

NEWS RELEASE – FOR IMMEDIATE RELEASE

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COMMERCIAL P/C MARKET PRICING SHOWED MODEST INCREASES IN SECOND QUARTER, ACCORDING TO THE COUNCIL OF INSURANCE AGENTS & BROKERS' P/C MARKET INDEX SURVEY

WASHINGTON, D.C. – July 28, 2011 – U.S. commercial property/casualty market pricing showed modest increases in the second quarter of this year, compared with the first quarter, according to The Council of Insurance Agents & Brokers' Commercial P/C Market Index Survey. Nearly half of the brokers responding to the survey saw “no change” or a “1%-10%” price increase in small, middle and large accounts across the country.

“When you look at the trend line over the past year, pricing has steadily inched upwards,” said Ken A. Crerar, president of The Council. “It isn’t increasing by leaps and bounds, but there appears to be some momentum.”

On average, prices remained stable this quarter with negligible declines, compared with an average 2.9 percent decline for all accounts reported in the last survey. The Council has been tracking commercial property/casualty rates since 1999. The survey represents a cross-section of commercial insurance brokers across the country.

Average Rates Were Flat In Second Quarter 2011				
	Small Accounts	Medium Accounts	Large Accounts	Avg
Second Quarter 2011	1.0%	-0.1%	-1.3%	-0.1%
First Quarter 2011	-1.3%	-2.9%	-4.4%	-2.9%
Fourth Quarter 2010	-3.8%	-5.6%	-6.7%	-5.4%
Third Quarter 2010	-3.6%	-5.5%	-6.6%	-5.2%
Second Quarter 2010	-3.4%	-7.0%	-8.9%	-6.4%
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.

The brokers noted that carriers were getting tougher on terms and conditions and asking for more information on client risks. This trend was evident in the first quarter, as well, as carriers traded-off price increases for narrower terms and conditions.

“They [carriers] are reviewing and asking for more underwriting information, but the rates are still competitive,” a broker from the Southwest said. Another in the Northeast remarked, “More underwriting scrutiny; requesting more information about risks and loss control measures.”

Commercial property and workers’ compensation were the only two lines showing average increases. “Workers’ compensation remains the most volatile line of business,” according to a broker from the Midwest. A broker from the Southeast noted, “Workers’ compensation is receiving the most upward rate pressure along with coastal (CAT) wind property exposure.”

A few brokers commented on the impact the new CAT modeling program for property, RMS 11, is having on underwriting decisions. "Markets [are] reviewing the impact of RMS11 and some accounts have seen significant impact," said one respondent. "Rate increases on wind driven CAT business [are] due to RMS version 11, and higher wind deductibles in critical CAT wind areas."

According to survey responses, more brokers felt demand for insurance products had actually declined over the last quarter --- perhaps a reflection of the slow pace of the economic recovery. Excess capacity and competition remain as the brokers' top market concerns, while the top political worry is the economy.

Below are the full survey results with charts.

The Council of Insurance Agents & Brokers is the premier association for the top national, regional and international commercial brokerage firms and agencies in the United States and around the world. Member firms have offices in more than 3,000 locations across 100 countries. Council members place more than \$200 billion in commercial property/casualty and employee benefits premiums worldwide. More than 16 percent of the membership is comprised of firms headquartered outside the United States. Founded in 1913, The Council is based in Washington, D.C.

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**Commercial Property – Casualty Market Survey
Second Quarter 2011 Released: July 2011**

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)	1%	1%	2%	21%	32%	21%	7%	3%	0%	0%	12%
Medium (\$25K – \$100K)	1%	1%	2%	32%	29%	18%	6%	2%	0%	0%	9%
Large (>\$100K)	2%	1%	4%	30%	27%	20%	2%	3%	0%	0%	11%

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%	3%	9%	50%	9%	2%	0%	0%	0%	29%
Broker E & O	0%	0%	0%	11%	29%	10%	3%	0%	0%	0%	47%
Commercial Auto	0%	0%	2%	29%	24%	18%	3%	0%	0%	0%	24%
Commercial Property	0%	0%	1%	21%	28%	17%	12%	2%	0%	0%	19%
Construction Risks	0%	0%	1%	14%	29%	6%	7%	1%	0%	0%	42%
D & O	0%	0%	2%	20%	28%	18%	3%	1%	0%	0%	28%
Flood Insurance	0%	0%	1%	3%	35%	18%	0%	3%	0%	0%	40%
Employment Practices	0%	0%	1%	18%	38%	11%	3%	2%	0%	0%	27%
General Liability	0%	1%	2%	27%	39%	9%	4%	0%	0%	0%	18%
Marine	0%	0%	3%	15%	34%	8%	2%	1%	0%	0%	37%
Medical Malpractice	0%	0%	1%	13%	16%	13%	0%	0%	0%	0%	57%
Surety Bonds	0%	0%	0%	4%	26%	5%	0%	0%	1%	0%	64%
Terrorism	0%	0%	0%	8%	42%	7%	1%	0%	0%	0%	42%
Umbrella	0%	1%	6%	23%	32%	14%	2%	0%	0%	0%	22%
Workers' Compensation	0%	0%	1%	15%	18%	31%	6%	0%	2%	0%	27%

Commercial Property – Casualty Market Survey Second Quarter 2011 Released: July 2011

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%	5%	21%	26%	32%	6%	5%	0%	0%	5%
Medium (\$25K – \$100K)	0%	0%	0%	26%	42%	16%	0%	5%	0%	0%	11%
Large (>\$100K)	0%	0%	0%	26%	32%	26%	0%	5%	0%	0%	11%

