

NEWS RELEASE – FOR IMMEDIATE RELEASE

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**COUNCIL SURVEY SHOWS COMMERCIAL PROPERTY/CASUALTY RATES
MELTING IN SUMMER HEAT**

WASHINGTON, D.C., July 19, 2010 – Excess capacity chasing market share in the commercial property/casualty marketplace has resulted in another quarter of declining renewal pricing, according to The Council of Insurance Agents & Brokers’ second quarter Commercial P/C Market Index Survey. On average, renewal rates dropped by about 6 percent in the second quarter, compared with a 5 percent decrease in the first quarter of 2010.

“It’s the same old story,” said Council President Ken A. Crerar. “Carriers continue to fight aggressively for new business as capacity flows into the market. It’s like someone forgot to turn off the spigot. No one seems to know when the reservoir will dry up, but in the meantime, it’s definitely a buyers’ market.”

Commercial renewal pricing for small, medium and large business accounts continued to decline in the second quarter, compared with the first quarter of the year. Large account rate declines were again slightly more than the other accounts, but pricing for all account sizes was soft, according to The Council’s survey data. All individual commercial lines included in the survey experienced rate decreases, compared with the previous quarter.

Average Rate Declined 6% in Second Quarter 2010				
	Small	Mid	Large	Avg
Second Quarter 2010	-3.4%	-7.0%	-8.9%	-6.4%
First Quarter 2010	-3.0%	-5.7%	-7.4%	-5.3%
Fourth Quarter 2009	-3.1%	-6.3%	-7.4%	-5.6%
Third Quarter 2009	-3.6%	-6.5%	-7.4%	-5.8%
Second Quarter 2009	-2.5%	-5.7%	-6.7%	-4.9%
High (4Q01)	20.8%	31.7%	33.0%	28.5%
Low (3Q07)	-10.0%	-15.0%	-15.9%	-13.3%

Prepared by Barclays Capital Equity Research using Council survey data

Brokers across the country reported that capacity was plentiful for all lines:

“New carriers continue to enter the marketplace, further driving rates down. The capacity seems endless at this point.”

“Carriers have lots of capacity for new business, but also don’t want to lose renewals. If there’s competition they will lower price.”

“Appetite for premium is at a desperate level. New capacity continues to come into the market (inexplicably) and there is not enough premium to feed all the mouths.”

“There is an abundance of capacity for D&O and other management liability coverage. Carriers are seeking to maintain market share by cutting premium and expanding coverage.”

Buyers found good deals not only on pricing last quarter, but on terms and conditions as well, according to survey comments. “Carriers are open to improving deductibles, terms and conditions in hopes of being able to keep premium flat,” said one respondent. Another broker saw “lower deductibles, broader coverage terms, more liberal terms.” Still another remarked that there are “generally broader terms, no additional restrictions in coverage.”

There was no notable change in customer demand for insurance in the second quarter, the brokers said. Only 26 percent of those surveyed said demand was up – about the same response as in the first quarter.

The economy and credit crisis remain the top concern of brokers across the country.

*Founded in 1913, **The Council** is the premier association for commercial insurance and employee benefits intermediaries. The Council represents the leading commercial brokers and agents in the United States and abroad. Council members annually place 80 percent of all commercial property/casualty premiums in the United States and administer billions of dollars in employee benefits accounts.*

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Commercial Property – Casualty Market Survey 2nd Quarter 2010 Released: July 2010

Below are the survey results for: ALL REGIONS

1. On average, how have premium rates changed over the last three months (April 1 - June 30) 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%	1%	11%	46%	22%	8%	1%	0%	1%	1%	9%
Medium (\$25K – \$100K)	0%	6%	18%	56%	14%	2%	0%	1%	0%	1%	2%
Large (>\$100K)	3%	6%	22%	46%	12%	2%	1%	0%	0%	0%	8%

2. How much have premium rates changed over the last three months (April 1 - June 30) 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%	1%	4%	45%	29%	3%	0%	0%	0%	0%	18%
Broker E & O	0%	1%	1%	12%	29%	1%	1%	0%	0%	0%	55%
Commercial Auto	0%	1%	13%	56%	17%	4%	0%	0%	0%	0%	9%
Commercial Property	0%	6%	18%	49%	14%	5%	0%	0%	0%	0%	8%
Construction Risks	0%	3%	11%	39%	14%	1%	1%	0%	0%	0%	31%
D & O	0%	2%	9%	30%	35%	5%	0%	0%	0%	0%	19%
Flood Insurance	0%	1%	1%	7%	47%	8%	1%	0%	0%	0%	35%
Employment Practices	0%	1%	6%	35%	39%	3%	0%	0%	0%	0%	16%
General Liability	0%	5%	13%	58%	14%	4%	0%	0%	0%	0%	6%
Marine	1%	4%	11%	35%	20%	1%	0%	0%	0%	0%	28%
Medical Malpractice	0%	1%	5%	20%	22%	2%	1%	0%	0%	0%	49%
Surety Bonds	0%	0%	0%	6%	43%	1%	1%	0%	0%	0%	49%
Terrorism	1%	0%	2%	13%	43%	1%	0%	0%	0%	0%	40%
Umbrella	1%	1%	17%	43%	28%	1%	1%	0%	0%	0%	8%
Workers' Compensation	1%	4%	13%	45%	17%	8%	1%	0%	0%	0%	11%

Commercial Property – Casualty Market Survey
2nd Quarter 2010 **Released: July 2010**

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 (April 1 - June 30) 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%	0%	7%	48%	18%	7%	2%	0%	2%	2%	14%
Medium (\$25K – \$100K)	0%	2%	23%	45%	16%	5%	0%	2%	0%	2%	5%
Large (>\$100K)	2%	9%	23%	39%	11%	2%	5%	0%	0%	0%	9%

