



THE COUNCIL

of Insurance Agents + Brokers

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NEWS RELEASE

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COMMERCIAL INSURANCE MARKET INDEX RELEASED

Third quarter data show concerns over economy and industry solvency

WASHINGTON – Top commercial insurance brokers, noting insurers have been buffeted by terrorist attacks, stock market woes and increasing environmental hazard claims, have cast their eyes ahead to the coming year and voiced concern that if economic conditions do not improve, the industry's financial viability could be in jeopardy.

In data released today in the third quarter 2002 Commercial Insurance Market Index survey of The Council of Insurance Agents + Brokers' members -- all among the top one percent of the nation's largest brokers -- 86 percent of respondents have concerns about carrier solvency.

In addition, The Council's quarterly Market Index showed premium prices across all lines of commercial business continued to march upward for the period ending Sept. 30, 2002. Respondent broker -- all among the sector writing 80 percent of commercial property/casualty coverage -- showed more than 60 percent of medium-sized and large accounts continued to experience price increases from 20 to 50 percent. Respondents said half their small accounts saw premiums rise 10 to 20 percent, and 20 percent more went up between 20 and 30 percent. The increases are consistent with previous "hard market" findings.

This quarter's Index survey repeats the familiar post-9/11 story of higher rates, tougher terms and conditions and lower capacity," said Ken A. Crerar, The Council's president. "But solvency concerns emerge as troubling new twist. Large brokers are concerned state regulators and other solvency watchdogs do not confront solvency issues quickly enough to rehabilitate troubled carriers or get them out of the market. Yet, absent a federal solution, those are the only sources we currently have to assess carrier solvency.

Responding to an open-ended question on emerging issues, brokers cited the economy's continuing weakness and worrisome post 9/11 carrier rating declines as the reason for growing solvency concerns.

"We are seeing downgrades almost on a weekly basis," reported one broker.

"Very concerned," said another.

“We figure one (insolvency) is just around the corner,” an agent volunteered.

Asked to look ahead to trends that will impact commercial insurance pricing and availability in the coming year, one respondent ticked off five: “Economy, additional terrorist activity, war, asbestos, mold.”

“Stock market and insolvencies will continue to hamper balance sheets. Should prolong the hard market,” said another.

Although some brokers said the pending agreement on a terrorism backstop bill on Capitol Hill will help to stabilize the market, the survey showed continued worry about the fallout from a weak economy and an unstable stock market.

“Stocks are off and bond yields are down, requiring underwriting profits to make up for lost investment income; this should continue the upward pressure on prices. Medical costs continue to rise,” said another.

“Financial state will affect bankruptcies of both companies and insureds,” one agent predicted.

One respondent said he was worried that a sudden influx of the cash from a year-plus of higher premiums would result in carriers “deluding themselves into thinking their underwriting position has improved and the glitter of market share is once again more important than the fundamentals of sound underwriting.”

But another broker said he was far more concerned that market pressures are taking their toll on historically good relationships between customers and insurers.

“Clients are learning to live with less coverage,” this agent replied. “More importantly, claim service is deteriorating – professional competence, staffing, response times, length of time to make payment are all declining, and clients are becoming mistrustful of insurers and suspicious of their intent. Previously positive relationships are deteriorating rapidly.”

In terms of premium increases in the third quarter, not a single line of commercial insurance was spared higher rates, with the bulk of the price increases in the 10 to 30 percent range. Brokers reported that 20 percent of construction risks, 18 percent of the director’s and officer’s accounts, and 27 percent of umbrella policies had increased 30 to 50 percent.

In addition, medical malpractice coverage was significantly higher, with 18 percent of account premiums up from 30 to 50 percent; 12 percent of accounts up 50 to 100 percent; and 19 percent of the accounts up 100 percent.

The survey also showed that brokers and agents are turning more frequently to alternative markets to place risky or difficult accounts, with surplus lines and captives the most common choices.