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%	11%	47%	16%	0%	0%	0%	0%	26%
Broker E & O	0%	0%	0%	26%	11%	5%	0%	0%	0%	0%	58%
Commercial Auto	0%	0%	5%	26%	17%	26%	0%	0%	0%	0%	26%
Commercial Property	0%	0%	0%	26%	21%	26%	11%	0%	0%	0%	16%
Construction Risks	0%	0%	0%	4%	32%	11%	11%	0%	0%	0%	42%
D & O	0%	0%	11%	31%	16%	21%	0%	0%	0%	0%	21%
Flood Insurance	0%	0%	0%	5%	37%	16%	0%	0%	0%	0%	42%
Employment Practices	0%	0%	0%	25%	32%	11%	0%	0%	0%	0%	32%
General Liability	0%	0%	0%	26%	42%	11%	5%	0%	0%	0%	16%
Marine	0%	0%	0%	21%	32%	5%	0%	5%	0%	0%	37%
Medical Malpractice	0%	0%	0%	5%	16%	5%	0%	0%	0%	0%	74%
Surety Bonds	0%	0%	0%	11%	26%	0%	0%	0%	0%	0%	63%
Terrorism	0%	0%	0%	16%	32%	11%	5%	0%	0%	0%	36%
Umbrella	0%	0%	5%	26%	37%	11%	0%	0%	0%	0%	21%
Worker's Compensation	0%	0%	0%	16%	32%	16%	5%	0%	5%	0%	26%

Commercial Property – Casualty Market Survey Second Quarter 2011 Released: July 2011

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%	5%	0%	19%	38%	14%	5%	5%	0%	0%	14%
Medium (\$25K – \$100K)	0%	0%	5%	38%	24%	14%	14%	0%	0%	0%	5%
Large (>\$100K)	0%	0%	5%	29%	33%	19%	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%	0%	5%	9%	48%	5%	0%	0%	0%	0%	33%
Broker E & O	0%	0%	0%	5%	38%	10%	0%	0%	0%	0%	47%
Commercial Auto	0%	0%	5%	33%	19%	19%	0%	0%	0%	0%	24%
Commercial Property	0%	0%	0%	18%	24%	24%	10%	0%	0%	0%	24%
Construction Risks	0%	0%	0%	14%	38%	10%	0%	0%	0%	0%	38%
D & O	0%	0%	0%	24%	38%	10%	0%	0%	0%	0%	28%
Flood Insurance	0%	0%	0%	5%	38%	24%	0%	0%	0%	0%	33%
Employment Practices	0%	0%	0%	14%	43%	19%	0%	0%	0%	0%	24%
General Liability	0%	0%	4%	14%	48%	10%	0%	0%	0%	0%	24%
Marine	0%	0%	5%	10%	28%	14%	0%	0%	0%	0%	43%
Medical Malpractice	0%	0%	0%	5%	24%	14%	0%	0%	0%	0%	57%
Surety Bonds	0%	0%	0%	0%	24%	5%	0%	0%	0%	0%	71%
Terrorism	0%	0%	0%	5%	33%	10%	0%	0%	0%	0%	52%
Umbrella	0%	0%	5%	24%	18%	24%	0%	0%	0%	0%	29%
Workers' Compensation	0%	0%	0%	10%	24%	37%	0%	0%	0%	0%	29%

Commercial Property – Casualty Market Survey Second Quarter 2011 Released: July 2011

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)	3%	0%	0%	23%	32%	19%	10%	3%	0%	0%	10%
Medium (\$25K – \$100K)	3%	3%	0%	23%	35%	16%	7%	3%	0%	0%	10%
Large (>\$100K)	6%	0%	0%	32%	26%	14%	3%	3%	0%	0%	16%

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%	3%	13%	52%	6%	3%	0%	0%	0%	23%
Broker E & O	0%	0%	0%	10%	29%	10%	6%	0%	0%	0%	45%
Commercial Auto	0%	0%	0%	32%	29%	6%	4%	0%	0%	0%	29%
Commercial Property	0%	0%	3%	16%	39%	6%	13%	0%	0%	0%	23%
Construction Risks	0%	0%	0%	19%	32%	0%	10%	0%	0%	0%	39%
D & O	0%	0%	0%	19%	23%	26%	0%	0%	0%	0%	32%
Flood Insurance	0%	0%	3%	3%	32%	17%	0%	10%	0%	0%	35%
Employment Practices	0%	0%	0%	19%	35%	11%	3%	0%	0%	0%	32%
General Liability	0%	3%	3%	33%	29%	3%	6%	0%	0%	0%	23%
Marine	0%	0%	3%	26%	26%	3%	7%	0%	0%	0%	35%
Medical Malpractice	0%	0%	3%	16%	16%	16%	0%	0%	0%	0%	49%
Surety Bonds	0%	0%	0%	6%	29%	10%	0%	0%	3%	0%	52%
Terrorism	0%	0%	0%	10%	48%	7%	0%	0%	0%	0%	35%
Umbrella	0%	3%	6%	23%	39%	6%	0%	0%	0%	0%	23%
Workers' Compensation	0%	0%	3%	16%	13%	32%	3%	0%	3%	0%	30%

Commercial Property – Casualty Market Survey Second Quarter 2011 Released: July 2011

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%	0%	25%	25%	17%	8%	0%	0%	0%	25%
Medium (\$25K – \$100K)	0%	0%	8%	43%	8%	33%	0%	0%	0%	0%	8%
Large (>\$100K)	0%	8%	0%	34%	25%	25%	0%	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%	0%	0%	0%	42%	25%	0%	0%	0%	0%	33%
Broker E & O	0%	0%	0%	0%	42%	16%	0%	0%	0%	0%	42%
Commercial Auto	0%	0%	0%	25%	25%	17%	8%	0%	0%	0%	25%
Commercial Property	0%	0%	0%	25%	17%	25%	8%	8%	0%	0%	17%
Construction Risks	0%	0%	8%	34%	0%	8%	8%	8%	0%	0%	34%
D & O	0%	0%	0%	25%	8%	17%	17%	8%	0%	0%	25%
Flood Insurance	0%	0%	0%	0%	58%	9%	0%	0%	0%	0%	33%
Employment Practices	0%	0%	0%	25%	25%	8%	0%	17%	0%	0%	25%
General Liability	0%	0%	0%	33%	33%	17%	0%	0%	0%	0%	17%
Marine	0%	0%	0%	8%	67%	0%	0%	0%	0%	0%	25%
Medical Malpractice	0%	0%	0%	17%	0%	33%	0%	0%	0%	0%	50%
Surety Bonds	0%	0%	0%	0%	25%	0%	0%	0%	0%	0%	75%
Terrorism	0%	0%	0%	0%	42%	8%	0%	0%	0%	0%	50%
Umbrella	0%	0%	8%	17%	17%	25%	8%	0%	0%	0%	25%
Workers' Compensation	0%	0%	0%	17%	7%	42%	17%	0%	0%	0%	17%

