

**NEWS RELEASE – FOR IMMEDIATE RELEASE**

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**COMMERCIAL P/C MARKET PRICING REMAINED UNCHANGED  
 IN THIRD QUARTER, ACCORDING TO COUNCIL SURVEY**

**WASHINGTON, D.C. – October 19, 2011** – Pricing in the U.S. commercial property/casualty market remained largely unchanged in the third quarter, according to The Council of Insurance Agents & Brokers’ Commercial P/C Market Index Survey. The survey showed prices inched upwards slightly across large, small and medium accounts, with small accounts leading the way with an average 2.1 percent increase.

“We really didn’t see any significant trend last quarter though rates appear to be edging towards positive territory,” said Ken A. Crerar, president of The Council. “There’s still plenty of capacity in the market to dampen prices.”

On average, pricing increased less than one percent in the third quarter, compared with an average -5.2 percent decline in the third quarter 2010. Workers’ compensation and commercial property realized modest gains over the third quarter with 4.1 and 3.0 percent increases, respectively.

Average Rates Turn Positive In Third Quarter 2011				
	Small Accounts	Medium Accounts	Large Accounts	Avg
Third Quarter 2011	2.1%	1.1%	-0.6%	0.9%
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%
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.*

Although competition is still stiff, brokers responding to the survey said that carriers got tougher on underwriting accounts, particularly those with poor loss experience. “Appetite to write accounts has diminished as a few carriers have stopped writing certain classes of business,” according to a broker from the Southeast region.

A broker from the Southwest region said underwriting is stricter and carriers paid “much closer attention to large property with more attention on retentions and reinsurance.”

Brokers in the Northeast reported similar developments. “The pricing for poorly performing accounts increased. The carriers were willing to let [an] account go rather than agree to a flat renewal,” one noted.

The survey also revealed some pressure on workers’ compensation and property lines.

A Northwest broker saw a “General pull back of underwriting appetite, specifically in workers’ compensation, property and environmental lines.”

In the Southeast, underwriting and pricing was stricter for workers' compensation and property. "Property firmed on CAT exposure or poor loss experience accounts. Workers' compensation also firmed."

The story was similar in the Midwest. "Carriers reviewed their property lines closely – reduced some flood limits, and tried to increase base rates on workers' compensation."

Demand for insurance appears to be flat, according to the brokers surveyed. Thirty-nine percent, about the same number as last quarter, said demand has not picked-up. The economy and market competition are still keeping brokers awake at night.

Below are the full survey results with charts.

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*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

## Third Quarter 2011                      Released: October 2011

**Below are the survey results for: ALL REGIONS**

**1. On average, how have premium rates changed over the last three months (July 1-September 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%	11%	38%	42%	3%	0%	0%	0%	6%
Medium (\$25K – \$100K)	0%	0%	3%	24%	26%	39%	5%	0%	0%	0%	4%
Large (>\$100K)	0%	0%	5%	29%	30%	28%	2%	0%	0%	0%	8%

**2. How much have premium rates changed over the last three months (July 1-September 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%	5%	46%	34%	2%	0%	0%	0%	13%
Broker E & O	0%	0%	0%	6%	35%	6%	1%	0%	0%	0%	52%
Commercial Auto	0%	0%	1%	16%	48%	21%	3%	0%	0%	0%	11%
Commercial Property	0%	0%	1%	15%	18%	50%	8%	0%	0%	0%	9%
Construction Risks	0%	0%	2%	11%	36%	28%	2%	0%	0%	0%	21%
D & O	0%	0%	1%	10%	46%	22%	2%	0%	0%	0%	20%
Flood Insurance	0%	0%	0%	1%	40%	31%	7%	0%	0%	0%	21%
Employment Practices	0%	0%	0%	10%	46%	20%	4%	1%	0%	0%	20%
General Liability	0%	0%	1%	24%	39%	29%	1%	0%	0%	0%	7%
Marine	0%	0%	2%	16%	46%	11%	2%	0%	0%	0%	23%
Medical Malpractice	0%	0%	1%	10%	27%	4%	1%	0%	0%	0%	57%
Surety Bonds	0%	0%	0%	2%	43%	5%	1%	0%	0%	0%	50%
Terrorism	0%	0%	0%	6%	62%	6%	1%	0%	0%	0%	26%
Umbrella	0%	0%	0%	11%	51%	26%	3%	0%	0%	0%	9%
Workers' Compensation	0%	0%	0%	11%	15%	48%	11%	0%	0%	0%	14%

## Commercial Property – Casualty Market Survey Third Quarter 2011 Released: October 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 (July 1-September 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%	6%	28%	61%	0%	0%	0%	0%	6%
Medium (\$25K – \$100K)	0%	0%	0%	22%	22%	50%	6%	0%	0%	0%	0%
Large (>\$100K)	0%	0%	0%	17%	44%	39%	0%	0%	0%	0%	0%

**2. How much have premium rates changed over the last three months (July 1-September 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%	50%	44%	0%	0%	0%	0%	6%
Broker E & O	0%	0%	0%	6%	39%	11%	0%	0%	0%	0%	44%
Commercial Auto	0%	0%	0%	17%	50%	28%	0%	0%	0%	0%	6%
Commercial Property	0%	0%	0%	11%	17%	67%	6%	0%	0%	0%	0%
Construction Risks	0%	0%	0%	17%	33%	44%	0%	0%	0%	0%	6%
D & O	0%	0%	0%	22%	44%	28%	0%	0%	0%	0%	6%
Flood Insurance	0%	0%	0%	0%	33%	56%	6%	0%	0%	0%	6%
Employment Practices	0%	0%	0%	11%	50%	17%	11%	0%	0%	0%	11%
General Liability	0%	0%	0%	22%	39%	39%	0%	0%	0%	0%	0%
Marine	0%	0%	6%	17%	50%	11%	0%	0%	0%	0%	17%
Medical Malpractice	0%	0%	0%	0%	39%	6%	0%	0%	0%	0%	56%
Surety Bonds	0%	0%	0%	0%	50%	0%	0%	0%	0%	0%	50%
Terrorism	0%	0%	0%	0%	78%	0%	0%	0%	0%	0%	22%
Umbrella	0%	0%	0%	11%	61%	28%	0%	0%	0%	0%	0%
Worker's Compensation	0%	0%	0%	11%	17%	67%	6%	0%	0%	0%	0%