2. How much have premium rates changed over the last three months (April 1 - June 30) 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%	2%	7%	48%	25%	2%	0%	0%	0%	0%	16%
Broker E & O	0%	0%	0%	9%	32%	5%	0%	0%	0%	0%	54%
Commercial Auto	0%	0%	14%	55%	17%	0%	0%	0%	0%	0%	14%
Commercial Property	0%	11%	16%	43%	14%	5%	0%	0%	0%	0%	11%
Construction Risks	0%	0%	9%	30%	18%	2%	0%	0%	0%	0%	41%
D & O	0%	0%	16%	27%	41%	5%	0%	0%	0%	0%	11%
Flood Insurance	0%	2%	0%	11%	59%	2%	2%	0%	0%	0%	24%
Employment Practices	0%	0%	11%	27%	48%	2%	0%	0%	0%	0%	11%
General Liability	0%	2%	20%	45%	12%	7%	0%	0%	0%	0%	14%
Marine	2%	7%	14%	25%	16%	0%	0%	0%	0%	0%	36%
Medical Malpractice	0%	0%	2%	14%	32%	2%	0%	0%	0%	0%	50%
Surety Bonds	0%	0%	0%	5%	52%	2%	0%	0%	0%	0%	41%
Terrorism	0%	0%	2%	16%	50%	2%	0%	0%	0%	0%	30%
Umbrella	0%	0%	22%	30%	30%	2%	2%	0%	0%	0%	14%
Worker's Compensation	0%	2%	11%	41%	20%	9%	0%	0%	0%	0%	17%

Commercial Property – Casualty Market Survey
2nd Quarter 2010 Released: July 2010

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 (April 1 - June 30) 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%	0%	13%	50%	22%	10%	0%	0%	0%	0%	5%
Medium (\$25K – \$100K)	0%	10%	25%	45%	12%	3%	0%	0%	0%	0%	5%
Large (>\$100K)	8%	5%	22%	42%	8%	3%	0%	0%	0%	0%	12%

2. How much have premium rates changed over the last three months (April 1 - June 30) 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%	0%	8%	34%	33%	5%	0%	0%	0%	0%	20%
Broker E & O	0%	0%	0%	20%	25%	0%	0%	0%	0%	0%	55%
Commercial Auto	0%	0%	16%	60%	8%	8%	0%	0%	0%	0%	8%
Commercial Property	0%	8%	21%	38%	10%	13%	0%	0%	0%	0%	10%
Construction Risks	0%	5%	16%	45%	13%	3%	0%	0%	0%	0%	18%
D & O	0%	3%	3%	23%	40%	3%	0%	0%	0%	0%	28%
Flood Insurance	0%	0%	3%	8%	43%	15%	0%	0%	0%	0%	31%
Employment Practices	0%	0%	0%	40%	45%	3%	0%	0%	0%	0%	12%
General Liability	0%	3%	20%	56%	8%	8%	0%	0%	0%	0%	5%
Marine	0%	3%	13%	35%	18%	0%	0%	0%	0%	0%	31%
Medical Malpractice	0%	0%	8%	20%	13%	3%	0%	0%	0%	0%	56%
Surety Bonds	0%	0%	0%	12%	35%	3%	0%	0%	0%	0%	50%
Terrorism	0%	0%	3%	8%	41%	3%	0%	0%	0%	0%	45%
Umbrella	0%	0%	18%	47%	25%	0%	0%	0%	0%	0%	10%
Workers' Compensation	0%	3%	25%	50%	5%	5%	0%	0%	0%	0%	12%

Commercial Property – Casualty Market Survey
2nd Quarter 2010 **Released: July 2010**

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 (April 1 - June 30) 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%	0%	12%	45%	27%	3%	0%	0%	0%	0%	13%
Medium (\$25K – \$100K)	0%	0%	12%	79%	9%	0%	0%	0%	0%	0%	0%
Large (>\$100K)	0%	3%	30%	45%	15%	7%	0%	0%	0%	0%	0%

2. How much have premium rates changed over the last three months (April 1 - June 30) 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%	0%	0%	46%	24%	0%	0%	0%	0%	0%	30%
Broker E & O	0%	0%	0%	12%	27%	0%	0%	0%	0%	0%	61%
Commercial Auto	0%	0%	6%	64%	21%	0%	0%	0%	0%	0%	9%
Commercial Property	0%	0%	12%	70%	12%	0%	0%	0%	0%	0%	6%
Construction Risks	0%	0%	0%	58%	12%	0%	0%	0%	0%	0%	30%
D & O	0%	0%	9%	37%	24%	6%	0%	0%	0%	0%	24%
Flood Insurance	0%	0%	0%	6%	39%	12%	0%	0%	0%	0%	43%
Employment Practices	0%	0%	9%	28%	39%	3%	0%	0%	0%	0%	21%
General Liability	0%	0%	3%	76%	15%	0%	0%	0%	0%	0%	6%
Marine	0%	0%	3%	58%	21%	0%	0%	0%	0%	0%	18%
Medical Malpractice	0%	0%	9%	28%	21%	6%	0%	0%	0%	0%	36%
Surety Bonds	0%	0%	0%	9%	39%	0%	4%	0%	0%	0%	48%
Terrorism	0%	0%	3%	15%	30%	0%	0%	0%	0%	0%	52%
Umbrella	0%	0%	12%	64%	21%	0%	0%	0%	0%	0%	3%
Workers' Compensation	0%	0%	9%	58%	24%	3%	0%	0%	0%	0%	6%

Commercial Property – Casualty Market Survey
2nd Quarter 2010 **Released: July 2010**

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 (April 1 - June 30) 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%	0%	10%	57%	19%	14%	0%	0%	0%	0%	0%
Medium (\$25K – \$100K)	0%	10%	0%	71%	19%	0%	0%	0%	0%	0%	0%
Large (>\$100K)	5%	5%	19%	52%	14%	0%	0%	0%	0%	0%	5%

2. How much have premium rates changed over the last three months (April 1 - June 30) 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%	0%	0%	62%	28%	0%	0%	0%	0%	0%	10%
Broker E & O	0%	0%	5%	10%	37%	0%	5%	0%	0%	0%	43%
Commercial Auto	0%	0%	10%	56%	14%	10%	0%	0%	0%	0%	10%
Commercial Property	0%	0%	19%	52%	29%	0%	0%	0%	0%	0%	0%
Construction Risks	0%	5%	19%	29%	14%	0%	0%	0%	0%	0%	33%
D & O	0%	0%	5%	42%	38%	5%	0%	0%	0%	0%	10%
Flood Insurance	0%	0%	0%	0%	52%	0%	0%	0%	0%	0%	48%
Employment Practices	0%	0%	5%	52%	24%	5%	0%	0%	0%	0%	14%
General Liability	0%	14%	5%	62%	19%	0%	0%	0%	0%	0%	0%
Marine	0%	5%	14%	48%	14%	5%	0%	0%	0%	0%	14%
Medical Malpractice	0%	0%	0%	19%	33%	0%	5%	0%	0%	0%	43%
Surety Bonds	0%	0%	0%	0%	48%	0%	0%	0%	0%	0%	52%
Terrorism	0%	0%	0%	19%	48%	0%	0%	0%	0%	0%	33%
Umbrella	5%	0%	19%	29%	47%	0%	0%	0%	0%	0%	0%
Workers' Compensation	0%	10%	5%	42%	18%	10%	5%	0%	0%	0%	10%

Commercial Property – Casualty Market Survey 2nd Quarter 2010 Released: July 2010

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 (April 1 - June 30) 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%	5%	14%	41%	26%	5%	0%	0%	0%	0%	9%
Medium (\$25K – \$100K)	0%	14%	23%	45%	18%	0%	0%	0%	0%	0%	0%
Large (>\$100K)	0%	9%	14%	54%	14%	0%	0%	0%	0%	0%	9%

2. How much have premium rates changed over the last three months (April 1 - June 30) for the following lines? Please check N/A if you don't know or don't handle the line.