Commercial Property – Casualty Market Survey Second Quarter 2011 Released: July 2011

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%	0%	7%	20%	33%	26%	7%	0%	0%	0%	7%
Medium (\$25K – \$100K)	0%	0%	0%	40%	20%	20%	7%	0%	0%	0%	13%
Large (>\$100K)	0%	0%	20%	27%	12%	27%	0%	7%	0%	0%	7%

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%	7%	60%	0%	0%	0%	0%	0%	33%
Broker E & O	0%	0%	0%	13%	27%	13%	7%	0%	0%	0%	40%
Commercial Auto	0%	0%	0%	20%	33%	27%	7%	0%	0%	0%	13%
Commercial Property	0%	0%	0%	27%	27%	13%	20%	0%	0%	0%	13%
Construction Risks	0%	0%	0%	0%	26%	7%	7%	0%	0%	0%	60%
D & O	0%	0%	0%	0%	53%	13%	7%	0%	0%	0%	27%
Flood Insurance	0%	0%	0%	0%	13%	27%	0%	0%	0%	0%	60%
Employment Practices	0%	0%	7%	7%	53%	7%	13%	0%	0%	0%	13%
General Liability	0%	0%	0%	26%	47%	13%	7%	0%	0%	0%	7%
Marine	0%	0%	7%	0%	33%	20%	0%	0%	0%	0%	40%
Medical Malpractice	0%	0%	0%	20%	20%	0%	0%	0%	0%	0%	60%
Surety Bonds	0%	0%	0%	0%	20%	7%	0%	0%	0%	0%	73%
Terrorism	0%	0%	0%	7%	53%	0%	0%	0%	0%	0%	40%
Umbrella	0%	0%	7%	27%	33%	13%	7%	0%	0%	0%	13%
Workers' Compensation	0%	0%	0%	20%	13%	27%	13%	0%	0%	0%	27%

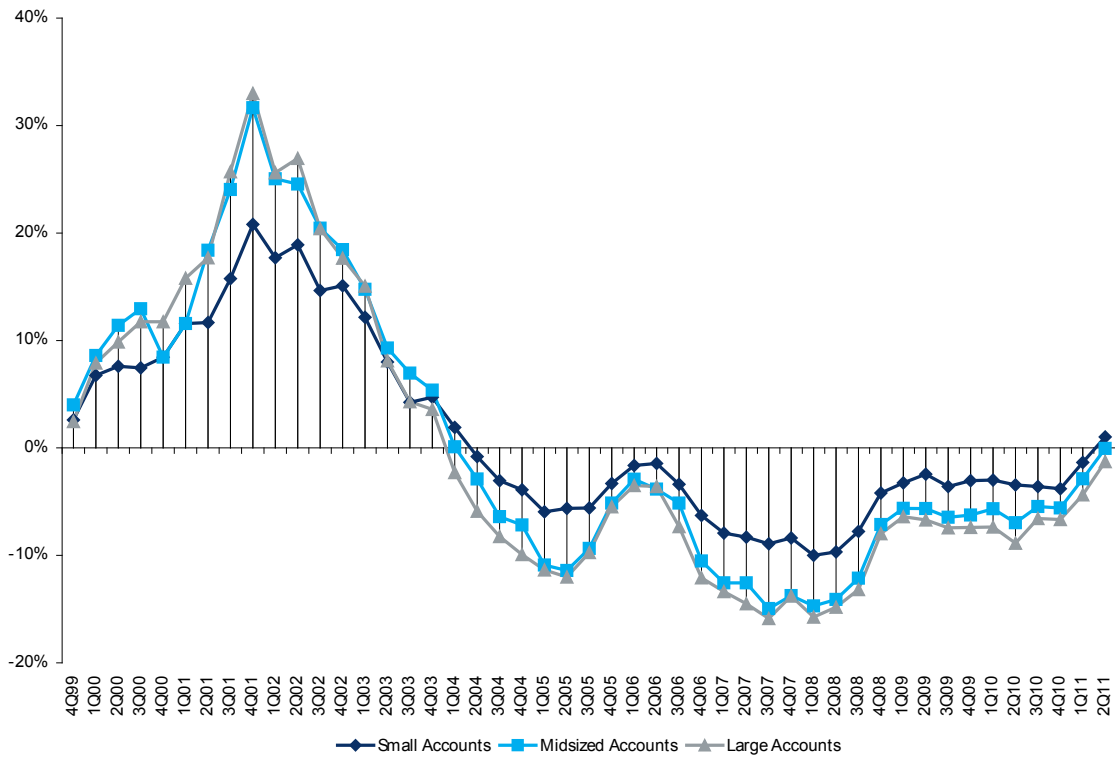
Average Second Quarter 2011 Commercial Rates Stabilized

Average Rates Were Flat In Second Quarter 2011

	Small Accounts	Medium Accounts	Large Accounts	Avg
Second Quarter 2011	1.0%	-0.1%	-1.3%	-0.1%
First Quarter 2011	-1.3%	-2.9%	-4.4%	-2.9%
Fourth Quarter 2010	-3.8%	-5.6%	-6.7%	-5.4%
Third Quarter 2010	-3.6%	-5.5%	-6.6%	-5.2%
Second Quarter 2010	-3.4%	-7.0%	-8.9%	-6.4%
High (4Q01)	20.8%	31.7%	33.0%	28.5%
Low (3Q07)	-10.0%	-15.0%	-15.9%	-13.3%