And customers are dealing with higher premiums by dramatically altering their insurance choices. Higher deductibles are employed almost across-the-board, brokers reported, while 59 percent said their customers were self-insuring a portion of their risks. Of the respondents, 51 percent said some clients had foregone insurance totally and were “going bare” for risks previously managed with commercial insurance coverages.

“It’s important for the industry to focus on the very real financial challenges ahead. Solvency is a top priority -- and one the industry and regulators must take very seriously. The purpose of regulation is to protect consumers. That cannot be done without a coordinated early warning system. As throughout the 90-year history of this association, our members lack full confidence the existing regulatory system works,” Crerar said.

The Council of Insurance Agents + Brokers is the voice of the market leaders and the premier association for commercial insurance and employee benefits intermediaries in the United States and abroad. From its headquarters in Washington, DC – with programs conducted throughout the nation and world – The Council represents the largest, most productive, and most profitable of all commercial insurance agencies and brokerage firms. Only the top one percent of all agents and brokers qualify. The Council's members in more than 3,000 locations, place 80 percent — well over \$90 billion — of all U.S. insurance products and services protecting business, industry, government and the public at-large, and they administer billions of dollars in employee benefits. Since 1913, The Council of Insurance Agents + Brokers has worked in the best interests of its members, securing innovative solutions and creating new market opportunities at home and abroad. Web site: www.ciab.com



Commercial Property – Casualty Market Survey

3rd Quarter 2002

Released: October 2002

Total Responses: 128 (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 have premium rates changed over the last 3 months, since July 1 renewals, for the following accounts. Please check N/A if you don’t know or don’t handle the type of account.

	1 Down 20 – 30%	2 Down 10 - 20%	3 Down 1 - 10%	4 No Change	5 Up 1 – 10%	6 Up 10 – 20%	7 Up 20 - 30%	8 Up 30 - 50%	9 Up 50 - 100%	10 Up >100 %	N/A
Small (<\$25K Comm. & Fees)	0 %	0 %	0 %	8 %	17 %	46 %	19 %	2 %	0 %	0 %	8 %
Medium	0 %	0 %	1 %	6 %	8 %	23 %	44 %	13 %	2 %	0 %	3 %

(\$25K – \$100K)											
Large (>\$100)	0 %	1 %	0 %	6 %	6 %	14 %	38 %	21 %	2 %	0 %	12 %

2. How much have premium rates changed over the last 3 months, since July 1 renewals, for the following lines? Please check N/A if you don't know or don't handle the line.

	1 Down 20 – 30%	2 Down 10 - 20%	3 Down 1 - 10%	4 No Chan ge	5 Up 1 - 10%	6 Up 10 – 20%	7 Up 20 - 30%	8 Up 30 - 50 %	9 Up 50 - 100%	10 Up >100 %	N/A
Business Interruption	0 %	0 %	0 %	13 %	17 %	31 %	20 %	6 %	2 %	0 %	11 %
Commercial Auto	0 %	0 %	1 %	6 %	18 %	37 %	24 %	12 %	0 %	0 %	2 %
Commercial Property	0 %	0 %	1 %	8 %	9 %	30 %	23 %	21 %	5 %	0 %	3 %
Construction Risks	0 %	0 %	0 %	5 %	8 %	13 %	29 %	20 %	7 %	2 %	16 %
D&O	0 %	1 %	0 %	4 %	9 %	21 %	16 %	18 %	16 %	3 %	12 %
Employment Practices	0 %	0 %	1 %	8 %	19 %	24 %	26 %	10 %	3 %	0 %	9 %
General Liability	0 %	0 %	1 %	8 %	13 %	38 %	28 %	9 %	1 %	0 %	2 %
Medical Malpractice	0 %	0 %	1 %	5 %	3 %	5 %	6 %	17 %	11 %	19 %	33 %
Surety Bonds	0 %	1 %	0 %	16 %	13 %	17 %	20 %	2 %	0 %	1 %	30 %
Umbrella	0 %	1 %	0 %	4 %	9 %	12 %	27 %	27 %	11 %	5 %	4 %

Workers Compensation	0 %	0 %	1 %	9 %	16 %	27 %	23 %	13 %	2 %	0 %	9 %
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3. Compared to ONE YEAR AGO, how has pricing changed for the following lines?