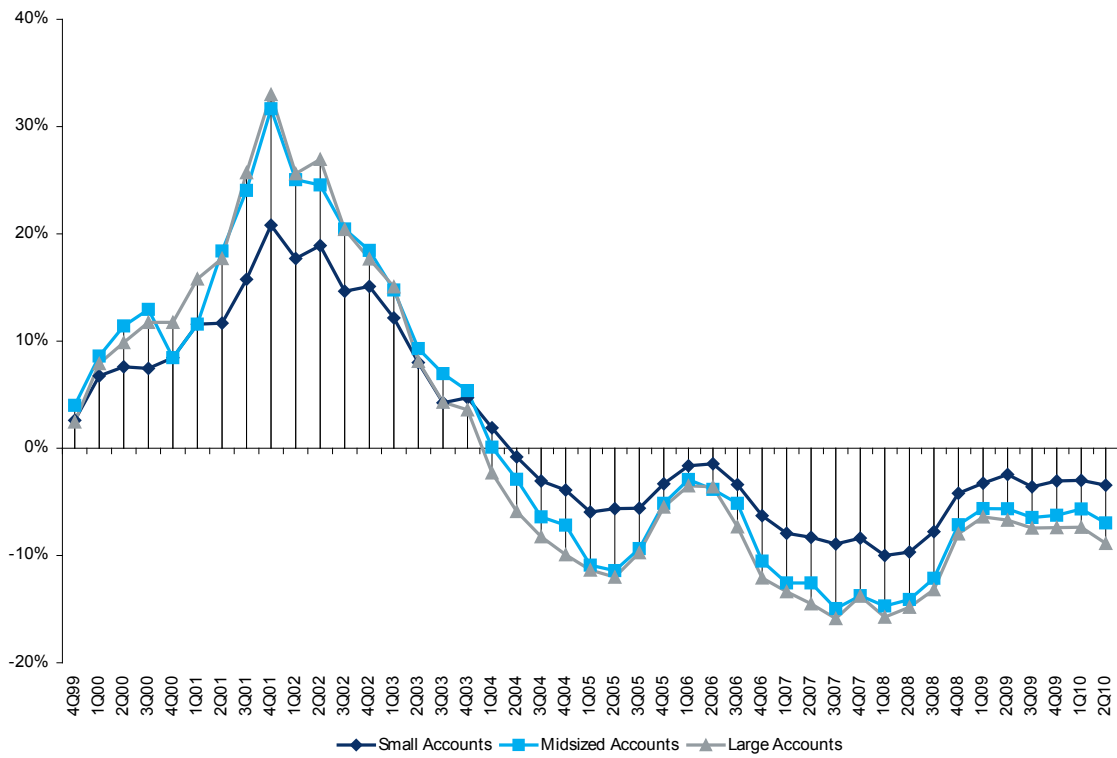
	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10- 20%	8 Up 20- 30%	9 Up 30- 50%	10 Up 50- 100%	N/A
Business Interruption	0%	5%	5%	41%	35%	5%	0%	0%	0%	0%	9%
Broker E & O	0%	5%	0%	5%	22%	0%	0%	0%	0%	0%	68%
Commercial Auto	0%	5%	22%	36%	27%	5%	0%	0%	0%	0%	5%
Commercial Property	0%	5%	22%	50%	14%	4%	0%	0%	0%	0%	5%
Construction Risks	0%	9%	14%	26%	14%	0%	5%	0%	0%	0%	32%
D & O	0%	9%	9%	32%	23%	9%	0%	0%	0%	0%	18%
Flood Insurance	0%	5%	0%	5%	41%	8%	0%	0%	0%	0%	41%
Employment Practices	0%	9%	5%	36%	22%	5%	0%	0%	0%	0%	23%
General Liability	0%	13%	9%	50%	23%	5%	0%	0%	0%	0%	0%
Marine	0%	9%	9%	18%	37%	0%	0%	0%	0%	0%	27%
Medical Malpractice	0%	5%	5%	22%	9%	0%	0%	0%	0%	0%	59%
Surety Bonds	0%	0%	0%	0%	41%	0%	0%	0%	0%	0%	59%
Terrorism	5%	0%	0%	9%	45%	0%	0%	0%	0%	0%	41%
Umbrella	5%	5%	9%	45%	26%	5%	0%	0%	0%	0%	5%
Workers' Compensation	5%	9%	9%	35%	23%	14%	0%	0%	0%	0%	5%

Average Second Quarter 2010 Commercial Rates Decreased 6.4%

Average Rate Declined 6% in Second Quarter 2010				
	Small	Mid	Large	Avg
Second Quarter 2010	-3.4%	-7.0%	-8.9%	-6.4%
First Quarter 2010	-3.0%	-5.7%	-7.4%	-5.3%
Fourth Quarter 2009	-3.1%	-6.3%	-7.4%	-5.6%
Third Quarter 2009	-3.6%	-6.5%	-7.4%	-5.8%
Second Quarter 2009	-2.5%	-5.7%	-6.7%	-4.9%
High (4Q01)	20.8%	31.7%	33.0%	28.5%
Low (3Q07)	-10.0%	-15.0%	-15.9%	-13.3%