## Commercial Property – Casualty Market Survey Third Quarter 2011 Released: October 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 (July 1-September 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%	28%	44%	24%	0%	0%	0%	0%	4%
Medium (\$25K – \$100K)	0%	0%	4%	48%	16%	24%	4%	0%	0%	0%	4%
Large (>\$100K)	0%	0%	8%	44%	24%	16%	4%	0%	0%	0%	4%

**2. How much have premium rates changed over the last three months (July 1-September 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%	16%	44%	28%	0%	0%	0%	0%	12%
Broker E & O	0%	0%	0%	8%	32%	4%	0%	0%	0%	0%	56%
Commercial Auto	0%	0%	4%	28%	44%	16%	4%	0%	0%	0%	4%
Commercial Property	0%	0%	0%	36%	12%	40%	4%	0%	0%	0%	8%
Construction Risks	0%	0%	4%	20%	28%	28%	0%	0%	0%	0%	20%
D & O	0%	0%	4%	16%	44%	16%	0%	0%	0%	0%	20%
Flood Insurance	0%	0%	0%	4%	24%	52%	4%	0%	0%	0%	16%
Employment Practices	0%	0%	0%	20%	44%	16%	0%	0%	0%	0%	20%
General Liability	0%	0%	4%	32%	40%	20%	0%	0%	0%	0%	4%
Marine	0%	0%	4%	32%	32%	8%	0%	0%	0%	0%	24%
Medical Malpractice	0%	0%	0%	20%	28%	4%	0%	0%	0%	0%	48%
Surety Bonds	0%	0%	0%	4%	44%	8%	0%	0%	0%	0%	44%
Terrorism	0%	0%	0%	16%	48%	8%	0%	0%	0%	0%	28%
Umbrella	0%	0%	0%	12%	56%	24%	4%	0%	0%	0%	4%
Workers' Compensation	0%	0%	0%	16%	16%	48%	12%	0%	0%	0%	8%

**Commercial Property – Casualty Market Survey  
Third Quarter 2011 Released: October 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 (July 1-September 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%	9%	30%	45%	6%	0%	0%	0%	9%
Medium (\$25K – \$100K)	0%	0%	6%	12%	33%	36%	9%	0%	0%	0%	3%
Large (>\$100K)	0%	0%	6%	24%	24%	27%	3%	0%	0%	0%	15%

**2. How much have premium rates changed over the last three months (July 1-September 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%	3%	42%	30%	6%	0%	0%	0%	18%
Broker E & O	0%	0%	0%	3%	39%	0%	3%	0%	0%	0%	55%
Commercial Auto	0%	0%	0%	12%	52%	18%	6%	0%	0%	0%	12%
Commercial Property	0%	0%	3%	3%	18%	48%	12%	0%	0%	0%	15%
Construction Risks	0%	0%	3%	6%	36%	27%	3%	0%	0%	0%	24%
D & O	0%	0%	0%	3%	55%	15%	3%	0%	0%	0%	24%
Flood Insurance	0%	0%	0%	0%	55%	15%	15%	0%	0%	0%	15%
Employment Practices	0%	0%	0%	0%	55%	18%	3%	0%	0%	0%	24%
General Liability	0%	0%	0%	18%	45%	27%	3%	0%	0%	0%	6%
Marine	0%	0%	0%	15%	39%	24%	6%	0%	0%	0%	15%
Medical Malpractice	0%	0%	0%	9%	24%	6%	3%	0%	0%	0%	58%
Surety Bonds	0%	0%	0%	3%	45%	3%	3%	0%	0%	0%	45%
Terrorism	0%	0%	0%	3%	58%	12%	3%	0%	0%	0%	24%
Umbrella	0%	0%	0%	9%	48%	24%	6%	0%	0%	0%	12%
Workers' Compensation	0%	0%	0%	12%	6%	45%	21%	0%	0%	0%	15%

## Commercial Property – Casualty Market Survey Third Quarter 2011 Released: October 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 (July 1-September 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%	8%	46%	38%	0%	0%	0%	0%	8%
Medium (\$25K – \$100K)	0%	0%	0%	23%	23%	46%	0%	0%	0%	0%	8%
Large (>\$100K)	0%	0%	8%	31%	31%	23%	0%	0%	0%	0%	8%

**2. How much have premium rates changed over the last three months (July 1-September 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%	46%	46%	0%	0%	0%	0%	8%
Broker E & O	0%	0%	0%	8%	31%	8%	0%	0%	0%	0%	54%
Commercial Auto	0%	0%	0%	8%	38%	23%	0%	0%	0%	0%	31%
Commercial Property	0%	0%	0%	15%	31%	38%	8%	0%	0%	0%	8%
Construction Risks	0%	0%	0%	8%	62%	8%	0%	0%	0%	0%	23%
D & O	0%	0%	0%	8%	38%	8%	0%	0%	0%	0%	46%
Flood Insurance	0%	0%	0%	0%	46%	23%	0%	0%	0%	0%	31%
Employment Practices	0%	0%	0%	8%	38%	15%	0%	0%	0%	0%	38%
General Liability	0%	0%	0%	31%	38%	8%	0%	0%	0%	0%	23%
Marine	0%	0%	0%	8%	77%	0%	0%	0%	0%	0%	15%
Medical Malpractice	0%	0%	0%	8%	23%	0%	0%	0%	0%	0%	69%
Surety Bonds	0%	0%	0%	0%	38%	8%	0%	0%	0%	0%	54%
Terrorism	0%	0%	0%	8%	77%	0%	0%	0%	0%	0%	15%
Umbrella	0%	0%	0%	8%	54%	15%	0%	0%	0%	0%	23%
Workers' Compensation	0%	0%	0%	8%	31%	23%	8%	0%	0%	0%	31%

## Commercial Property – Casualty Market Survey Third Quarter 2011 Released: October 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 (July 1-September 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%	0%	50%	44%	6%	0%	0%	0%	0%
Medium (\$25K – \$100K)	0%	0%	0%	13%	31%	50%	0%	0%	0%	0%	6%
Large (>\$100K)	0%	0%	0%	25%	31%	38%	0%	0%	0%	0%	6%