	1 Down 20 – 30%	2 Down 10 – 20%	3 Down 1 – 10%	4 No Chan ge	5 Up 1 – 10%	6 Up 10 – 20%	7 Up 20 – 30%	8 Up 30 – 50 %	9 Up 50 – 100%	10 Up >100 %	N/A
Business Interruption	0 %	0 %	0 %	1 %	5 %	23 %	34 %	23 %	5 %	2 %	7 %
Commercial Auto	0 %	0 %	0 %	1 %	5 %	22 %	39 %	24 %	5 %	2 %	2 %
Commercial Property	0 %	0 %	0 %	0 %	2 %	13 %	27 %	38 %	13 %	3 %	4 %
Construction Risks	0 %	0 %	0 %	1 %	2 %	9 %	15 %	37 %	15 %	4 %	17 %
D&O	0 %	0 %	0 %	1 %	3 %	14 %	19 %	19 %	20 %	12 %	12 %
Employment Practices	0 %	0 %	0 %	1 %	9 %	27 %	21 %	20 %	8 %	4 %	10 %
General Liability	0 %	0 %	0 %	0 %	5 %	29 %	28 %	30 %	5 %	0 %	3 %
Surety Bonds	0 %	0 %	0 %	9 %	13 %	20 %	15 %	9 %	2 %	1 %	31 %
Umbrella	0 %	0 %	0 %	1 %	3 %	7 %	27 %	26 %	19 %	13 %	4 %
Workers' Compensation	0 %	0 %	0 %	3 %	13 %	23 %	22 %	22 %	5 %	1 %	11 %

Commercial Property – Casualty Market Survey

3rd Quarter 2002

Released: October 2002

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

2. On average, how have premium rates changed over the last 3 months, since July 1 renewals, for the following accounts. Please check N/A if you don't know or don't handle the type of account.

	1 Down 20 – 30%	2 Down 10 - 20%	3 Down 1 - 10%	4 No Change	5 Up 1 - 10%	6 Up 10 - 20%	7 Up 20 - 30%	8 Up 30 - 50%	9 Up 50 - 100%	10 Up >100 %	N/A
Small (<\$25K Comm. & Fees)	0 %	0 %	0 %	6 %	6 %	55 %	15 %	3 %	0 %	0 %	15 %
Medium (\$25K – \$100K)	0 %	0 %	3 %	3 %	3 %	12 %	61 %	12 %	0 %	0 %	6 %
Large (>\$100)	0 %	3 %	0 %	3 %	3 %	6 %	52 %	27 %	3 %	0 %	3 %

3. How much have premium rates changed over the last 3 months, including July 1 renewals, for the following lines? Please check N/A if you don't know or don't handle the line.

	1 Down 20 – 30%	2 Down 10 - 20%	3 Down 1 - 10%	4 No Change	5 Up 1 – 10%	6 Up 10 - 20%	7 Up 20 - 30%	8 Up 30 - 50 %	9 Up 50 - 100%	10 Up >100 %	N/A
Business Interruption	0 %	0 %	0 %	9 %	15 %	33 %	27 %	6 %	3 %	0 %	7 %
Commercial Auto	0 %	0 %	3 %	3 %	15 %	39 %	21 %	12 %	0 %	0 %	7 %

Commercial Property	0 %	0 %	3 %	3 %	3 %	39 %	18 %	21 %	6 %	0 %	7 %
Construction Risks	0 %	0 %	0 %	3 %	0 %	6 %	30 %	18 %	12 %	3 %	28 %
D&O	0 %	3 %	0 %	3 %	3 %	21 %	15 %	30 %	12 %	3 %	10 %
Employment Practices	0 %	0 %	3 %	3 %	15 %	27 %	27 %	15 %	3 %	0 %	7 %
General Liability	0 %	0 %	3 %	3 %	9 %	33 %	33 %	12 %	0 %	0 %	7 %
Medical Malpractice	0 %	0 %	3 %	6 %	0 %	6 %	6 %	12 %	12 %	18 %	37 %
Surety Bonds	0 %	0 %	0 %	9 %	9 %	18 %	12 %	3 %	0 %	0 %	49 %
Umbrella	0 %	3 %	0 %	0 %	6 %	18 %	27 %	27 %	6 %	3 %	10 %
Workers Compensation	0 %	0 %	0 %	9 %	9 %	36 %	21 %	9 %	0 %	0 %	16 %