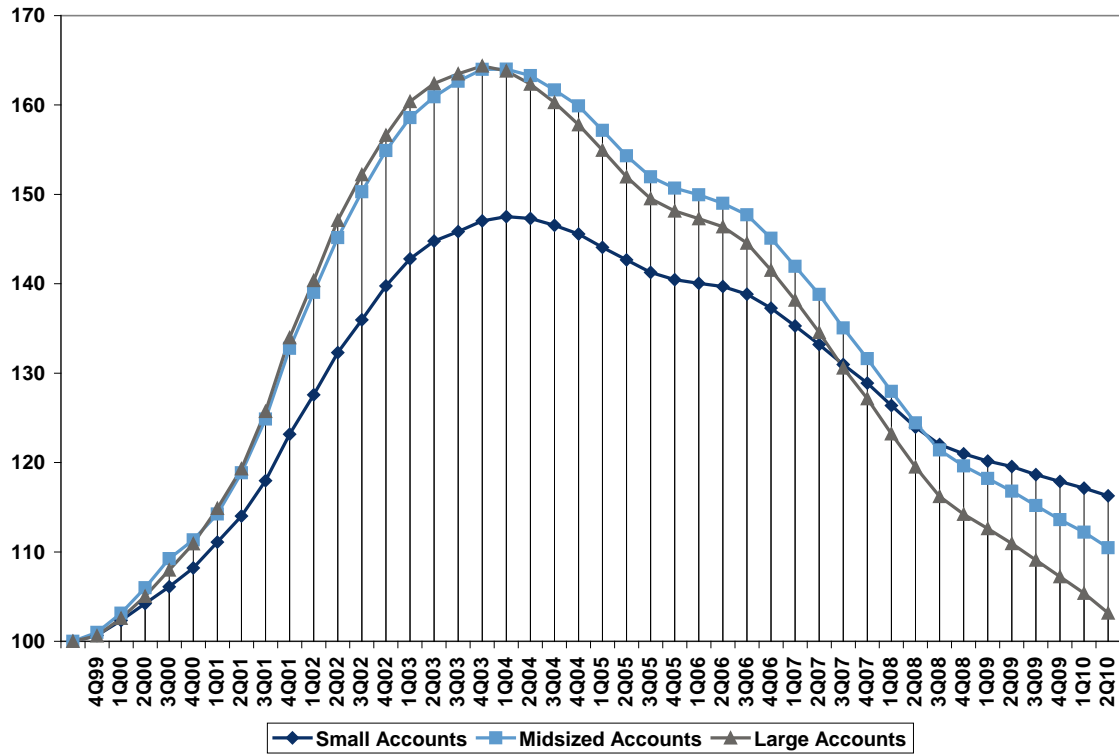
Source: The Council of Insurance Agents and Brokers. Chart prepared by Barclays Capital Equity Research.

Average Commercial Premium Rate Changes by Account Size



Source: The Council of Insurance Agents and Brokers. Chart prepared by Barclays Capital Equity Research.

Cumulative Quarterly Rate Increases by Account Size



Source: The Council of Insurance Agents and Brokers. Chart prepared by Barclays Capital Equity Research.

By-Line Second Quarter 2010 Rate Changes Ranged From -5.4% to -7.0%

By-Line Second Quarter 2010 Rate Changes Ranged From -5.4% to -7.0%						
	Comm'l Auto	Workers' Comp	Comm'l Property	Gen'l Liability	Umbrella	Average
Second Quarter 2010	-5.5%	-5.4%	-7.0%	-6.3%	-6.0%	-6.0%
First Quarter 2010	-4.4%	-3.9%	-5.4%	-5.0%	-4.6%	-4.7%
Fourth Quarter 2009	-4.6%	-3.7%	-5.8%	-6.0%	-5.0%	-5.0%
Third Quarter 2009	-4.9%	-4.6%	-4.0%	-5.3%	-4.9%	-4.7%
Second Quarter 2009	-4.1%	-4.0%	-3.3%	-5.4%	-4.9%	-4.3%
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%

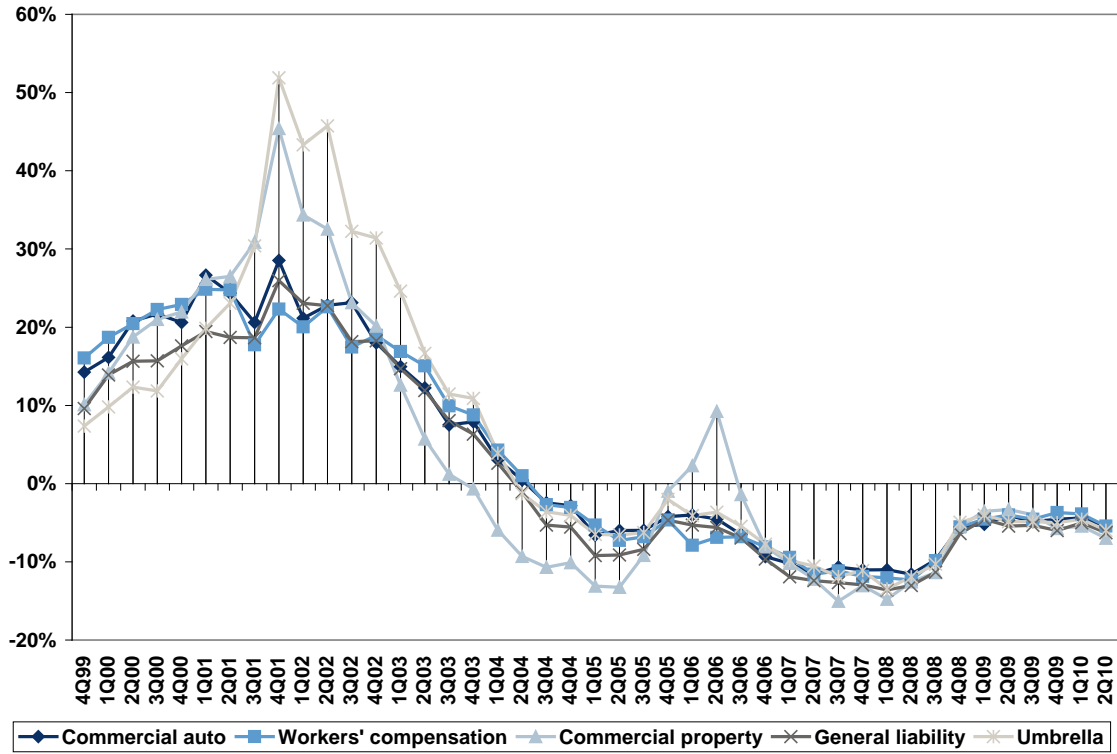
Source: The Council of Insurance Agents and Brokers. Chart prepared by Barclays Capital Equity Research.

