %	2 %	20 %
Commercial Auto					5 %	18 %	54 %	17 %	1 %	1 %	4 %
Commercial Property					0 %	10 %	32 %	36 %	16 %	5 %	1 %
General Liability					1 %	18 %	57 %	17 %	4 %	0 %	3 %
Umbrella					0 %	7 %	24 %	34 %	22 %	10 %	3 %
Workers' Compensation					4 %	24 %	49 %	17 %	1 %	0 %	5 %

5. How have Group Medical premium rates changed since ONE YEAR AGO (January 1, 2001 - January 1, 2002) for the following accounts?

	1 Down >50%	2 Down 30 - 50%	3 Down 10 - 30%	4 Down 1 - 10%	5 No Change	6 Up 1- 10%	7 Up 10- 30%	8 Up 30- 50 %	9 Up 50 - 100%	10 Up >100%	N/A
Small (<\$25K Comm. & Fees)						3 %	50 %	19 %	2 %	0 %	26 %
Medium (\$25K - \$100K)						6 %	47 %	18 %	2 %	0 %	27 %
Large (>\$100K)						9 %	41 %	13 %	1 %	0 %	36 %

6. How much have GROUP MEDICAL premium rates changed since LAST QUARTER 2001 (Compare January 1, 2001 renewals with October 1, 2001 renewals.) Please check N/A if you don't handle the business or size account.

	1 Down >50%	2 Down 30 - 50%	3 Down 10 - 30%	4 Down 1 - 10%	5 No Change	6 Up 1- 10%	7 Up 10- 30%	8 Up 30- 50 %	9 Up 50 - 100%	10 Up >100%	N/A
Small (<\$25K Comm. & Fees)					3 %	22 %	38 %	11 %	0 %	0 %	26 %
Medium (\$25K - \$100K)					3 %	21 %	36 %	10 %	0 %	0 %	30 %
Large (>\$100K)					3 %	21 %	31 %	10 %	0 %	0 %	35 %



Commercial Property – Casualty Market Survey

4th Quarter 2001

Released: *January 2002*

Below are the survey results for: **MIDWEST (AR, IL, IN, IO, KS, MI, MO, MN, NE, ND, SD, OH, WI)**

1. On average, how much have market rates changed since ONE YEAR AGO (January 1, 2001-January 1, 2002) for the following lines? (In other words, have rates decreased or increased since last January 1st and by how much?) Please check N/A for “no answer”

	1 Down >50%	2 Down 30 - 50%	3 Down 10 - 30%	4 Down 1 - 10%	5 No Change	6 Up 1- 10%	7 Up 10- 30%	8 Up 30- 50 %	9 Up 50 - 100%	10 Up >100%	N/A
Small (<\$25K Comm. & Fees)					0 %	10 %	77 %	13 %	0 %	0 %	0 %
Medium (\$25K – \$100K)					0 %	3 %	50 %	47 %	0 %	0 %	0 %
Large (>\$100)					3 %	3 %	40 %	43 %	7 %	0 %	4 %

2. On average, how have the premium rates changed since THREE MONTHS AGO (October 1, 2001 - January 1, 2002) for the following accounts?

	1 Down > 50 %	2 Down 30-50%	3 Down 10 - 30%	4 Down 1 – 10%	5 No Change	6 Up 1 – 10%	7 Up 10 - 30%	8 Up 30 - 50%	9 Up 50 - 100%	10 Up >100 %	N/A
Small (<\$25K Comm. & Fees)				3 %	3 %	23 %	63%	8 %	0 %	0 %	0 %
Medium (\$25K – \$100K)					3 %	3 %	69 %	21 %	0 %	0 %	4 %
Large (>\$100K)					0 %	4 %	61 %	25 %	4 %	4 %	2 %

3. On average, how much have premium rates changed since ONE YEAR AGO (January 1, 2001 - January 1, 2002) for the following lines? (In other words, how much have rates decreased or increased since last January 1st and by how much?)