4. Compared to ONE YEAR AGO, how has pricing changed for the following lines?

	1 Down 20 – 30%	2 Down 10 - 20%	3 Down 1 - 10%	4 No Chan ge	5 Up 1 – 10%	6 Up 10 - 20%	7 Up 20 - 30%	8 Up 30 - 50 %	9 Up 50 - 100%	10 Up >100 %	N/A
Business Interruption	0 %	0 %	0 %	0 %	9 %	24 %	30 %	27 %	3 %	0 %	7 %

Commercial Auto	0 %	0 %	0 %	0 %	6 %	24 %	39 %	21 %	0 %	3 %	7 %
Commercial Property	0 %	0 %	0 %	0 %	3 %	12 %	36 %	30 %	12 %	0 %	7 %
Construction Risks	0 %	0 %	0 %	3 %	0 %	6 %	12 %	30 %	18 %	6 %	25 %
D&O	0 %	0 %	0 %	3 %	0 %	12 %	30 %	18 %	18 %	9 %	10 %
Employment Practices	0 %	0 %	0 %	3 %	0 %	30 %	30 %	18 %	6 %	6 %	7 %
General Liability	0 %	0 %	0 %	0 %	6 %	21 %	24 %	33 %	6 %	0 %	10 %
Surety Bonds	0 %	0 %	0 %	3 %	3 %	30 %	12 %	12 %	0 %	0 %	40 %
Umbrella	0 %	0 %	0 %	0 %	3 %	6 %	27 %	24 %	15 %	15 %	10 %
Workers' Compensation	0 %	0 %	0 %	3 %	9 %	36 %	33 %	12 %	0 %	0 %	7 %



Commercial Property – Casualty Market Survey

3rd Quarter 2002

Released: October 2002

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

2. On average, how have premium rates changed over the last 3 months, since July 1 renewals, for the following accounts. Please check N/A if you don't know or don't handle the type of account.

	1 Down 20 – 30%	2 Down 10 – 20%	3 Down 1 – 10%	4 No Change	5 Up 1 – 10%	6 Up 10 – 20%	7 Up 20 – 30%	8 Up 30 – 50%	9 Up 50 – 100%	10 Up >100 %	N/A
Small (<\$25K Comm. & Fees)	0 %	0 %	0 %	9 %	21 %	47 %	12 %	3 %	0%	0 %	8 %
Medium (\$25K – \$100K)	0 %	0 %	0 %	6 %	6 %	29 %	41 %	15 %	0 %	0 %	3 %
Large (>\$100)	0 %	0 %	0 %	6 %	6 %	18 %	35 %	18 %	0 %	0 %	17 %

3. How much have premium rates changed over the last 3 months, including July 1 renewals, for the following lines? Please check N/A if you don't know or don't handle the line.

	1 Down 20 – 30%	2 Down 10 – 20%	3 Down 1 – 10%	4 No Change	5 Up 1 – 10%	6 Up 10 – 20%	7 Up 20 – 30%	8 Up 30 – 50 %	9 Up 50 – 100%	10 Up >100 %	N/A
Business Interruption	0 %	0 %	0 %	12 %	26 %	24 %	15 %	3 %	0 %	0 %	20 %
Commercial Auto	0 %	0 %	0 %	3 %	18 %	38 %	29 %	9 %	0 %	0 %	3 %
Commercial Property	0 %	0 %	0 %	9 %	6 %	32 %	26 %	15 %	9 %	0 %	3 %
Construction Risks	0 %	0 %	0 %	3 %	12 %	21 %	23 %	23 %	3 %	0 %	15 %
D&O	0 %	0 %	0 %	6 %	12 %	17 %	17 %	9 %	15 %	6 %	18 %
Employment Practices	0 %	0 %	0 %	14 %	14 %	24 %	21 %	3 %	6 %	0 %	18 %