Rate Changes in Other Lines

Second Quarter 2010 Rate Changes in Other Lines			
	2Q10	High	Low
Business interruption	-3.3%	28.8%	-10.2%
Construction	-4.6%	38.7%	-10.7%
D&O liability	-3.4%	32.4%	-8.7%
Employment practices	-3.1%	21.9%	-8.1%
Surety bonds	-0.1%	11.2%	-2.3%

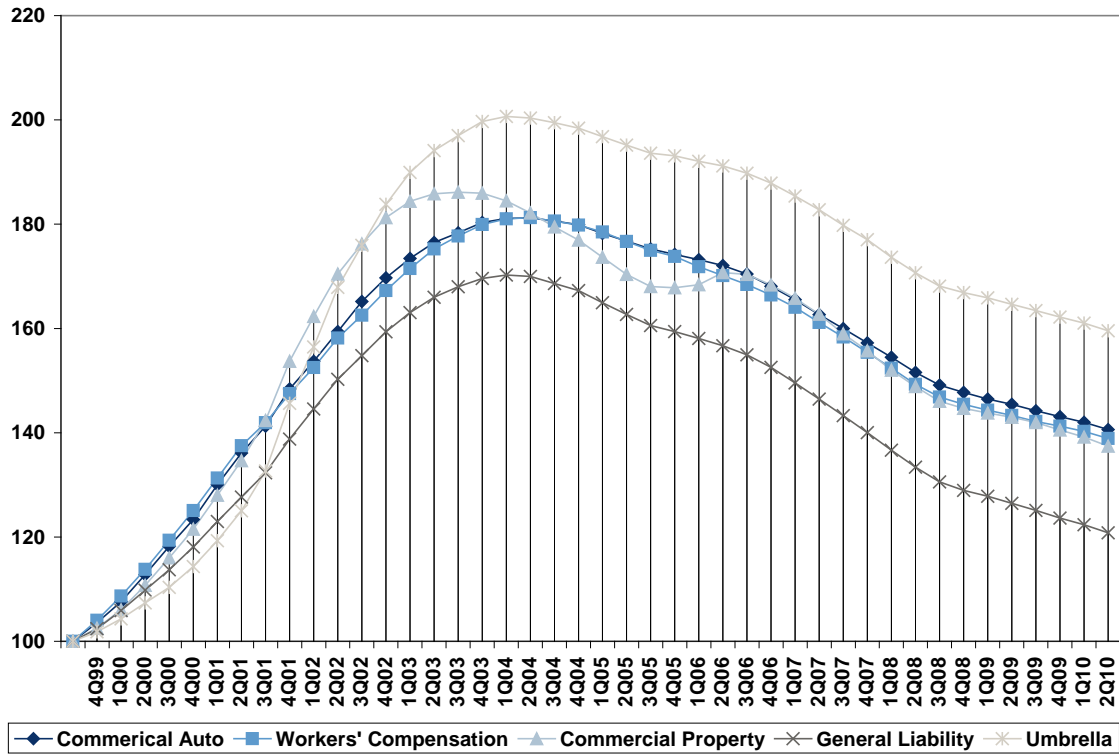
Source: The Council of Insurance Agents and Brokers. Chart prepared by Barclays Capital Equity Research.

Average Commercial Rate Increases by Line

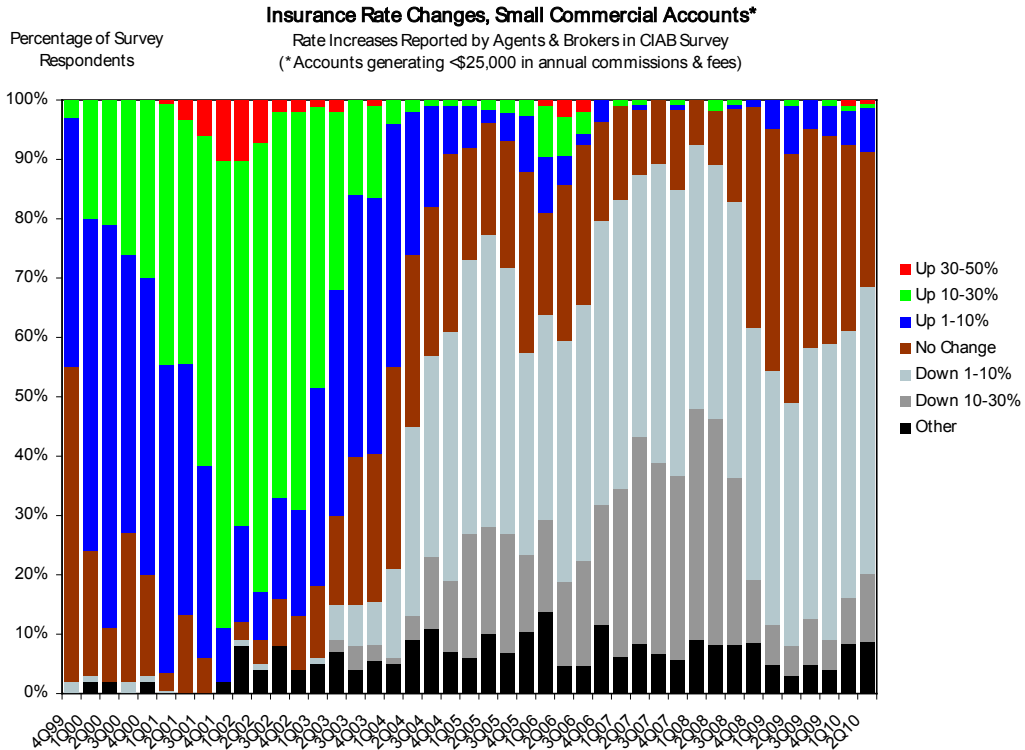


Source: The Council of Insurance Agents and Brokers. Chart prepared by Barclays Capital Equity Research.