**2. How much have premium rates changed over the last three months (July 1-September 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%	50%	31%	0%	0%	0%	0%	19%
Broker E & O	0%	0%	0%	6%	31%	13%	0%	0%	0%	0%	50%
Commercial Auto	0%	0%	0%	13%	50%	25%	0%	0%	0%	0%	13%
Commercial Property	0%	0%	0%	13%	19%	56%	6%	0%	0%	0%	6%
Construction Risks	0%	0%	0%	6%	31%	25%	6%	0%	0%	0%	31%
D & O	0%	0%	0%	0%	38%	50%	6%	0%	0%	0%	6%
Flood Insurance	0%	0%	0%	0%	38%	13%	0%	0%	0%	0%	50%
Employment Practices	0%	0%	0%	13%	31%	38%	6%	6%	0%	0%	6%
General Liability	0%	0%	0%	19%	25%	50%	0%	0%	0%	0%	6%
Marine	0%	0%	0%	0%	50%	0%	0%	0%	0%	0%	50%
Medical Malpractice	0%	0%	6%	13%	19%	0%	0%	0%	0%	0%	63%
Surety Bonds	0%	0%	0%	0%	31%	6%	0%	0%	0%	0%	63%
Terrorism	0%	0%	0%	0%	63%	0%	0%	0%	0%	0%	38%
Umbrella	0%	0%	0%	19%	38%	38%	0%	0%	0%	0%	6%
Workers' Compensation	0%	0%	0%	6%	19%	50%	0%	0%	0%	0%	25%

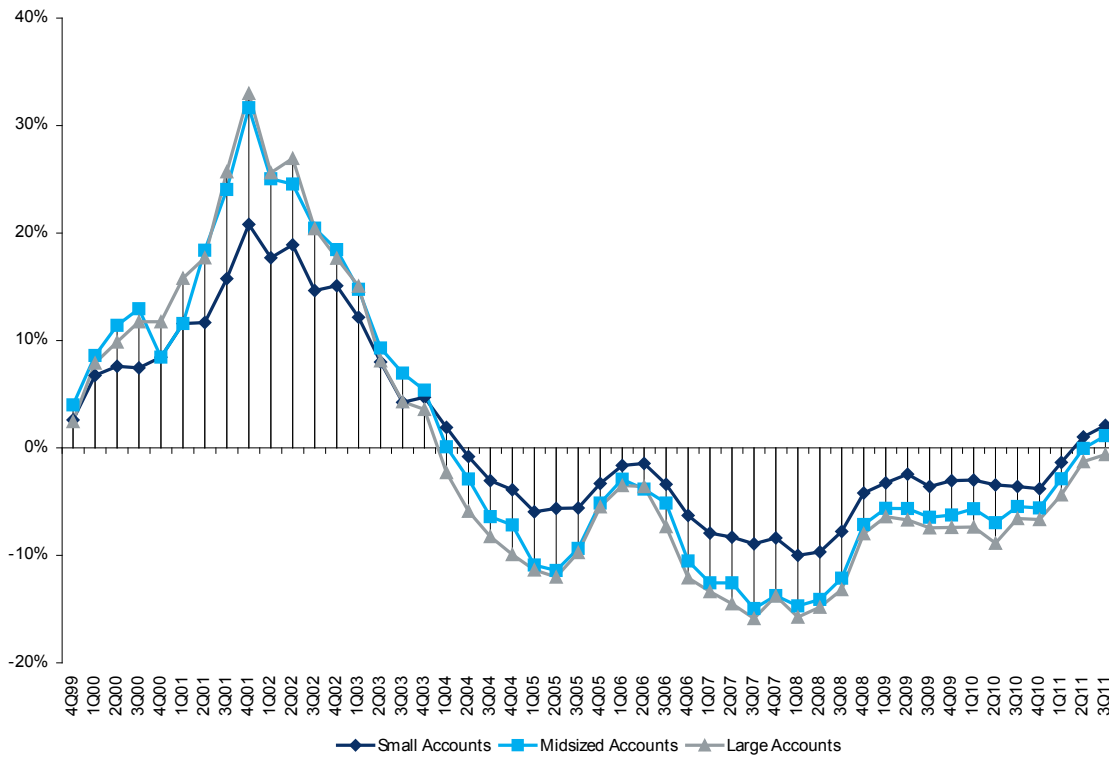


**Average Third Quarter 2011 Commercial Rates Turn Positive**

Average Rates Turn Positive In Third Quarter 2011				
	Small Accounts	Medium Accounts	Large Accounts	Avg
Third Quarter 2011	2.1%	1.1%	-0.6%	0.9%
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%
High (4Q01)	20.8%	31.7%	33.0%	28.5%
Low (3Q07)	-10.0%	-15.0%	-15.9%	-13.3%