	1 Down >50%	2 Down 30 - 50%	3 Down 10 - 30%	4 Down 1 - 10%	5 No Change	6 Up 1- 10%	7 Up 10- 30%	8 Up 30- 50 %	9 Up 50 - 100%	10 Up >100%	N/A
Business Interruption						4 %	57 %	28 %	7 %	4 %	0 %
Construction						0 %	29 %	36 %	14 %	4 %	17 %
Commercial Auto						0 %	54 %	46 %	0 %	0 %	0 %
Commercial Property						0 %	18 %	50 %	28 %	4 %	0 %
General Liability						0 %	64 %	36 %	0 %	0 %	0 %
Umbrella						0 %	21 %	39 %	29 %	11 %	0 %
Workers' Compensation						11 %	57 %	29 %	0 %	0 %	3 %

4. How much have the premium rates changed since THREE MONTHS AGO (October 1, 2001 - January 1, 2002) for the following lines?

	1 Down >50%	2 Down 30 - 50%	3 Down 10 - 30%	4 Down 1 - 10%	5 No Change	6 Up 1- 10%	7 Up 10- 30%	8 Up 30- 50 %	9 Up 50 - 100%	10 Up >100%	N/A
Business Interruption						10 %	48 %	21 %	14 %	3 %	4 %
Construction						4 %	33 %	26 %	15 %	0 %	22 %
Commercial Auto						17 %	62 %	17 %	0 %	0 %	4 %
Commercial Property						7 %	28 %	34 %	21 %	7 %	3 %
General Liability						17 %	59 %	17 %	3 %	0 %	4 %
Umbrella						10 %	28 %	31 %	28 %	3 %	0 %
Workers' Compensation						31 %	48 %	14 %	0 %	0 %	7 %

5. How have Group Medical premium rates changed since ONE YEAR AGO (January 1, 2001 - January 1, 2002) for the following accounts?

	1 Down >50%	2 Down 30 - 50%	3 Down 10 - 30%	4 Down 1 - 10%	5 No Change	6 Up 1- 10%	7 Up 10- 30%	8 Up 30- 50 %	9 Up 50 - 100%	10 Up >100%	N/A
Small (<\$25K Comm. & Fees)						4 %	57 %	17 %	0 %	0 %	22 %
Medium (\$25K - \$100K)						0 %	73 %	9 %	0 %	0 %	18 %
Large (>\$100K)						13 %	52 %	9 %	0 %	0 %	26 %

6. How much have GROUP MEDICAL premium rates changed since LAST QUARTER 2001 (Compare January 1, 2001 renewals with October 1, 2001 renewals.) Please check N/A if you don't handle the business or size account.

	1 Down >50%	2 Down 30 - 50%	3 Down 10 - 30%	4 Down 1 - 10%	5 No Change	6 Up 1- 10%	7 Up 10- 30%	8 Up 30- 50 %	9 Up 50 - 100%	10 Up >100%	N/A
Small (<\$25K Comm. & Fees)					9 %	17 %	52 %	0 %	0 %	0 %	22 %
Medium (\$25K - \$100K)					0 %	26 %	52 %	0 %	0 %	0 %	22 %
Large (>\$100K)					0 %	27 %	46 %	0 %	0 %	0 %	27 %

Commercial Property – Casualty Market Survey

4th Quarter 2001

Released: *January 2002*

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

1. On average, how much have market rates changed since ONE YEAR AGO (January 1, 2001-January 1, 2002) for the following lines? (In other words, have rates decreased or increased since last January 1st and by how much?) Please check N/A for “no answer”

	1 Down > 50 %	2 Down 30-50%	3 Down 10 - 30%	4 Down 1 – 10%	5 No Change	6 Up 1 – 10%	7 Up 10 - 30%	8 Up 30 - 50%	9 Up 50 - 100%	10 Up >100 %	N/A
Small (<\$25K Comm. & Fees)						13 %	76 %	8 %	3 %	0 %	0 %
Medium (\$25K – \$100K)						3 %	37 %	50 %	8 %	0 %	2 %
Large (>\$100)						0 %	37 %	33 %	16 %	0 %	14 %

2. On average, how have the premium rates changed since THREE MONTHS AGO (October 1, 2001 - January 1, 2002) for the following accounts?