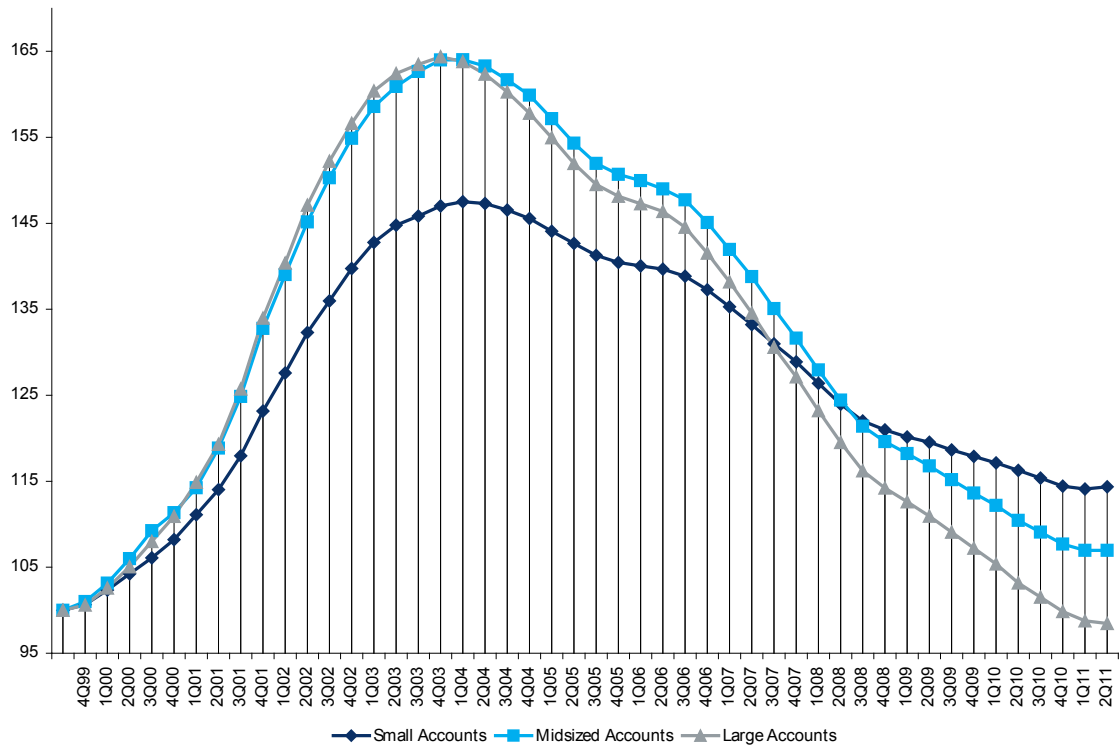
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.

Average Commercial Premium Rate Changes by Account Size



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

Cumulative Quarterly Rate Increases by Account Size



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

By-Line Second Quarter 2011 Rate Changes Ranged From -1.5% to +2.6%

By-Line Second Quarter 2011 Rate Changes Ranged From -1.5% to +2.6%						
	Comm'l Auto	Workers' Comp	Comm'l Property	Gen'l Liability	Umbrella	Average
Second Quarter 2011	-0.4%	2.6%	2.2%	-0.7%	-1.5%	0.5%
First Quarter 2011	-2.0%	-1.6%	-2.0%	-2.7%	-1.7%	-2.0%
Fourth Quarter 2010	-3.9%	-3.4%	-4.9%	-4.9%	-4.6%	-4.3%
Third Quarter 2010	-4.7%	-3.7%	-5.3%	-5.6%	-4.4%	-4.7%
Second Quarter 2010	-5.5%	-5.4%	-7.0%	-6.3%	-6.0%	-6.0%
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%

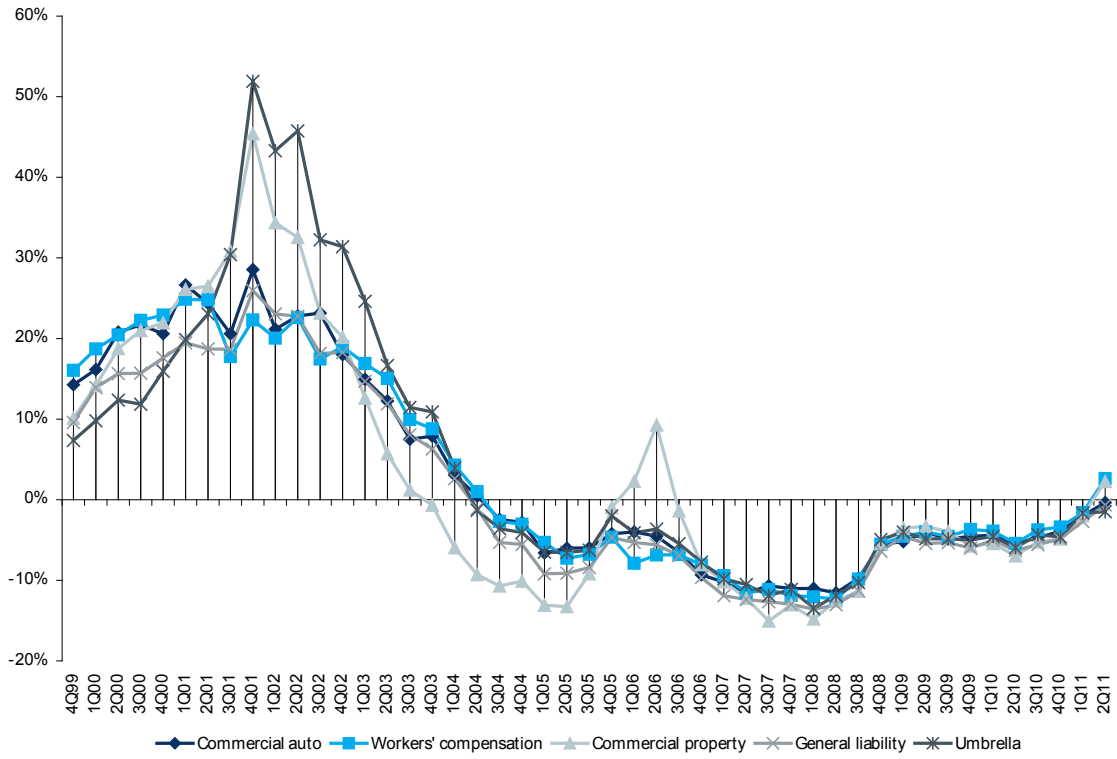
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.