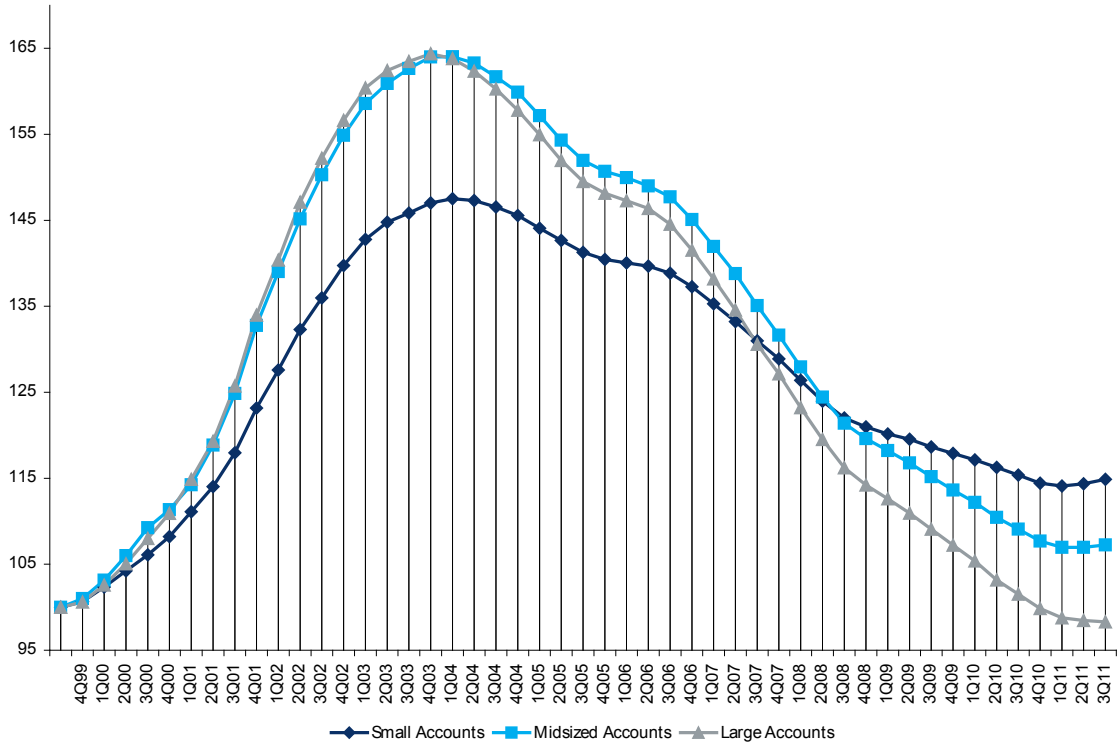
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.

**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 Third Quarter 2011 Rate Changes Ranged From +0.2% to +4.1%**

By-Line Third Quarter 2011 Rate Changes Ranged From +0.2% to +4.1%						
	Comm'l Auto	Workers' Comp	Comm'l Property	Gen'l Liability	Umbrella	Average
Third Quarter 2011	0.6%	4.1%	3.0%	0.2%	1.3%	1.9%
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%
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%

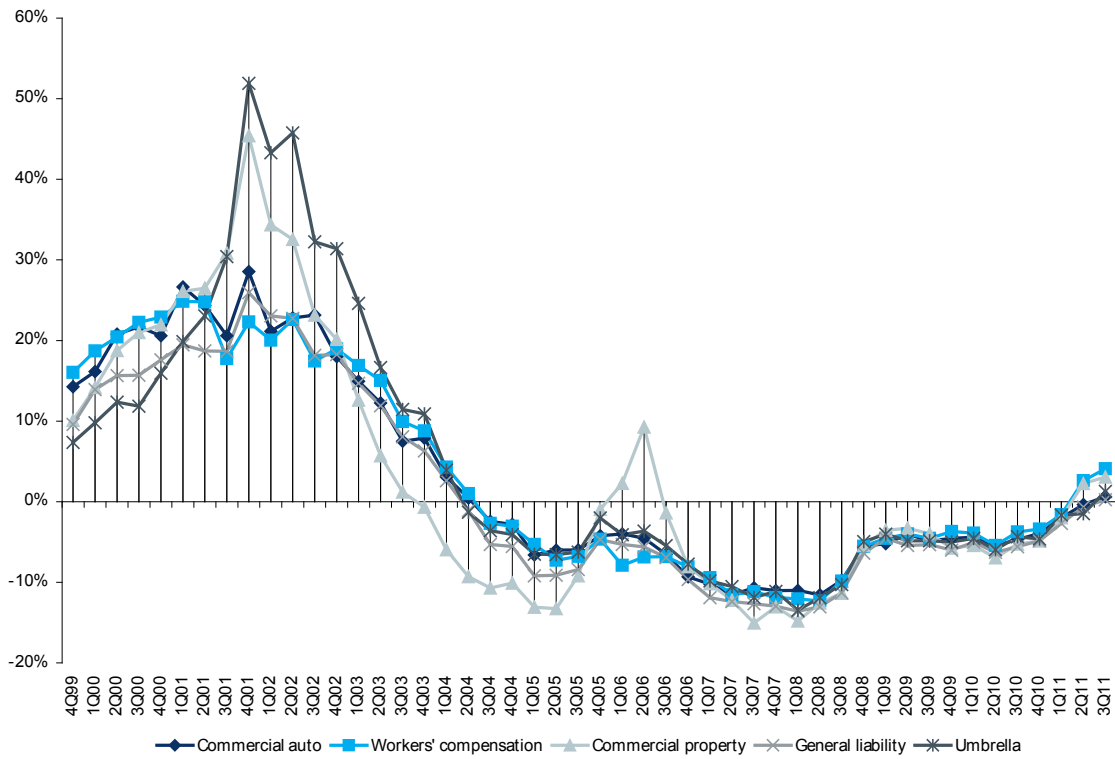
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.

**Rate Changes in Other Lines**

Third Quarter 2011 Rate Changes in Other Lines			
	3Q11	High	Low
Business interruption	1.9%	28.8%	-10.2%
Construction	0.8%	38.7%	-10.7%
D&O liability	0.8%	32.4%	-8.7%
Employment practices	1.5%	21.9%	-8.1%
Surety bonds	0.3%	11.2%	-2.3%