	1 Down > 50 %	2 Down 30-50%	3 Down 10 - 30%	4 Down 1 – 10%	5 No Change	6 Up 1 – 10%	7 Up 10 - 30%	8 Up 30 - 50%	9 Up 50 - 100%	10 Up >100 %	N/A
Small (<\$25K Comm. & Fees)					8 %	28 %	46 %	15%	3%	0 %	0 %
Medium (\$25K – \$100K)					0 %	15 %	39 %	33 %	10 %	0 %	3 %
Large (>\$100K)					0 %	8 %	26 %	42 %	11 %	3 %	10 %

3. On average, how much have premium rates changed since ONE YEAR AGO (January 1, 2001 - January 1, 2002) for the following lines? (In other words, how much have rates decreased or increased since last January 1st and by how much?)

	1 Down >50%	2 Down 30 -	3 Down 10 -	4 Down 1 -	5 No Change	6 Up 1- 10%	7 Up 10- 30%	8 Up 30- 50 %	9 Up 50 - 100%	10 Up >100%	N/A
Business Interruption					3 %	8 %	46 %	26 %	11 %	3 %	3 %
Construction					0 %	0 %	8 %	39 %	36 %	3 %	14 %
Commercial Auto					0 %	5 %	59 %	23 %	8 %	0 %	5 %
Commercial Property					0 %	5 %	23 %	33 %	33 %	3 %	3 %
General Liability					0 %	5 %	59%	26 %	5 %	3 %	2 %
Umbrella					3 %	0 %	18 %	33 %	26 %	18 %	2 %
Workers' Compensation					3 %	23 %	41 %	23 %	5 %	0 %	5 %

4. How much have the premium rates changed since THREE MONTHS AGO (October 1, 2001 - January 1, 2002) for the following lines?

	1 Down >50%	2 Down 30 - 50%	3 Down 10 - 30%	4 Down 1 - 10%	5 No Change	6 Up 1- 10%	7 Up 10- 30%	8 Up 30- 50 %	9 Up 50 - 100%	10 Up >100%	N/A
Business Interruption					8 %	13 %	26 %	32 %	13 %	3 %	5 %
Construction					0 %	0 %	32 %	37 %	13 %	0 %	18 %
Commercial Auto					5 %	16 %	54 %	13 %	3 %	3 %	6 %
Commercial Property					0 %	13 %	24 %	33 %	21 %	5 %	4 %
General Liability					0 %	18 %	44 %	24 %	11 %	0 %	3 %
Umbrella					0 %	5 %	18 %	42 %	18 %	13 %	4 %
Workers' Compensation					8 %	24 %	42 %	18 %	3 %	0 %	5 %

5. How have Group Medical premium rates changed since ONE YEAR AGO (January 1, 2001 - January 1, 2002) for the following accounts?

	1 Down >50%	2 Down 30 - 50%	3 Down 10 - 30%	4 Down 1 - 10%	5 No Change	6 Up 1- 10%	7 Up 10- 30%	8 Up 30- 50 %	9 Up 50 - 100%	10 Up >100%	N/A
Small (<\$25K Comm. & Fees)						3 %	58 %	8 %	0 %	0 %	31 %
Medium (\$25K - \$100K)						8 %	47 %	10 %	0 %	0 %	35 %
Large (>\$100K)						8 %	42 %	14 %	0 %	0 %	36 %

6. How much have GROUP MEDICAL premium rates changed since LAST QUARTER 2001 (Compare January 1, 2001 renewals with October 1, 2001 renewals.) Please check N/A if you don't handle the business or size account.