Rate Changes in Other Lines

Second Quarter 2011 Rate Changes in Other Lines			
	2Q11	High	Low
Business interruption	-0.2%	28.8%	-10.2%
Construction	1.0%	38.7%	-10.7%
D&O liability	0.3%	32.4%	-8.7%
Employment practices	0.5%	21.9%	-8.1%
Surety bonds	0.5%	11.2%	-2.3%

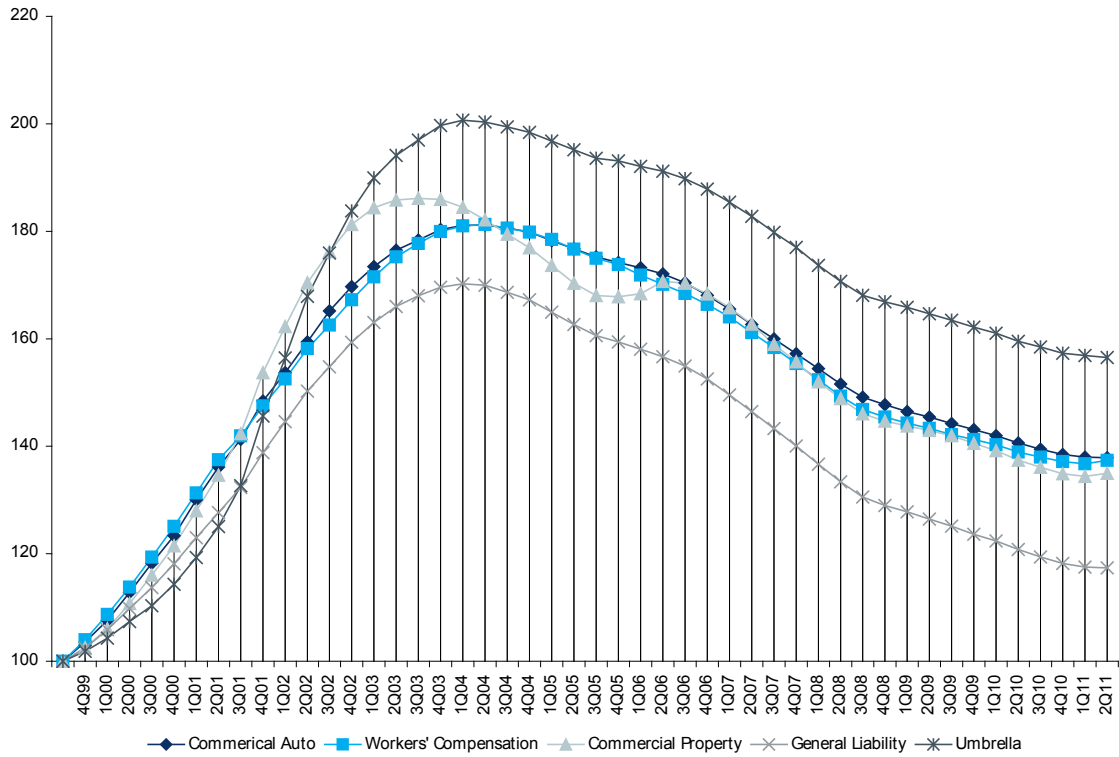
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.

Average Commercial Rate Increases by Line

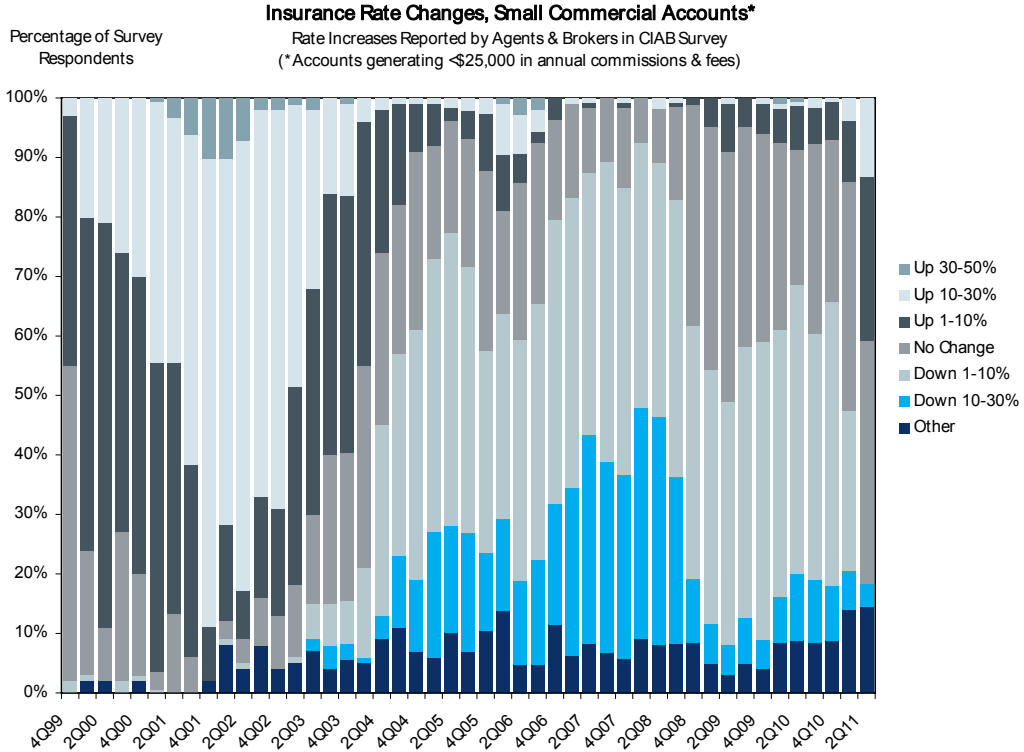


Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.