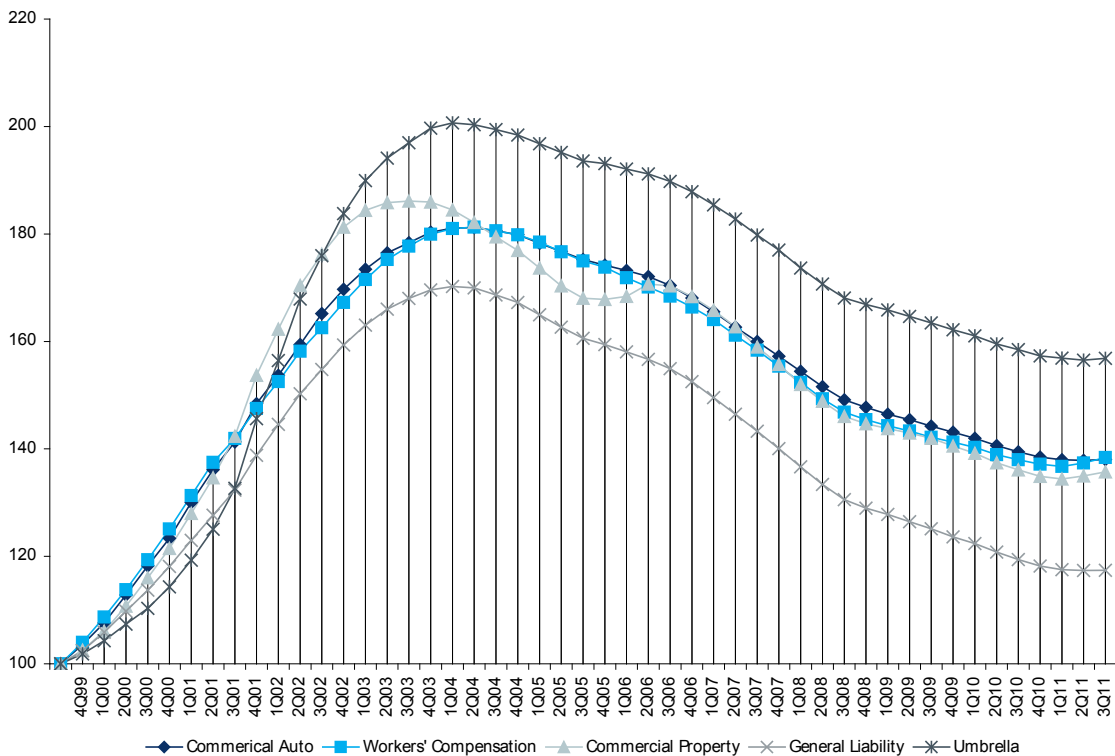
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.

### Average Commercial Rate Increases by Line

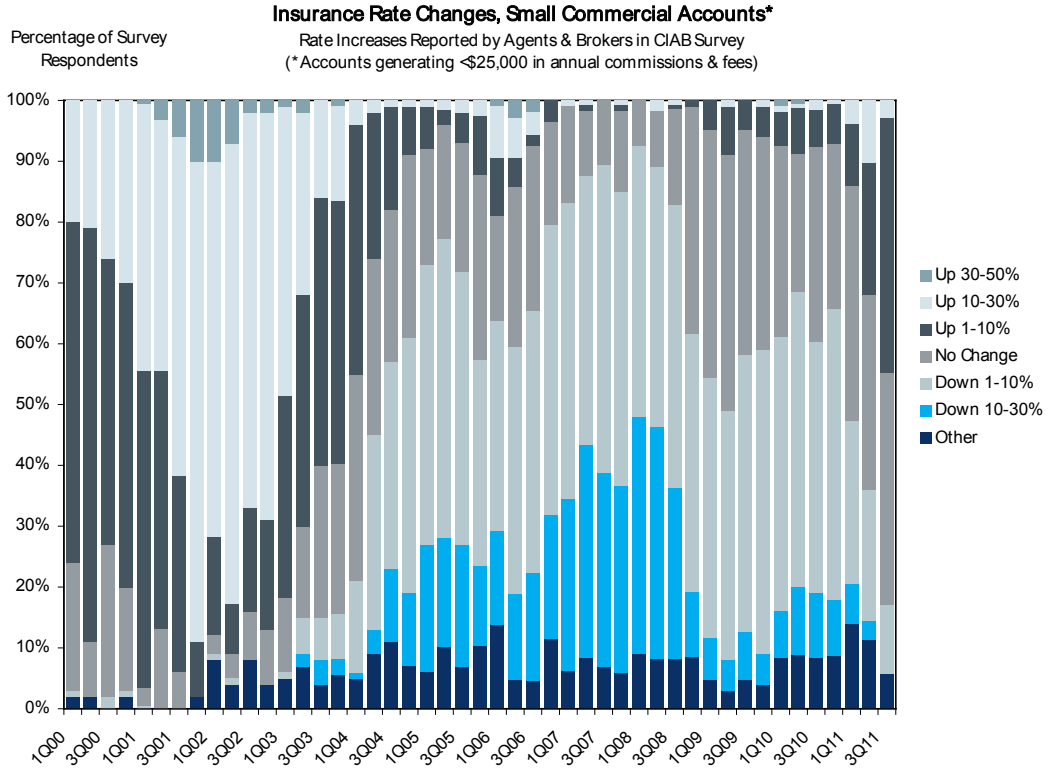


Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.

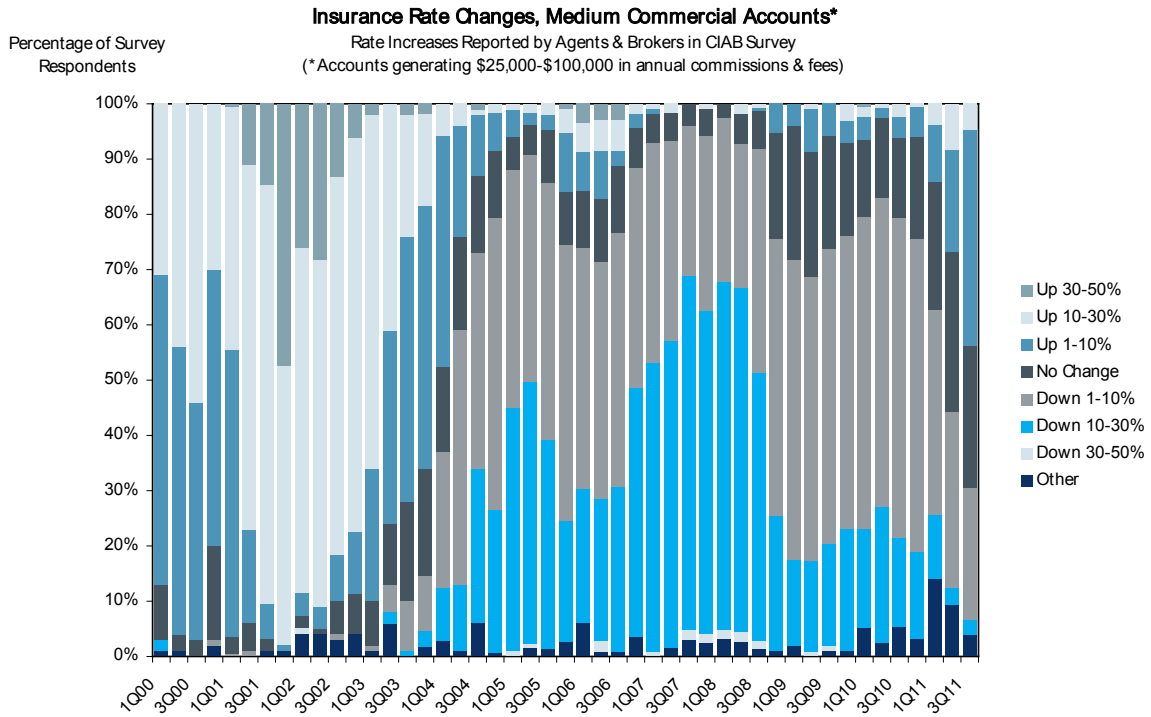
### Cumulative Quarterly Rate Increases by Line