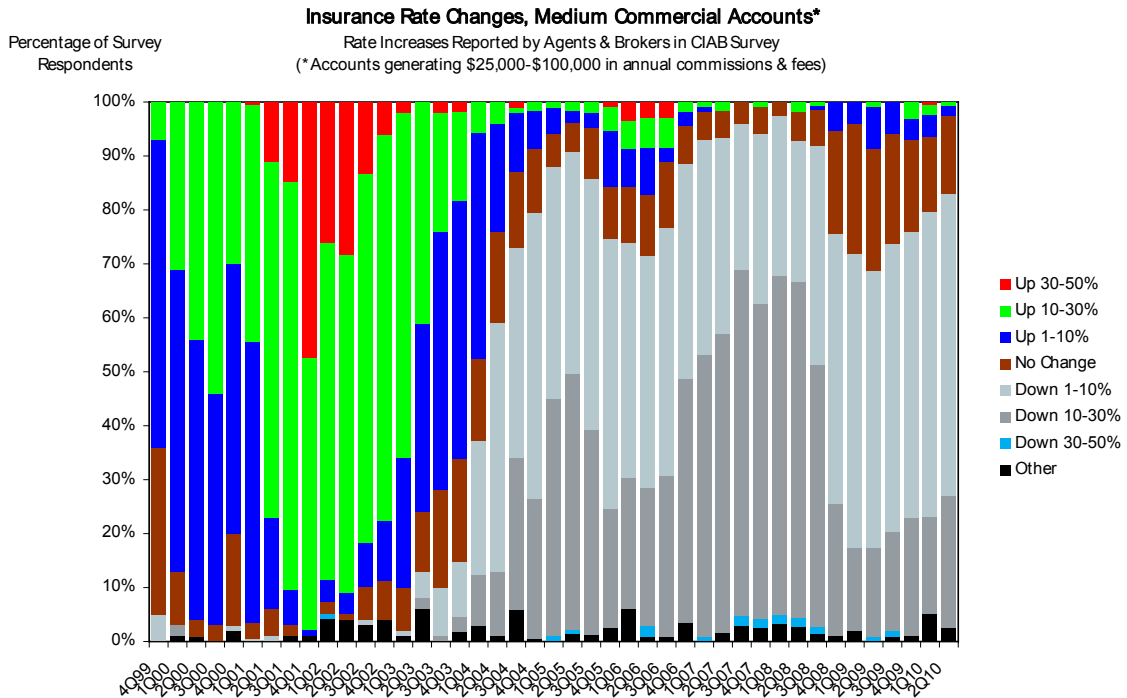
Cumulative Quarterly Rate Increases by Line



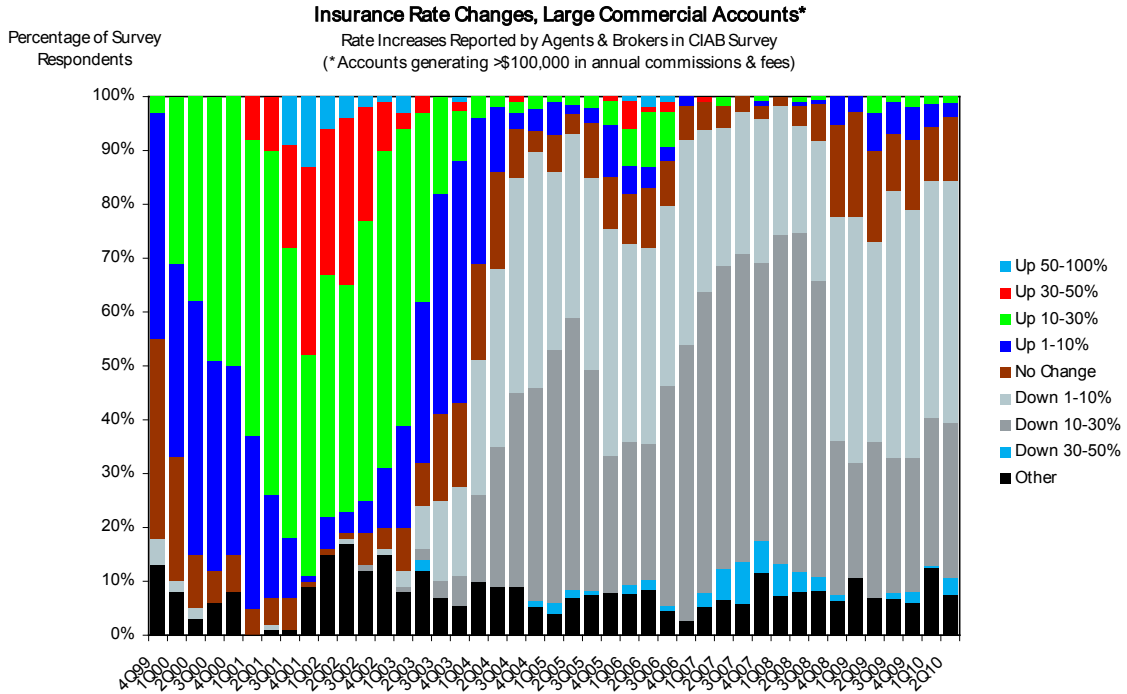
Source: The Council of Insurance Agents and Brokers. Chart prepared by Barclays Capital Equity Research.



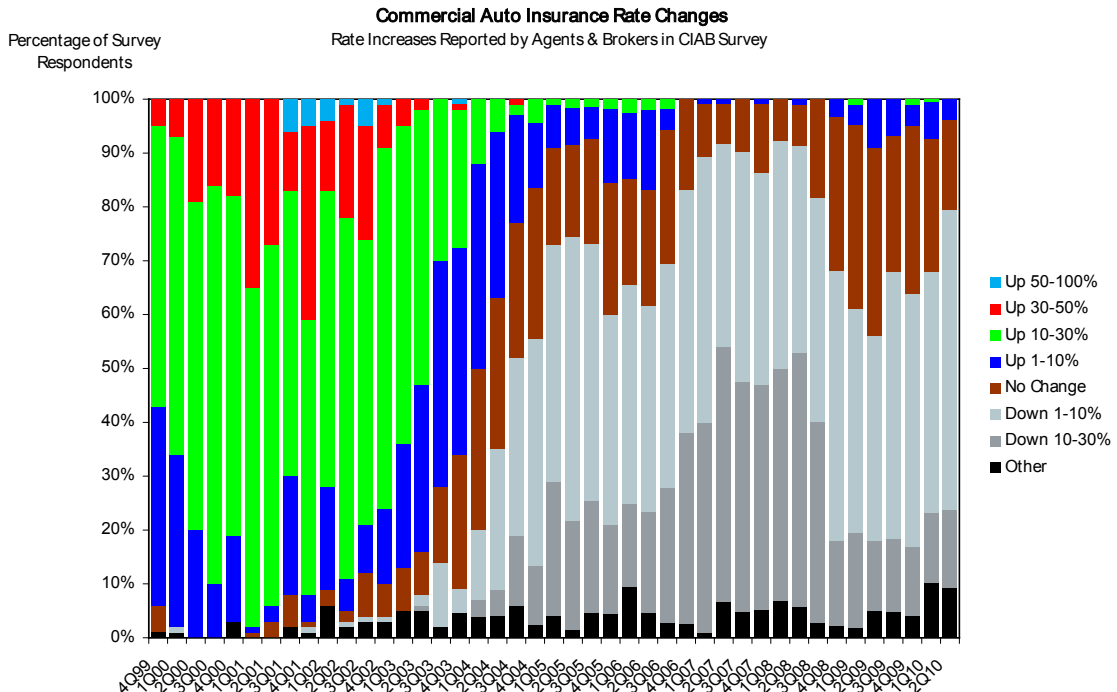
Source: The Council of Insurance Agents and Brokers. Chart prepared by Barclays Capital Equity Research.