	1 Down >50%	2 Down 30 - 50%	3 Down 10 - 30%	4 Down 1 - 10%	5 No Change	6 Up 1- 10%	7 Up 10- 30%	8 Up 30- 50 %	9 Up 50 - 100%	10 Up >100%	N/A
Small (<\$25K Comm. & Fees)					3 %	31 %	34 %	3 %	0 %	0 %	29 %
Medium (\$25K - \$100K)					7 %	26 %	32 %	7 %	0 %	0 %	28 %
Large (>\$100K)					6 %	25 %	31 %	6 %	0 %	0 %	32 %



Commercial Property – Casualty Market Survey

4th Quarter 2001

Released: *January 2002*

Below are the survey results for: PACIFIC NW (No.CA,AK,CO,HI,ID,MT,NV,OR,UT,WA,WY)

1. On average, how much have market rates changed since ONE YEAR AGO (January 1, 2001-January 1, 2002) for the following lines? (In other words, have rates decreased or increased since last January 1st and by how much?) Please check N/A for “no answer”

	1 Down > 50 %	2 Down 30-50%	3 Down 10 - 30%	4 Down 1 – 10%	5 No Change	6 Up 1 – 10%	7 Up 10 - 30%	8 Up 30 - 50%	9 Up 50 - 100%	10 Up >100 %	N/A
Small (<\$25K Comm. & Fees)							90 %	10 %	0 %	0 %	0 %
Medium (\$25K – \$100K)							60 %	40 %	0 %	0 %	0 %
Large (>\$100)							50 %	40 %	10 %	0 %	0 %

2. On average, how have the premium rates changed since THREE MONTHS AGO (October 1, 2001 - January 1, 2002) for the following accounts?

	1 Down > 50 %	2 Down 30-50%	3 Down 10 - 30%	4 Down 1 – 10%	5 No Change	6 Up 1 – 10%	7 Up 10 - 30%	8 Up 30 - 50%	9 Up 50 - 100%	10 Up >100 %	N/A
Small (<\$25K Comm. & Fees)						30 %	60 %	10 %	0 %	0 %	0 %
Medium (\$25K – \$100K)						20 %	60 %	20 %	0 %	0 %	0 %
Large (>\$100K)						30%	40 %	10 %	20%	0 %	0 %

3. On average, how much have premium rates changed since ONE YEAR AGO (January 1, 2001 - January 1, 2002) for the following lines? (In other words, how much have rates decreased or increased since last January 1st and by how much?)

	1 Down >50%	2 Down 30 - 50%	3 Down 10 - 30%	4 Down 1 - 10%	5 No Change	6 Up 1- 10%	7 Up 10- 30%	8 Up 30- 50 %	9 Up 50 - 100%	10 Up >100%	N/A
Business Interruption						0 %	80 %	20%	0 %	0 %	0 %
Construction						0 %	30 %	50 %	10 %	10 %	0 %
Commercial Auto						0 %	60 %	40 %	0 %	0 %	0 %
Commercial Property						0 %	50 %	30 %	20 %	0 %	0 %
General Liability						10 %	90 %	0 %	0 %	0 %	0 %
Umbrella						0 %	30 %	30 %	30 %	10 %	0 %
Workers' Compensation						30 %	40 %	20 %	0 %	0 %	10 %

4. How much have the premium rates changed since THREE MONTHS AGO (October 1, 2001 - January 1, 2002) for the following lines?

	1 Down >50%	2 Down 30 - 50%	3 Down 10 - 30%	4 Down 1 - 10%	5 No Change	6 Up 1- 10%	7 Up 10- 30%	8 Up 30- 50 %	9 Up 50 - 100%	10 Up >100%	N/A
Business Interruption					0 %	33 %	56 %	11 %	0 %	0 %	0 %
Construction					0 %	0 %	78 %	22 %	0 %	0 %	0 %
Commercial Auto					11 %	11%	78 %	0 %	0 %	0 %	0 %
Commercial Property					0 %	11 %	33 %	56 %	0 %	0 %	0 %
General Liability					0 %	33 %	67 %	0 %	0 %	0 %	0 %
Umbrella					0 %	11%	33%	33%	11%	11%	1 %
Workers' Compensation					11 %	11%	56 %	11 %	0 %	0 %	11 %

5. How have Group Medical premium rates changed since ONE YEAR AGO (January 1, 2001 - January 1, 2002) for the following accounts?