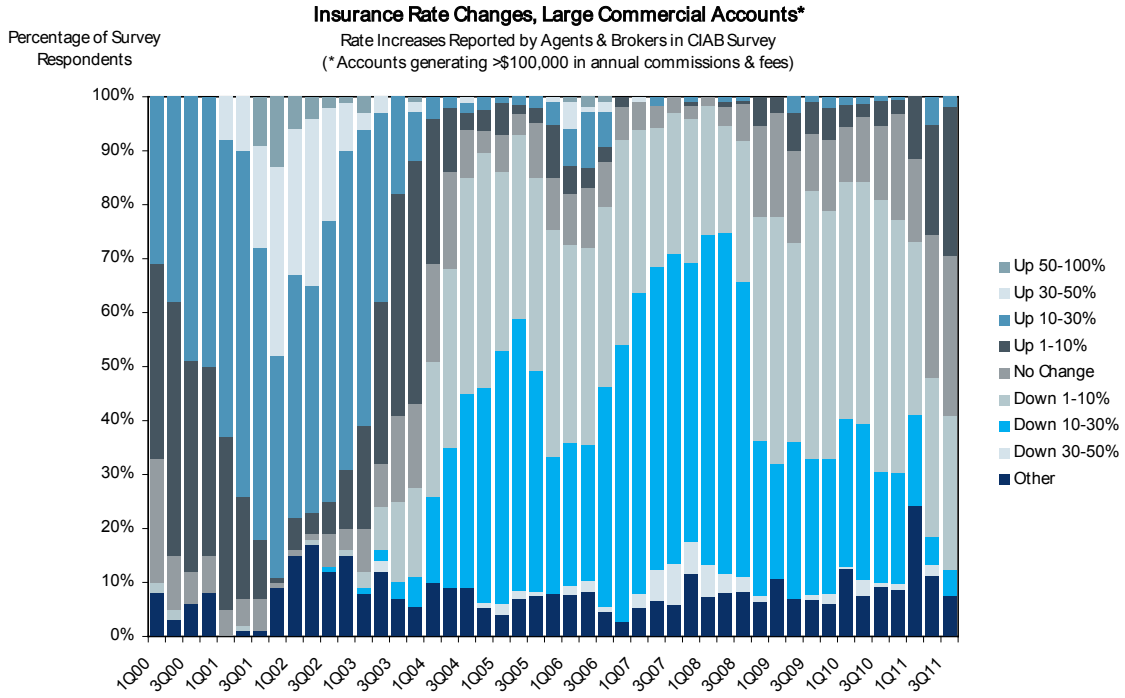
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.



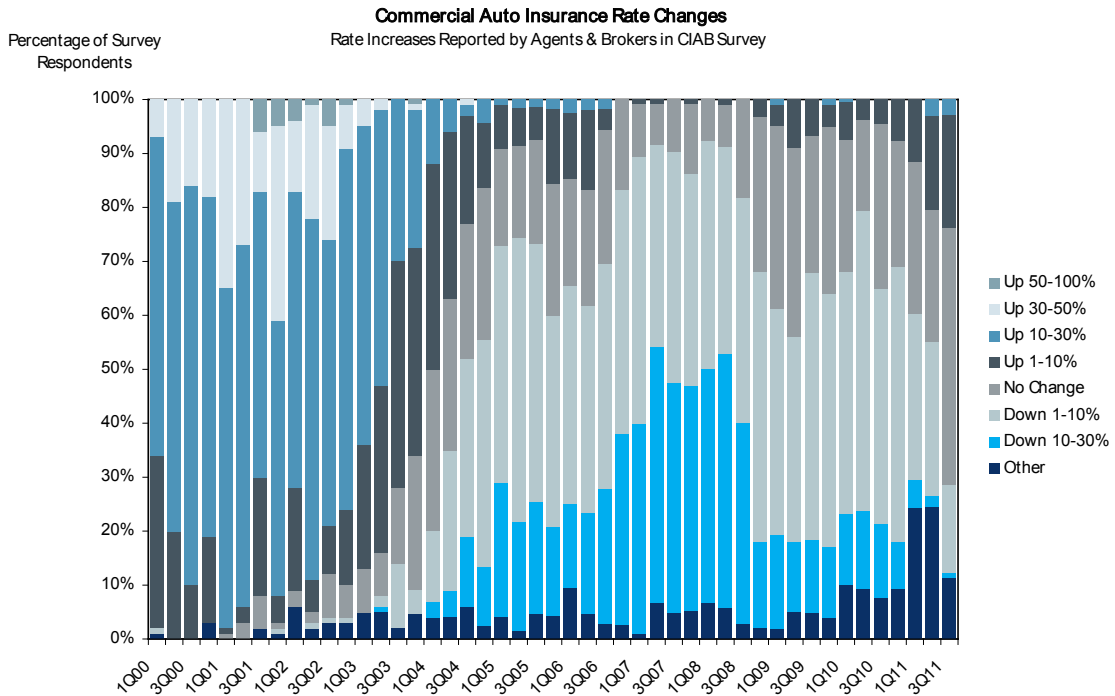
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.