General Liability	0 %	0 %	0 %	6 %	12 %	50 %	23 %	9 %	0 %	0 %	0 %
Medical Malpractice	0 %	0 %	0 %	2 %	6 %	6 %	6 %	18 %	6 %	18 %	38 %
Surety Bonds	0 %	0 %	0 %	23 %	15 %	12 %	15 %	0 %	0 %	0 %	35 %
Umbrella	0 %	0 %	0 %	9 %	6 %	6 %	24 %	32 %	12 %	9 %	2 %
Workers Compensation	0 %	0 %	0 %	9 %	15 %	21 %	29 %	12 %	0 %	0 %	14 %

4. Compared to ONE YEAR AGO, how has pricing changed for the following lines?

	1 Down 20 – 30%	2 Down 10 - 20%	3 Down 1 - 10%	4 No Chan ge	5 Up 1 – 10%	6 Up 10 - 20%	7 Up 20 - 30%	8 Up 30 - 50 %	9 Up 50 - 100%	10 Up >100 %	N/A
Business Interruption	0 %	0 %	0 %	3 %	3 %	24 %	18 %	26 %	6 %	3 %	17 %
Commercial Auto	0 %	0 %	0 %	3 %	6 %	26 %	24 %	24 %	12 %	0 %	5 %
Commercial Property	0 %	0 %	0 %	0 %	3 %	15 %	18 %	44 %	12 %	3 %	5 %
Construction Risks	0 %	0 %	0 %	0 %	6 %	6 %	15 %	47 %	9 %	0 %	17 %
D&O	0 %	0 %	0 %	0 %	6 %	15 %	9 %	17 %	12 %	17 %	24 %
Employment Practices	0 %	0 %	0 %	0 %	18 %	18 %	12 %	20 %	6 %	6 %	20 %

General Liability	0 %	0 %	0 %	0 %	9 %	29 %	26 %	26 %	3 %	0 %	7 %
Surety Bonds	0 %	0 %	0 %	12 %	15 %	15 %	15 %	3 %	0 %	0 %	40 %
Umbrella	0 %	0 %	0 %	3 %	3 %	9 %	18 %	26 %	21 %	15 %	5 %
Workers' Compensation	0 %	0 %	0 %	9 %	24 %	9 %	12 %	29 %	3 %	0 %	14 %



THE COUNCIL
of Insurance Agents + Brokers

Commercial Property – Casualty Market Survey

3rd Quarter 2002

Released: October 2002

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

2. On average, how have premium rates changed over the last 3 months, since July 1 renewals, for the following accounts. Please check N/A if you don't know or don't handle the type of account.

	1 Down 20 – 30%	2 Down 10 - 20%	3 Down 1 - 10%	4 No Change	5 Up 1 - 10%	6 Up 10 – 20%	7 Up 20 - 30%	8 Up 30 - 50%	9 Up 50 - 100%	10 Up >100 %	N/A
Small (<\$25K Comm. & Fees)	0 %	0 %	0 %	6 %	23 %	42 %	26 %	3 %	0 %	0 %	0 %

Medium (\$25K – \$100K)	0 %	0 %	0 %	10 %	13 %	29 %	32 %	6 %	3 %	0 %	7 %
Large (>\$100)	0 %	0 %	0 %	6 %	10 %	16 %	23 %	26 %	0 %	0 %	19 %

3. How much have premium rates changed over the last 3 months, including July 1 renewals, for the following lines? Please check N/A if you don't know or don't handle the line.