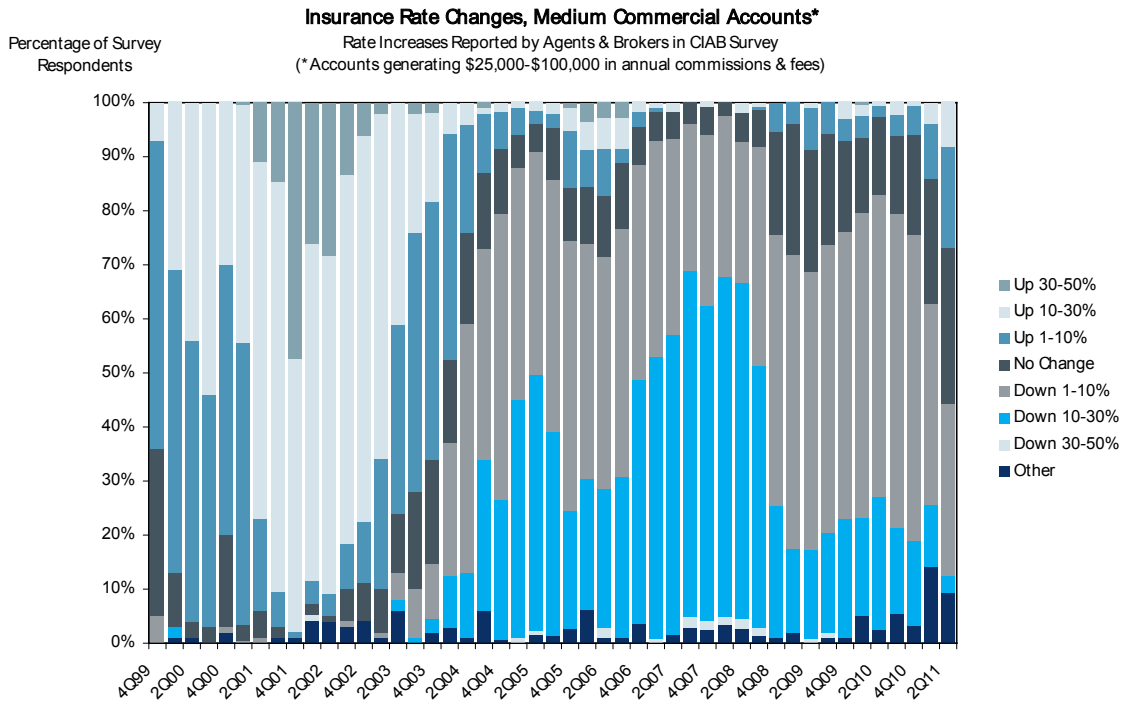
Cumulative Quarterly Rate Increases by Line



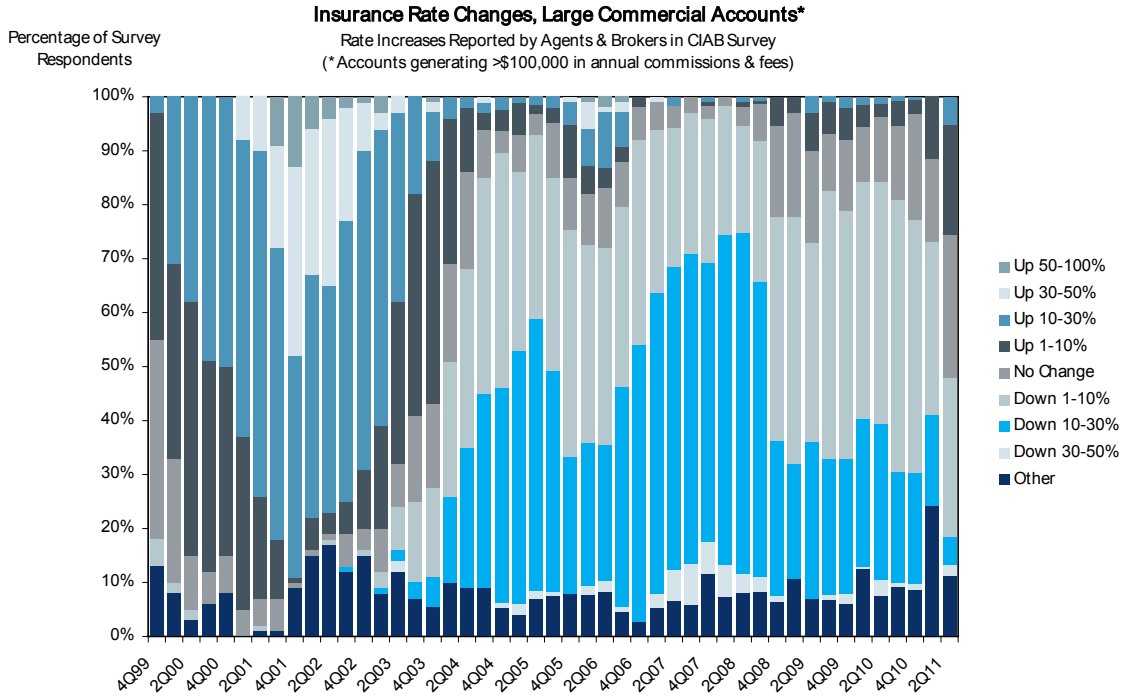
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.



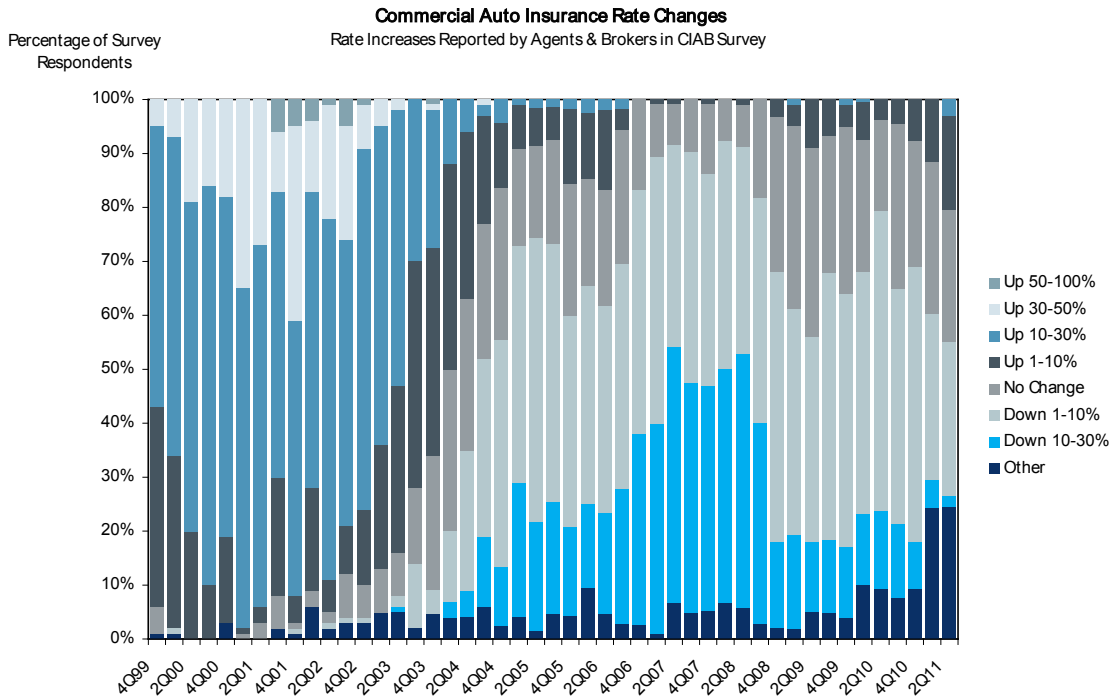
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.