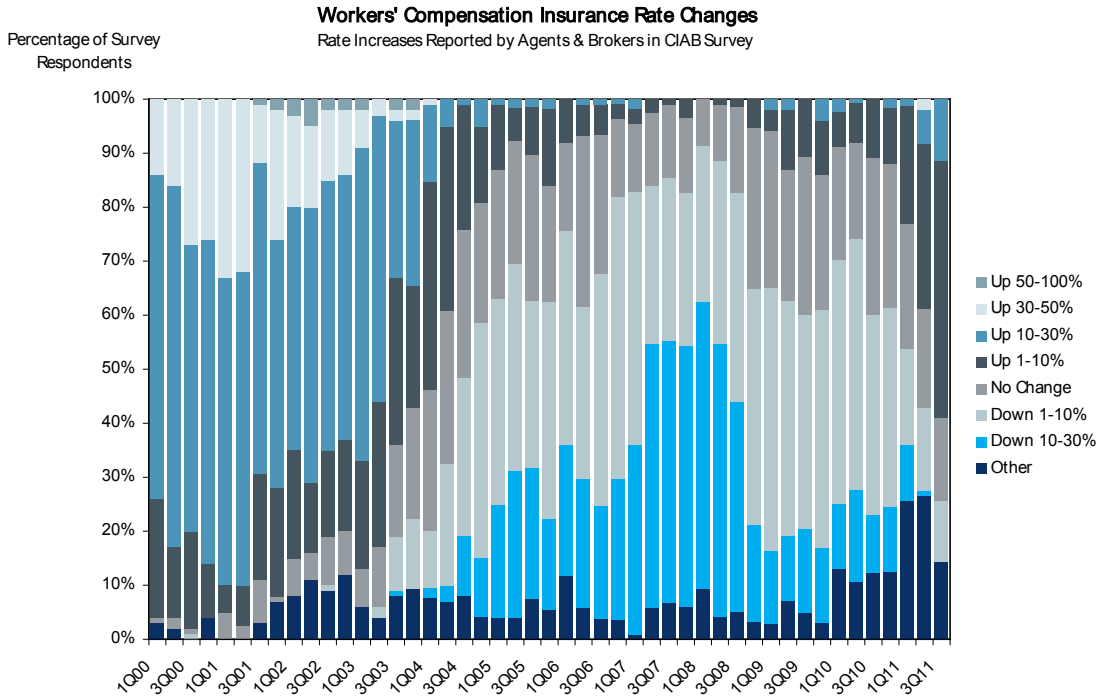
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.



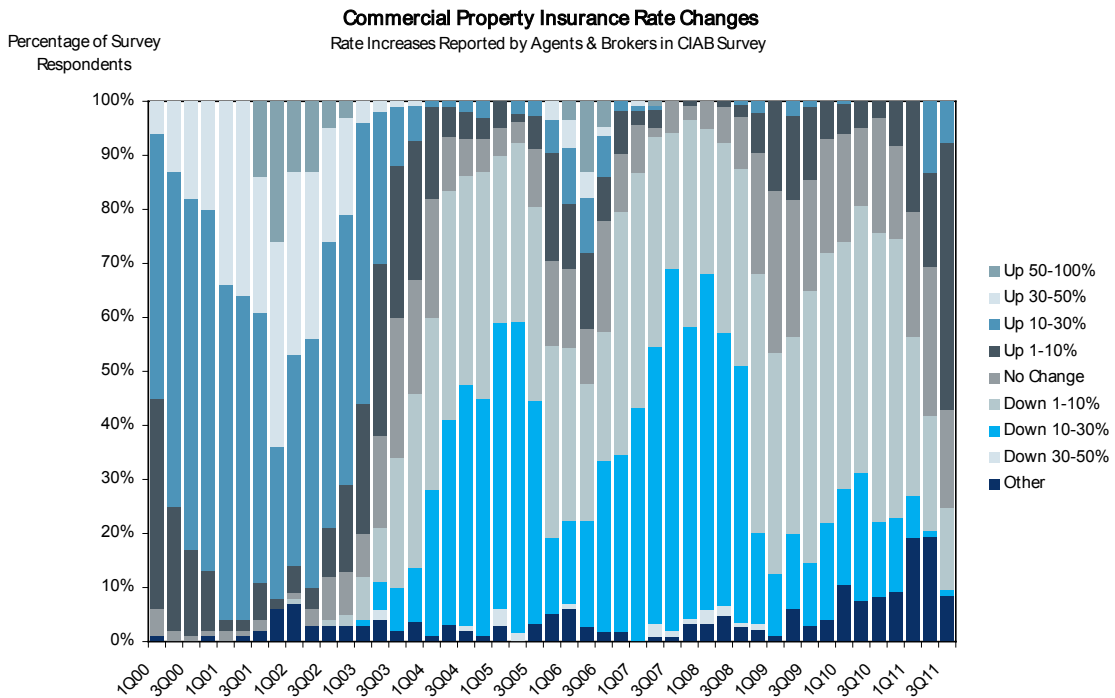
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.



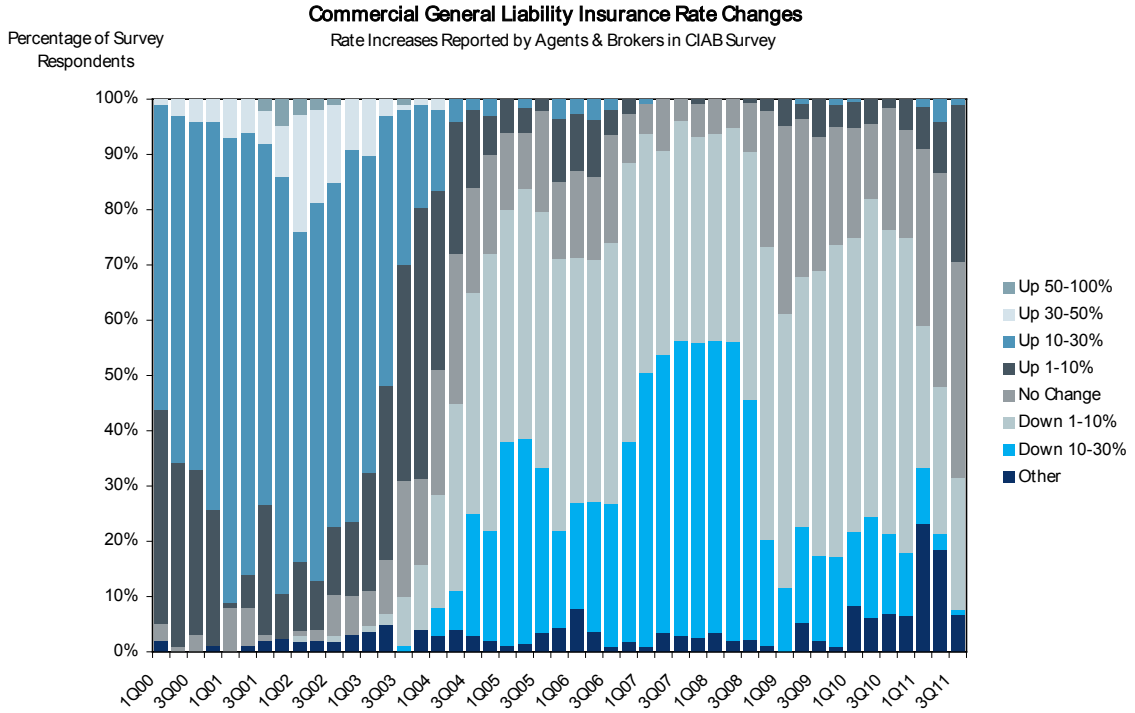
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.