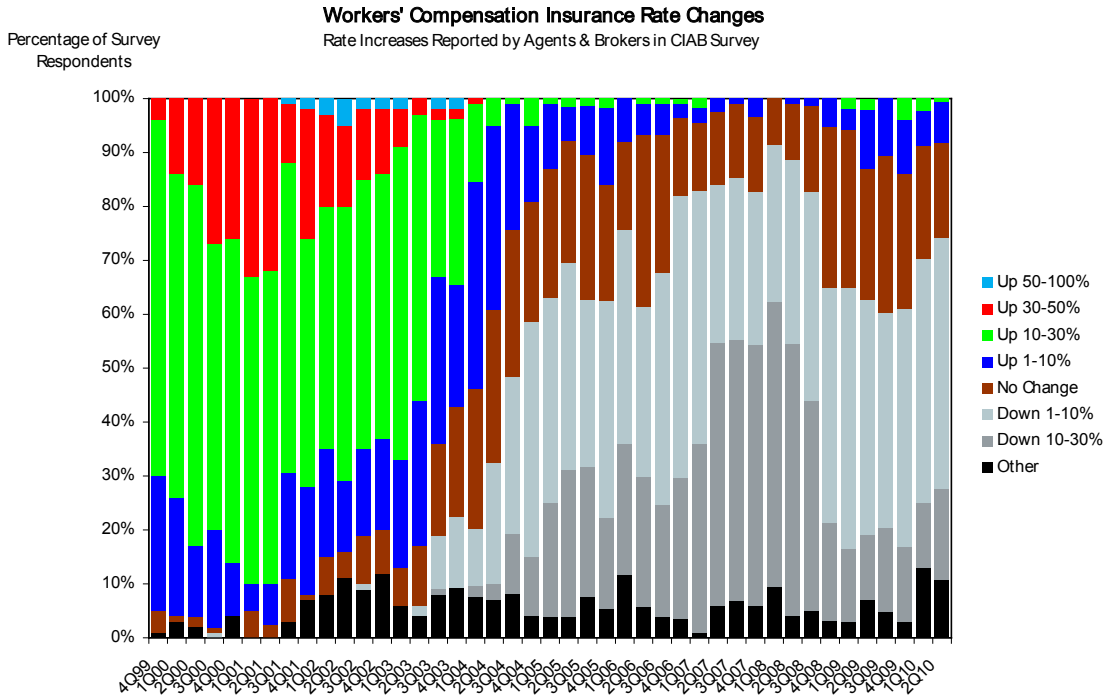
Source: The Council of Insurance Agents and Brokers. Chart prepared by Barclays Capital Equity Research.



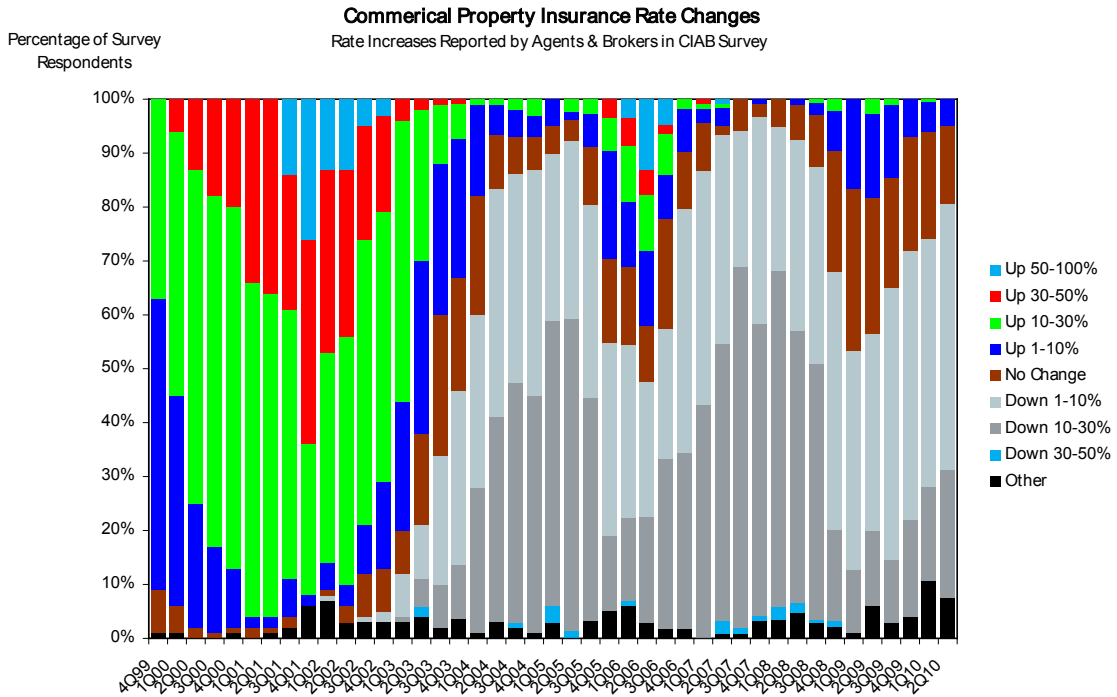
Source: The Council of Insurance Agents and Brokers. Chart prepared by Barclays Capital Equity Research.