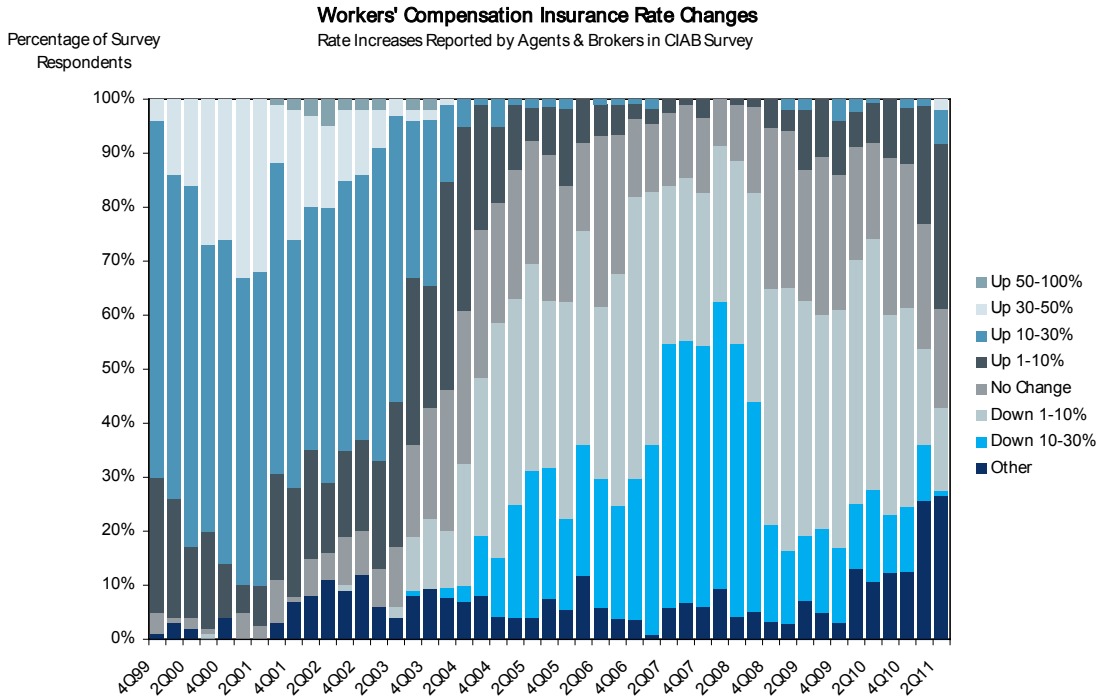
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.



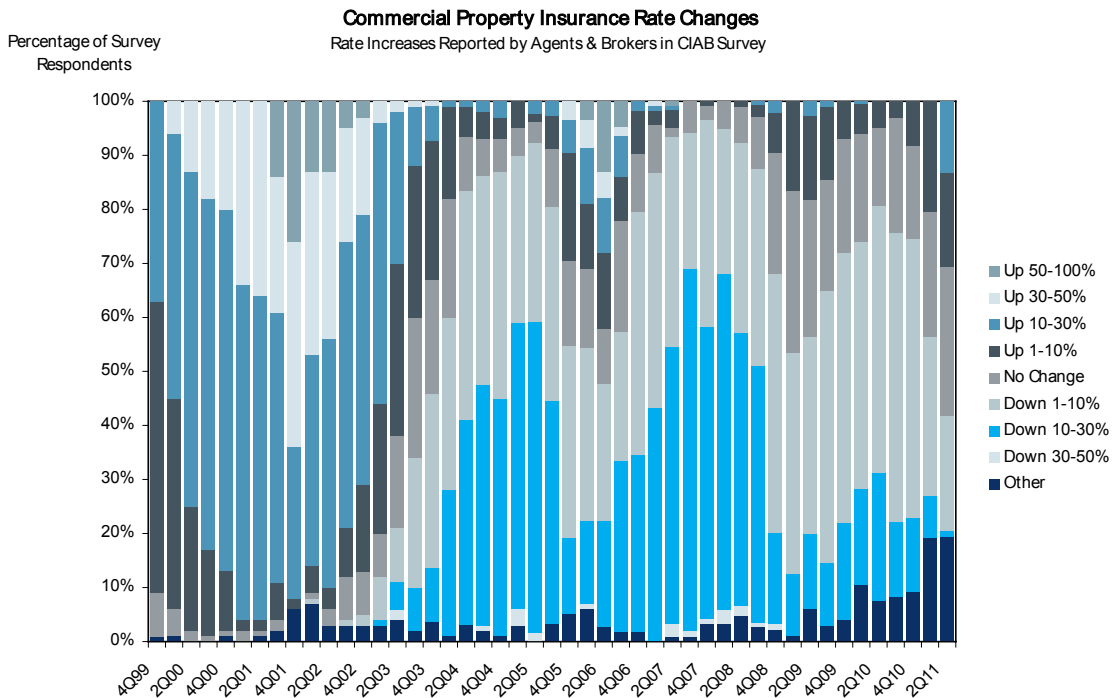
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.