	1 Down 20 – 30%	2 Down 10 - 20%	3 Down 1 - 10%	4 No Change	5 Up 1 – 10%	6 Up 10 - 20%	7 Up 20 - 30%	8 Up 30 - 50 %	9 Up 50 - 100%	10 Up >100 %	N/A
Business Interruption	0 %	0 %	0 %	16 %	10 %	35 %	16 %	13 %	0 %	0 %	10 %
Commercial Auto	0 %	0 %	0 %	6 %	26 %	32 %	23 %	13 %	0 %	0 %	0 %
Commercial Property	0 %	0 %	0 %	6 %	16 %	29 %	19 %	26 %	3 %	0 %	1 %
Construction Risks	0 %	0 %	0 %	6 %	10 %	13 %	39 %	10 %	10 %	0 %	12 %
D&O	0 %	0 %	0 %	6 %	10 %	19 %	23 %	19 %	16 %	0 %	7 %
Employment Practices	0 %	0 %	0 %	6 %	29 %	19 %	29 %	13 %	0 %	0 %	4 %
General Liability	0 %	0 %	0 %	10 %	19 %	42 %	26 %	3 %	0 %	0 %	0 %
Medical Malpractice	0 %	0 %	0 %	6 %	3 %	3 %	13 %	23 %	13 %	16 %	23 %
Surety Bonds	0 %	0 %	0 %	10 %	19 %	19 %	26 %	3 %	0 %	0 %	23 %

Umbrella	0 %	0 %	0 %	3 %	10 %	13 %	35 %	16 %	13 %	6 %	4 %
Workers Compensation	0 %	0 %	0 %	6 %	23 %	39 %	19 %	3 %	3 %	0 %	7 %

4. Compared to ONE YEAR AGO, how has pricing changed for the following lines?

	1 Down 20 – 30%	2 Down 10 - 20%	3 Down 1 - 10%	4 No Chan ge	5 Up 1 – 10%	6 Up 10 - 20%	7 Up 20 - 30%	8 Up 30 - 50 %	9 Up 50 - 100%	10 Up >100 %	N/A
Business Interruption	0 %	0 %	0 %	0 %	3 %	32 %	32 %	23 %	6 %	3 %	1 %
Commercial Auto	0 %	0 %	0 %	0 %	3 %	26 %	35 %	32 %	0 %	3 %	1 %
Commercial Property	0 %	0 %	0 %	0 %	0 %	16 %	35 %	29 %	16 %	3 %	1 %
Construction Risks	0 %	0 %	0 %	0 %	3 %	19 %	13 %	26 %	16 %	6 %	17 %
D&O	0 %	0 %	0 %	0 %	6 %	16 %	26 %	16 %	19 %	6 %	11 %
Employment Practices	0 %	0 %	0 %	0 %	19 %	26 %	16 %	29 %	6 %	0 %	4 %
General Liability	0 %	0 %	0 %	0 %	0 %	39 %	29 %	29 %	3 %	0 %	0 %
Surety Bonds	0 %	0 %	0 %	10 %	23 %	12 %	23 %	10 %	3 %	0 %	19 %
Umbrella	0 %	0 %	0 %	0 %	3 %	13 %	29 %	19 %	19 %	16 %	1 %

							%				
Workers' Compensation	0 %	0 %	0 %	0 %	16 %	23 %	19 %	13 %	10 %	0 %	19 %



Commercial Property – Casualty Market Survey

3rd Quarter 2002

Released: October 2002

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

2. On average, how have premium rates changed over the last 3 months, since July 1 renewals, for the following accounts. Please check N/A if you don't know or don't handle the type of account.

	1 Down 20 – 30%	2 Down 10 - 20%	3 Down 1 - 10%	4 No Change	5 Up 1 - 10%	6 Up 10 – 20%	7 Up 20 - 30%	8 Up 30 - 50%	9 Up 50 - 100%	10 Up >100 %	N/A
Small (<\$25K Comm. & Fees)	0 %	0 %	0 %	0 %	30 %	70 %	0 %	0 %	0 %	0 %	0 %
Medium (\$25K – \$100K)	0 %	0 %	0 %	0 %	0 %	40 %	50 %	10 %	0 %	0 %	0 %
Large (>\$100)	0 %	0 %	0 %	0 %	0 %	10 %	50 %	10 %	0 %	0 %	30 %

3. How much have premium rates changed over the last 3 months, including July 1 renewals, for the following lines? Please check N/A if you don't know or don't handle the line.