	1 Down >50%	2 Down 30 - 50%	3 Down 10 - 30%	4 Down 1 - 10%	5 No Change	6 Up 1- 10%	7 Up 10- 30%	8 Up 30- 50 %	9 Up 50 - 100%	10 Up >100%	N/A
Small (<\$25K Comm. & Fees)						0 %	75 %	12 %	13 %	0 %	0 %
Medium (\$25K - \$100K)						13 %	75 %	0 %	12 %	0 %	0 %
Large (>\$100K)						25 %	63 %	0 %	12 %	0 %	0 %

6. How much have GROUP MEDICAL premium rates changed since LAST QUARTER 2001 (Compare January 1, 2001 renewals with October 1, 2001 renewals.) Please check N/A if you don't handle the business or size account.

	1 Down >50%	2 Down 30 - 50%	3 Down 10 - 30%	4 Down 1 - 10%	5 No Change	6 Up 1- 10%	7 Up 10- 30%	8 Up 30- 50 %	9 Up 50 - 100%	10 Up >100%	N/A
Small (<\$25K Comm. & Fees)					12 %	25 %	50 %	13 %	0 %	0 %	0 %
Medium (\$25K - \$100K)					12 %	38 %	38 %	12 %	0 %	0 %	0 %
Large (>\$100K)					12 %	50 %	25 %	13 %	0 %	0 %	0 %



THE COUNCIL

of Insurance Agents + Brokers

Commercial Property – Casualty Market Survey

4th Quarter 2001

Released: *January 2002*

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

1. On average, how much have market rates changed since ONE YEAR AGO (January 1, 2001-January 1, 2002) for the following lines? (In other words, have rates decreased or increased since last January 1st and by how much?) Please check N/A for “no answer”

	1 Down > 50 %	2 Down 30-50%	3 Down 10 - 30%	4 Down 1 – 10%	5 No Change	6 Up 1 – 10%	7 Up 10 - 30%	8 Up 30 - 50%	9 Up 50 - 100%	10 Up >100 %	N/A
Small (<\$25K Comm. & Fees)						8 %	78 %	5 %	3 %	0 %	6 %
Medium (\$25K – \$100K)						0 %	54 %	40 %	3 %	3 %	0 %
Large (>\$100)						0 %	51 %	24 %	14 %	3 %	8 %

2. On average, how have the premium rates changed since THREE MONTHS AGO (October 1, 2001 - January 1, 2002) for the following accounts?

	1 Down > 50 %	2 Down 30-50%	3 Down 10 - 30%	4 Down 1 – 10%	5 No Change	6 Up 1 – 10%	7 Up 10 - 30%	8 Up 30 - 50%	9 Up 50 - 100%	10 Up >100 %	N/A
Small (<\$25K Comm. & Fees)					5 %	14 %	60 %	14 %	3 %	0 %	4 %
Medium (\$25K – \$100K)					0 %	11 %	43 %	38 %	8 %	0 %	0 %
Large (>\$100K)					0 %	8 %	46 %	24 %	11 %	3 %	8 %

3. On average, how much have premium rates changed since ONE YEAR AGO (January 1, 2001 - January 1, 2002) for the following lines? (In other words, how much have rates decreased or increased since last January 1st and by how much?)

	1 Down >50%	2 Down 30 - 50%	3 Down 10 - 30%	4 Down 1 - 10%	5 No Change	6 Up 1- 10%	7 Up 10- 30%	8 Up 30- 50 %	9 Up 50 - 100%	10 Up >100%	N/A
Business Interruption				0 %	0 %	8 %	53 %	28 %	8 %	0 %	3 %
Construction				0 %	0 %	0 %	41 %	35 %	5 %	3 %	16 %
Commercial Auto				2 %	0 %	3 %	41 %	46 %	8 %	0 %	0 %
Commercial Property				0 %	0 %	3 %	33 %	38 %	17 %	9 %	0 %
General Liability				0 %	0 %	8 %	73 %	16 %	3 %	0 %	0 %
Umbrella				0 %	0 %	3 %	24 %	32 %	30 %	11 %	0 %
Workers' Compensation				0 %	3 %	34 %	46 %	17 %	0 %	0 %	0 %

4. How much have the premium rates changed since THREE MONTHS AGO (October 1, 2001 - January 1, 2002) for the following lines?