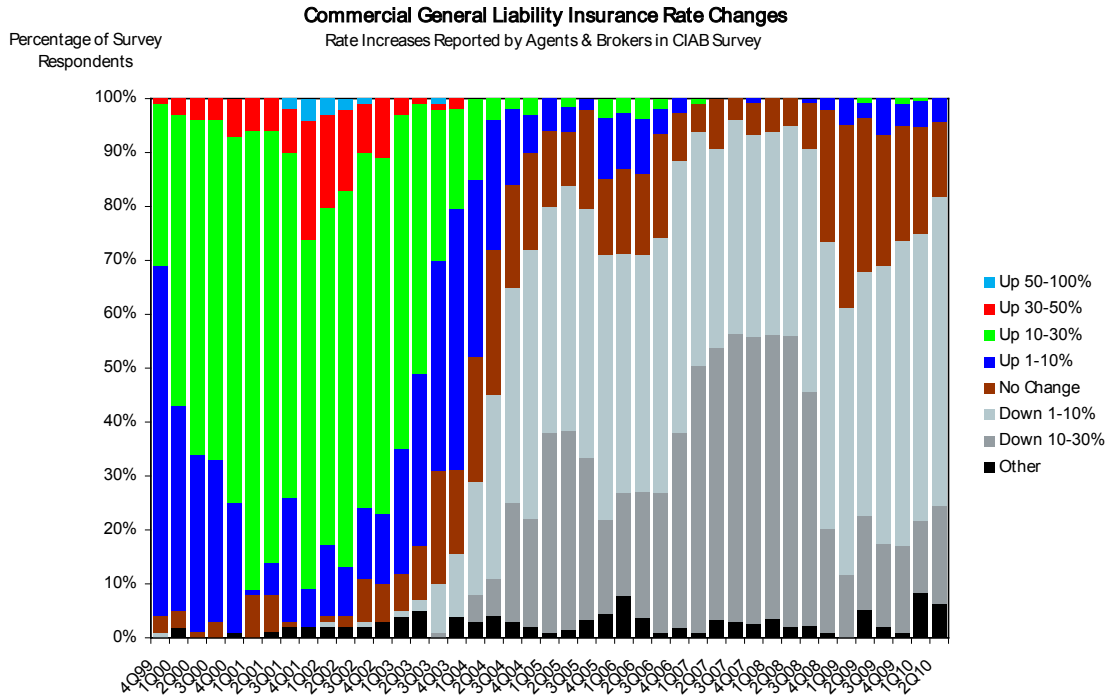
Source: The Council of Insurance Agents and Brokers. Chart prepared by Barclays Capital Equity Research.



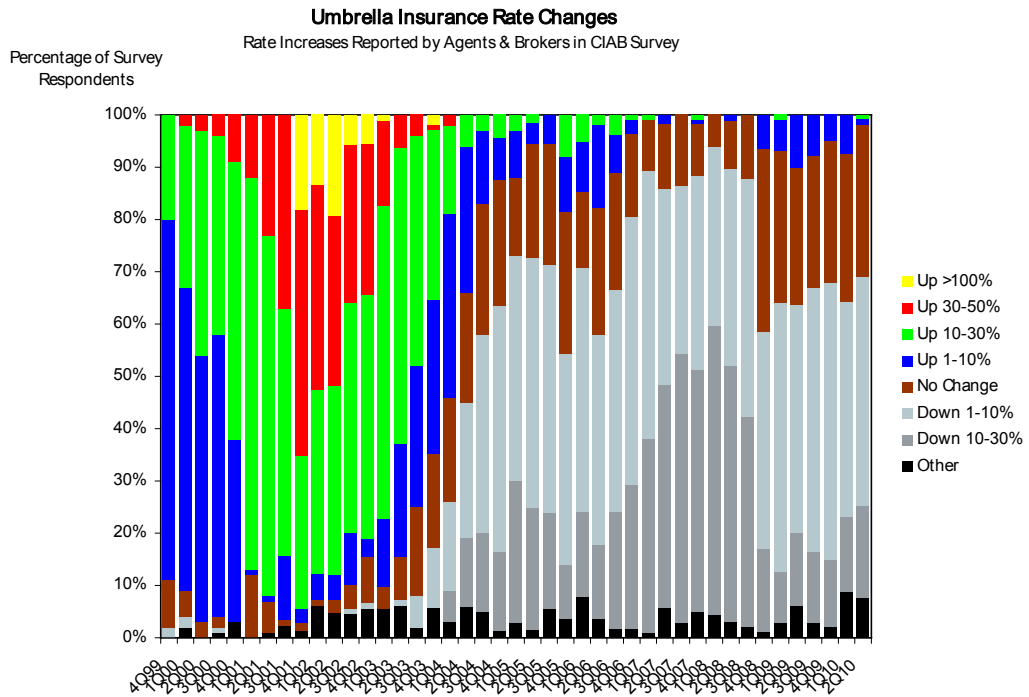
Source: The Council of Insurance Agents and Brokers. Chart prepared by Barclays Capital Equity Research.



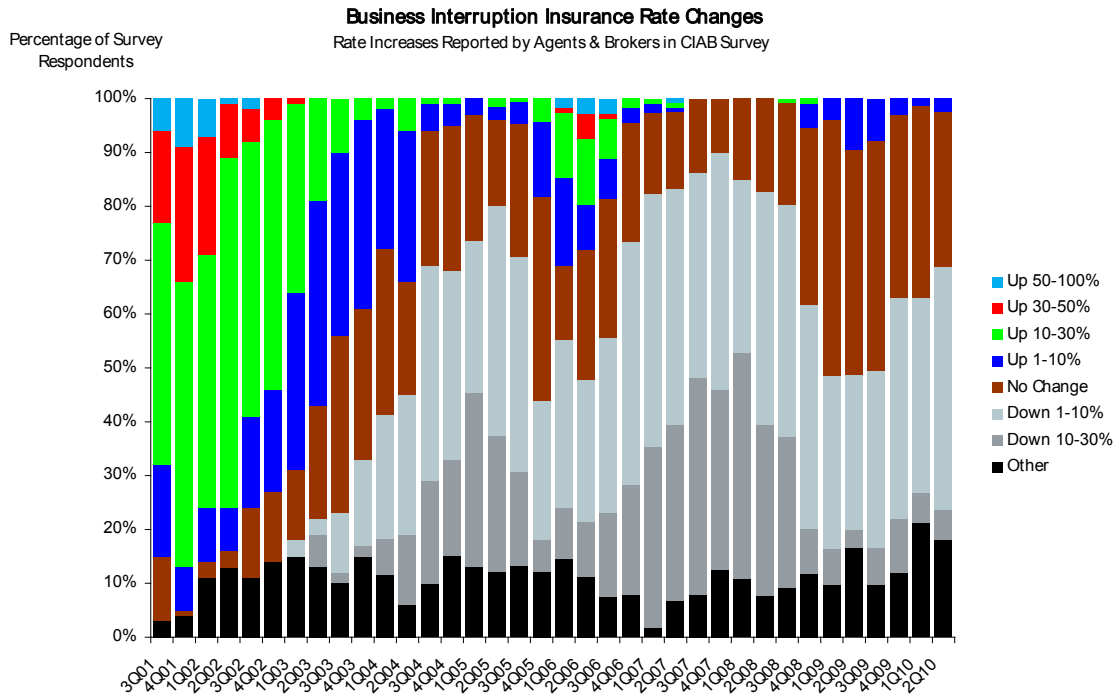
Source: The Council of Insurance Agents and Brokers. Chart prepared by Barclays Capital Equity Research.



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