	1 Down 20 – 30%	2 Down 10 - 20%	3 Down 1 - 10%	4 No Chan ge	5 Up 1 – 10%	6 Up 10 - 20%	7 Up 20 - 30%	8 Up 30 - 50 %	9 Up 50 - 100%	10 Up >100 %	N/A
Business Interruption	0 %	0 %	0 %	0 %	10 %	40 %	20 %	0 %	10 %	0 %	20 %
Commercial Auto	0 %	0 %	0 %	10 %	10 %	40 %	30 %	10 %	0 %	0 %	0 %
Commercial Property	0 %	0 %	0 %	0 %	10 %	20 %	60 %	10 %	0 %	0 %	0 %
Construction Risks	0 %	0 %	0 %	0 %	10 %	0 %	10 %	50 %	0 %	20 %	10 %
D&O	0 %	0 %	0 %	0 %	0 %	40 %	10 %	20 %	20 %	0 %	10 %
Employment Practices	0 %	0 %	0 %	0 %	10 %	40 %	30 %	10 %	0 %	0 %	10 %
General Liability	0 %	0 %	0 %	0 %	10 %	40 %	40 %	10 %	0 %	0 %	0 %
Medical Malpractice	0 %	0 %	0 %	0 %	0 %	10 %	0 %	10 %	20 %	40 %	20 %
Surety Bonds	0 %	0 %	0 %	10 %	10 %	30 %	20 %	0 %	0 %	0 %	30 %
Umbrella	0 %	0 %	0 %	0 %	10 %	20 %	40 %	20 %	10 %	0 %	0 %
Workers Compensation	0 %	0 %	0 %	0 %	20 %	10 %	10 %	50 %	0 %	0 %	10 %

4. Compared to ONE YEAR AGO, how has pricing changed for the following lines?

	1 Down 20 – 30%	2 Down 10 - 20%	3 Down 1 - 10%	4 No Chan ge	5 Up 1 – 10%	6 Up 10 - 20%	7 Up 20 - 30%	8 Up 30 - 50 %	9 Up 50 - 100%	10 Up >100 %	N/A
Business Interruption	0 %	0 %	0 %	0 %	0 %	10 %	60 %	0 %	10 %	0 %	20 %
Commercial Auto	0 %	0 %	0 %	0 %	10 %	20 %	50 %	0 %	20 %	0 %	0 %
Commercial Property	0 %	0 %	0 %	0 %	0 %	20 %	20 %	40 %	20 %	0 %	0 %
Construction Risks	0 %	0 %	0 %	0 %	0 %	0 %	10 %	40 %	30 %	10 %	10 %
D&O	0 %	0 %	0 %	0 %	0 %	10 %	30 %	10 %	30 %	10 %	10 %
Employment Practices	0 %	0 %	0 %	0 %	0 %	40 %	30 %	10 %	0 %	0 %	20 %
General Liability	0 %	0 %	0 %	0 %	0 %	40 %	30 %	20 %	10 %	0 %	0 %
Surety Bonds	0 %	0 %	0 %	10 %	0 %	30 %	10 %	10 %	10 %	0 %	30 %
Umbrella	0 %	0 %	0 %	0 %	0 %	10 %	40 %	30 %	20 %	0 %	0 %
Workers’ Compensatio n	0 %	0 %	0 %	0 %	0 %	10 %	30 %	10 %	30 %	10 %	10 %

Commercial Property – Casualty Market Survey

3rd Quarter 2002

Released: October 2002

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

2. On average, how have premium rates changed over the last 3 months, since July 1 renewals, for the following accounts. Please check N/A if you don't know or don't handle the type of account.