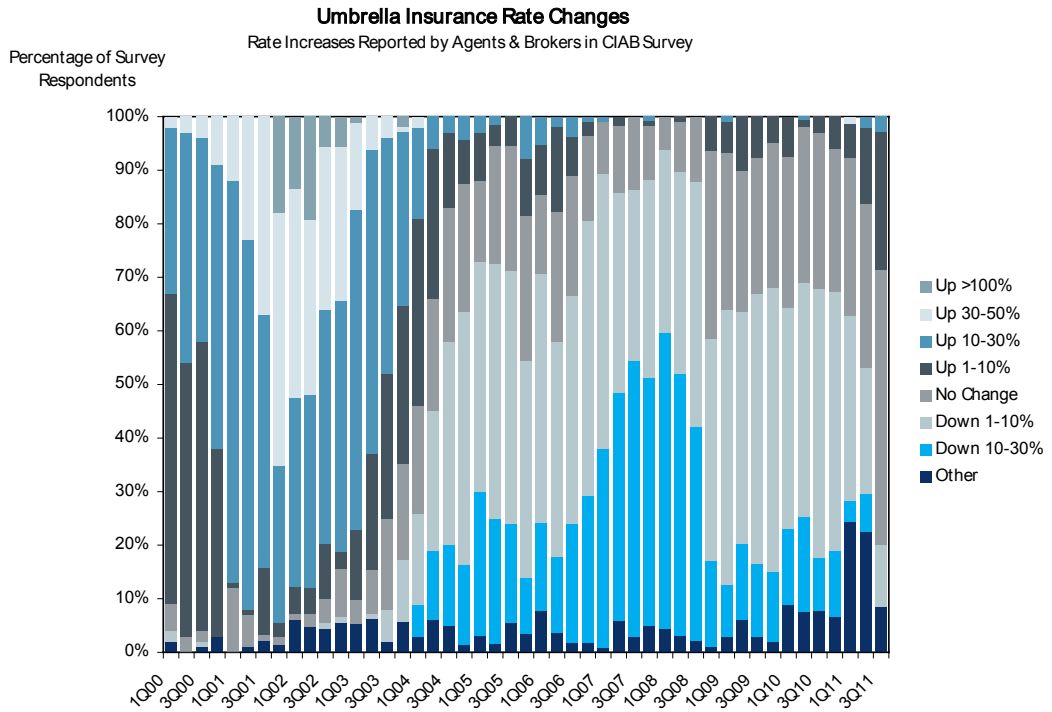
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.



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

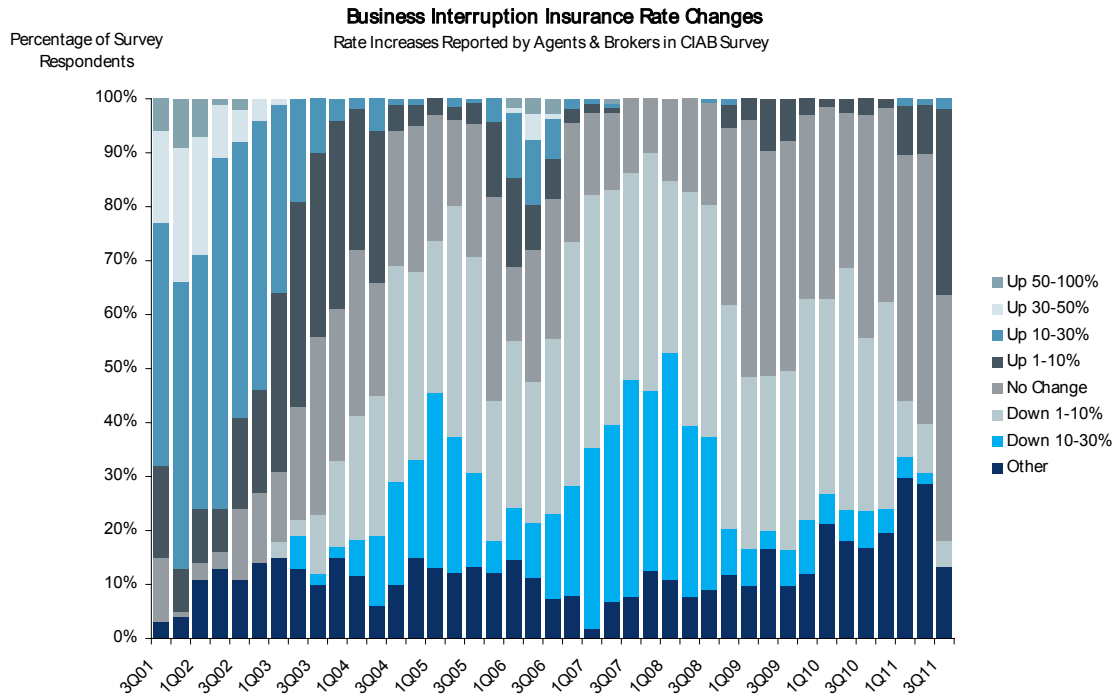


Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.



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