	1 Down >50%	2 Down 30 - 50%	3 Down 10 - 30%	4 Down 1 - 10%	5 No Change	6 Up 1- 10%	7 Up 10- 30%	8 Up 30- 50 %	9 Up 50 - 100%	10 Up >100%	N/A
Business Interruption					3 %	12 %	47 %	24 %	9 %	3 %	2 %
Construction					0 %	11 %	40 %	20 %	9 %	3 %	17 %
Commercial Auto					3 %	18 %	54 %	22 %	3 %	0 %	0 %
Commercial Property					0 %	11 %	38 %	35 %	8 %	8 %	0 %
General Liability					0 %	24 %	62 %	11 %	3 %	0 %	0 %
Umbrella					0 %	3 %	27 %	32 %	24 %	14 %	0 %
Workers' Compensation					5 %	32 %	43 %	20 %	0 %	0 %	0 %

5. How have Group Medical premium rates changed since ONE YEAR AGO (January 1, 2001 - January 1, 2002) for the following accounts?

	1 Down >50%	2 Down 30 - 50%	3 Down 10 - 30%	4 Down 1 - 10%	5 No Change	6 Up 1- 10%	7 Up 10- 30%	8 Up 30- 50 %	9 Up 50 - 100%	10 Up >100%	N/A
Small (<\$25K Comm. & Fees)						3 %	42 %	24 %	6 %	0 %	25 %
Medium (\$25K - \$100K)						3 %	42 %	30 %	0 %	0 %	25 %
Large (>\$100K)						6 %	39 %	9 %	0 %	0 %	46 %

6. How much have GROUP MEDICAL premium rates changed since LAST QUARTER 2001 (Compare January 1, 2001 renewals with October 1, 2001 renewals.) Please check N/A if you don't handle the business or size account.

	1 Down >50%	2 Down 30 - 50%	3 Down 10 - 30%	4 Down 1 - 10%	5 No Change	6 Up 1- 10%	7 Up 10- 30%	8 Up 30- 50 %	9 Up 50 - 100%	10 Up >100%	N/A
Small (<\$25K Comm. & Fees)						18 %	33 %	21 %	0 %	0 %	28 %
Medium (\$25K - \$100K)						16 %	39 %	16 %	0 %	0 %	29 %
Large (>\$100K)						12 %	24 %	15 %	0 %	0 %	49 %



Commercial Property – Casualty Market Survey

4th Quarter 2001

Released: *January 2002*

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

1. On average, how much have market rates changed since ONE YEAR AGO (January 1, 2001-January 1, 2002) for the following lines? (In other words, have rates decreased or increased since last January 1st and by how much?) Please check N/A for “no answer”

	1 Down > 50 %	2 Down 30-50%	3 Down 10 - 30%	4 Down 1 – 10%	5 No Change	6 Up 1 – 10%	7 Up 10 - 30%	8 Up 30 - 50%	9 Up 50 - 100%	10 Up >100 %	N/A
Small (<\$25K Comm. & Fees)						8 %	75 %	17 %	0 %	0 %	0 %
Medium (\$25K – \$100K)						0 %	46 %	50 %	4 %	0 %	0 %
Large (>\$100)						0 %	33 %	42 %	13 %	0 %	12 %

2. On average, how have the premium rates changed since THREE MONTHS AGO (October 1, 2001 - January 1, 2002) for the following accounts?