	1 Down 20 – 30%	2 Down 10 - 20%	3 Down 1 - 10%	4 No Change	5 Up 1 - 10%	6 Up 10 - 20%	7 Up 20 - 30%	8 Up 30 - 50%	9 Up 50 - 100%	10 Up >100 %	N/A
Small (<\$25K Comm. & Fees)	0 %	0 %	0 %	20 %	20 %	27 %	27 %	0 %	0 %	0 %	6 %
Medium (\$25K – \$100K)	0 %	0 %	0 %	13 %	20 %	13 %	34 %	13 %	7 %	0 %	0 %
Large (>\$100)	0 %	0 %	0 %	20 %	7 %	20 %	27 %	13 %	7 %	0 %	6 %

3. How much have premium rates changed over the last 3 months, including July 1 renewals, for the following lines? Please check N/A if you don't know or don't handle the line.

	1 Down 20 – 30%	2 Down 10 - 20%	3 Down 1 - 10%	4 No Change	5 Up 1 – 10%	6 Up 10 - 20%	7 Up 20 - 30%	8 Up 30 - 50 %	9 Up 50 - 100%	10 Up >100 %	N/A
Business Interruption	0 %	0 %	0 %	27 %	27 %	27 %	13 %	6 %	0 %	0 %	0 %
Commercial Auto	0 %	0 %	0 %	13 %	20 %	40 %	20 %	7 %	0 %	0 %	0 %

Commercial Property	0 %	0 %	0 %	27 %	13 %	20 %	7 %	27 %	6 %	0 %	0 %
Construction Risks	0 %	0 %	0 %	13 %	13 %	20 %	27 %	27 %	0 %	0 %	0 %
D&O	0 %	0 %	0 %	0 %	20 %	27 %	13 %	7 %	13 %	7 %	13 %
Employment Practices	0 %	0 %	0 %	13 %	20 %	27 %	20 %	7 %	7 %	0 %	6 %
General Liability	0 %	0 %	0 %	20 %	20 %	26 %	20 %	7 %	7 %	0 %	0 %
Medical Malpractice	0 %	0 %	0 %	7 %	7 %	7 %	0 %	20 %	7 %	20 %	32 %
Surety Bonds	0 %	7 %	0 %	33 %	13 %	20 %	20 %	0 %	0 %	0 %	7 %
Umbrella	0 %	0 %	0 %	7 %	20 %	7 %	13 %	33 %	7 %	7 %	6 %
Workers Compensation	0 %	0 %	7 %	13 %	20 %	7 %	33 %	7 %	13 %	0 %	0 %

4. Compared to ONE YEAR AGO, how has pricing changed for the following lines?

	1 Down 20 – 30%	2 Down 10 - 20%	3 Down 1 - 10%	4 No Chan ge	5 Up 1 – 10%	6 Up 10 - 20%	7 Up 20 - 30%	8 Up 30 - 50 %	9 Up 50 - 100%	10 Up >100 %	N/A
Business Interruption	0 %	0 %	0 %	0 %	7 %	13 %	46 %	27 %	0 %	7 %	0 %
Commercial Auto	0 %	0 %	0 %	0 %	0 %	7 %	73 %	20 %	0 %	0 %	0 %

Commercial Property	0 %	0 %	0 %	0 %	0 %	7 %	20 %	53 %	7 %	13 %	0 %
Construction Risks	0 %	0 %	0 %	0 %	0 %	13 %	27 %	47 %	13 %	0 %	0 %
D&O	0 %	0 %	0 %	0 %	0 %	13 %	7 %	33 %	33 %	7 %	7 %
Employment Practices	0 %	0 %	0 %	0 %	0 %	40 %	27 %	7 %	20 %	0 %	6 %
General Liability	0 %	0 %	0 %	0 %	7 %	27 %	33 %	27 %	6 %	0 %	0 %
Surety Bonds	0 %	0 %	0 %	20 %	27 %	20 %	13 %	7 %	0 %	0 %	13 %
Umbrella	0 %	0 %	0 %	0 %	7 %	0 %	20 %	33 %	20 %	13 %	7 %
Workers' Compensation	0 %	0 %	0 %	0 %	7 %	33 %	13 %	40 %	7 %	0 %	0 %