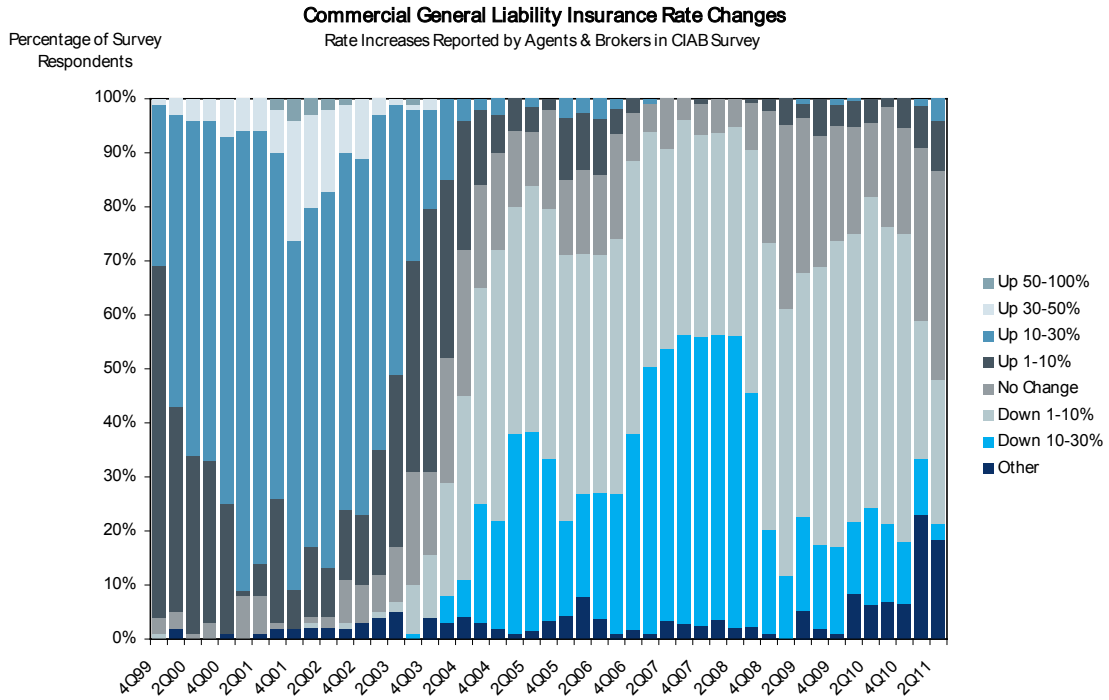
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.



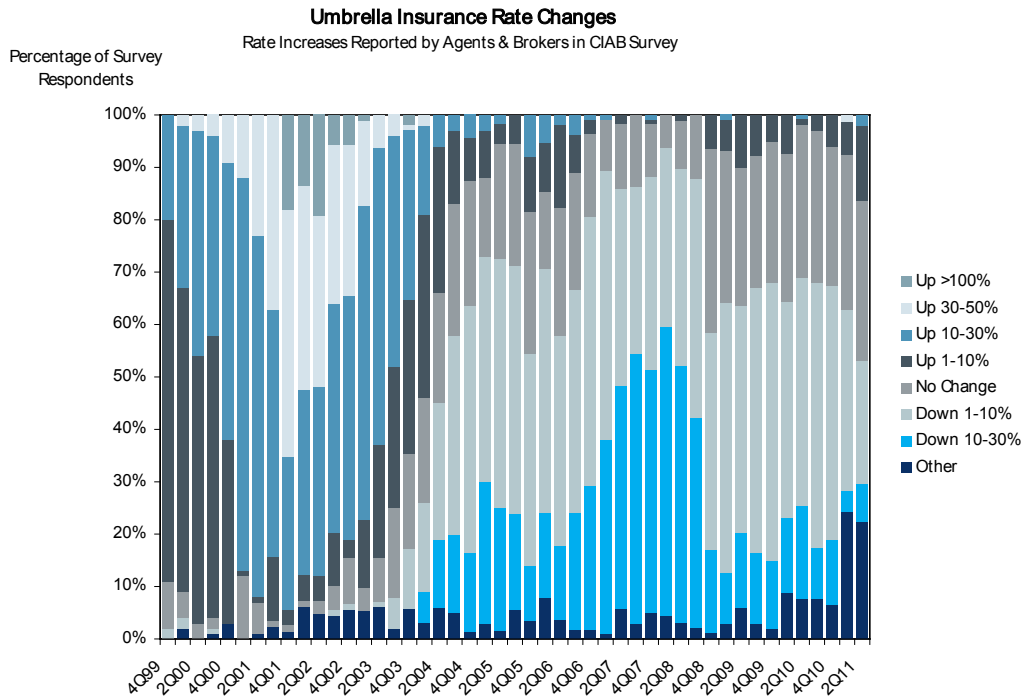
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.



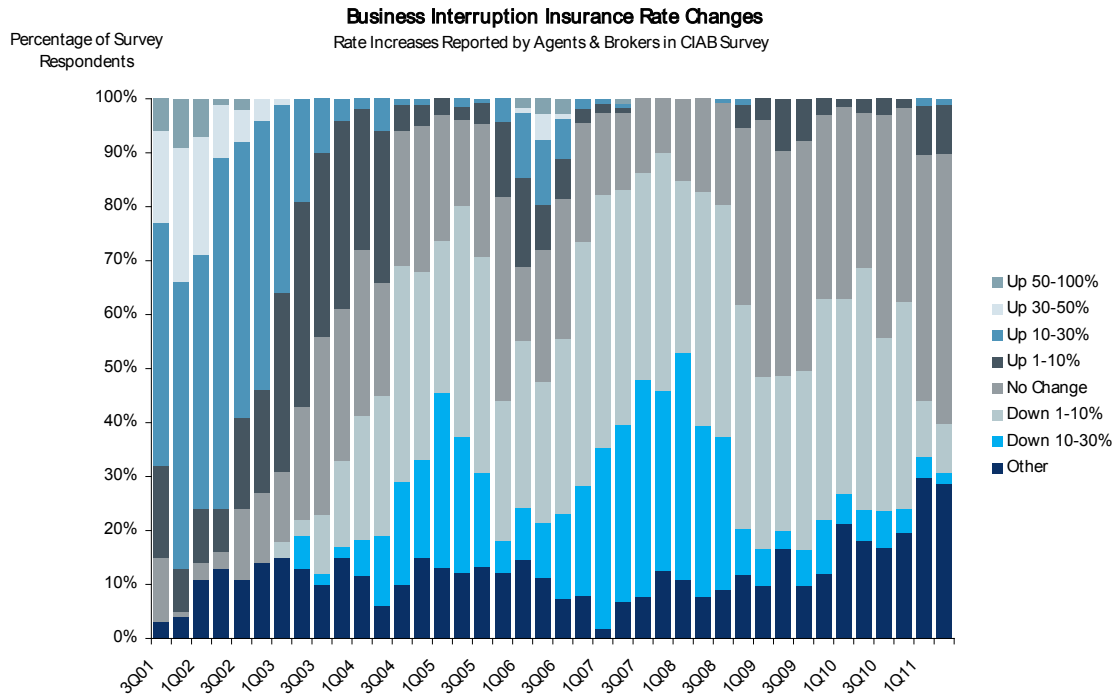
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.



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