	1 Down > 50 %	2 Down 30-50%	3 Down 10 - 30%	4 Down 1 – 10%	5 No Change	6 Up 1 – 10%	7 Up 10 - 30%	8 Up 30 - 50%	9 Up 50 - 100%	10 Up >100 %	N/A
Small (<\$25K Comm. & Fees)					5 %	27 %	50 %	18 %	0 %	0 %	0 %
Medium (\$25K – \$100K)					0 %	9 %	41 %	18 %	18 %	0 %	14 %
Large (>\$100K)					0 %	9 %	41 %	17 %	17 %	0 %	16 %

3. On average, how much have premium rates changed since ONE YEAR AGO (January 1, 2001 - January 1, 2002) for the following lines? (In other words, how much have rates decreased or increased since last January 1st and by how much?)

	1 Down >50%	2 Down 30 - 50%	3 Down 10 - 30%	4 Down 1 - 10%	5 No Change	6 Up 1- 10%	7 Up 10- 30%	8 Up 30- 50 %	9 Up 50 - 100%	10 Up >100%	N/A
Business Interruption					0 %	13 %	54 %	21 %	8 %		4 %
Construction					0 %	4 %	17 %	46 %	21%	4 %	8 %
Commercial Auto					4 %	18%	48 %	30 %	0 %	0 %	0 %
Commercial Property					0 %	0 %	29 %	38 %	29 %	4 %	0 %
General Liability					0 %	17 %	50 %	21 %	8 %	4 %	0 %
Umbrella					4 %	8 %	17 %	33 %	25 %	8 %	5 %
Workers' Compensation					0 %	4 %	50 %	38 %	4 %	4 %	0 %

4. How much have the premium rates changed since THREE MONTHS AGO (October 1, 2001 - January 1, 2002) for the following lines?

	1 Down >50%	2 Down 30 - 50%	3 Down 10 - 30%	4 Down 1 - 10%	5 No Change	6 Up 1- 10%	7 Up 10- 30%	8 Up 30- 50 %	9 Up 50 - 100%	10 Up >100%	N/A
Business Interruption					4 %	13 %	48 %	22 %	0 %	0 %	13 %
Construction					0 %	4 %	26 %	39 %	9 %	4 %	18 %
Commercial Auto					13 %	26 %	35 %	17 %	0 %	0 %	9 %
Commercial Property					0 %	4 %	44 %	35 %	17 %	0 %	0 %
General Liability					9 %	4 %	61 %	22 %	0 %	0 %	4 %
Umbrella					0 %	13 %	22 %	30 %	17 %	9 %	9 %
Workers' Compensation					0 %	9 %	70 %	13 %	4 %	0 %	4 %

5. How have Group Medical premium rates changed since ONE YEAR AGO (January 1, 2001 - January 1, 2002) for the following accounts?

	1 Down >50%	2 Down 30 - 50%	3 Down 10 - 30%	4 Down 1 - 10%	5 No Change	6 Up 1- 10%	7 Up 10- 30%	8 Up 30- 50 %	9 Up 50 - 100%	10 Up >100%	N/A
Small (<\$25K Comm. &Fees)						0 %	33 %	33 %	0 %	0 %	34 %
Medium (\$25K - \$100K)						6 %	22 %	28 %	6 %	0 %	38 %
Large (>\$100K)						0 %	28 %	28 %	0 %	0 %	44 %

6. How much have GROUP MEDICAL premium rates changed since LAST QUARTER 2001 (Compare January 1, 2001 renewals with October 1, 2001 renewals.) Please check N/A if you don't handle the business or size account.

	1 Down >50%	2 Down 30 - 50%	3 Down 10 - 30%	4 Down 1 - 10%	5 No Change	6 Up 1- 10%	7 Up 10- 30%	8 Up 30- 50 %	9 Up 50 - 100%	10 Up >100%	N/A
Small (<\$25K Comm. & Fees)						16 %	37 %	16 %	0 %	0 %	31 %
Medium (\$25K - \$100K)						11 %	33 %	17 %	0 %	0 %	39 %
Large (>\$100K)						11 %	32 %	16 %	0 %	0 %	41 %