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THE COUNCIL OF INSURANCE AGENTS & BROKERS

NEWS RELEASE – FOR IMMEDIATE RELEASE

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**COMMERCIAL P/C PRICING STEADY IN THIRD QUARTER,
ACCORDING TO CIAB SURVEY**

WASHINGTON, D.C. – October 29, 2013 – Commercial property/casualty pricing in the third quarter remained steady, according to The Council of Insurance Agents & Brokers' quarterly Commercial P/C Market Index Survey.

"The market looked a lot like the second quarter," said The Council's President/CEO Ken A. Crerar. "Pricing in general increased modestly last quarter. But without making any predictions there were indications that the market hardening tapered off."

On average, pricing rose for large, medium and small accounts at a rate of 3.4 percent compared with 4.3 percent in the second quarter of 2013, according to the charts prepared by Barclays Research based on The Council's data.

Average Third Quarter 2013 Commercial Rate Comparison

	Small Accounts	Medium Accounts	Large Accounts	Avg
Third Quarter 2013	3.8%	3.7%	2.6%	3.4%
Second Quarter 2013	4.6%	4.7%	3.8%	4.3%
First Quarter 2013	5.2%	5.3%	4.9%	5.2%
Fourth Quarter 2012	5.5%	5.1%	4.4%	5.0%
Third Quarter 2012	3.7%	4.5%	3.5%	3.9%
High (4Q01)	20.8%	31.7%	33.0%	28.5%
Low (3Q07)	-10.0% (1Q08)	-15.0%	-15.9%	-13.3%

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

Generally, pricing for the commercial lines surveyed continued to rise moderately. A few lines – business interruption, umbrella, commercial property and workers' compensation – showed signs of flattening in the third quarter – declining slightly more than some other lines. That result was mostly likely because insurers had already factored in added risks. However, brokers' experiences on those lines varied across the country depending on location and circumstances. While workers' compensation prices eased a bit in some areas, it still remained a tough line to place.

Brokers surveyed reported that wind/hail deductibles for property were being added in some regions of the country, particularly in the Southeast and Midwest, which experienced some severe weather over the summer. A few brokers said carriers were hesitant to write business with large roof exposures. A broker in the Southwest reported price hikes as much as 20 percent for flood insurance.

Brokers across the country said carriers' appetite for new business was healthy and aggressive. Some carriers were more willing to negotiate rate increases on good existing business, but terms and conditions continued to be tight. And any account with bad experience still met with close scrutiny.

The brokers also noted problems with Employment Practices Liability – premiums and retentions were increasing along with tightening terms and conditions.

On other topics, the brokers said that talent management (70 percent) was their key concern with uncertainty in health insurance (58 percent) coming in second on the list. The top political issues facing the country remained the economy and the federal deficit, but 68 percent said the lack of leadership in the country was a major problem.

The Council's survey is the oldest, most authoritative source of existing market conditions, pricing practices and trends, dating back to 1999.

*Celebrating its 100th year in 2013, **The Council of Insurance Agents & Brokers** is the premier association for the top regional, national and international commercial insurance and employee benefits intermediaries worldwide. Council members are market leaders who annually place 85 percent of U.S. commercial property/casualty insurance premiums and administer billions of dollars in employee benefits accounts. The Council also continues to expand its international reach, and currently 20 percent of its members are headquartered outside the U.S. Based in Washington, D.C., The Council fosters relationships industry-wide by engaging lawmakers, regulators and stakeholders around the world to promote the interests of its members and the valuable role they play in the mitigation of risk for their clients.*

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Commercial Property – Casualty Market Survey 3rd Quarter 2013 Released: October 2013

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, 2013) 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%	5%	26%	55%	9%	0%	0%	0%	5%
Medium (\$25K – \$100K)	0%	0%	0%	4%	25%	62%	5%	0%	0%	0%	4%
Large (>\$100K)	0%	0%	0%	11%	30%	52%	3%	0%	0%	0%	4%

2. How much have premium rates changed over the last three months (July 1-September 30, 2013) 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%	42%	39%	7%	0%	0%	0%	7%
Commercial Auto	0%	0%	0%	5%	30%	52%	7%	0%	0%	0%	6%
Commercial Property	0%	0%	0%	10%	23%	52%	5%	3%	0%	0%	7%
Construction Risks	0%	0%	0%	5%	35%	40%	8%	0%	0%	0%	12%
D & O	0%	0%	0%	1%	22%	46%	17%	0%	0%	0%	14%
Flood Insurance	0%	0%	0%	0%	29%	41%	11%	1%	1%	0%	17%
Employment Practices	0%	0%	0%	0%	32%	30%	24%	1%	0%	0%	13%
General Liability	0%	0%	0%	7%	38%	49%	5%	0%	0%	0%	1%
Marine	0%	0%	0%	5%	45%	30%	4%	0%	0%	0%	16%
Medical Malpractice	0%	0%	0%	7%	31%	20%	1%	0%	0%	0%	41%
Surety Bonds	0%	0%	0%	0%	53%	16%	1%	0%	0%	0%	30%
Terrorism	0%	0%	2%	1%	59%	21%	0%	0%	0%	0%	17%
Umbrella	0%	0%	0%	5%	42%	40%	8%	0%	0%	0%	5%
Workers' Compensation	0%	0%	0%	1%	22%	48%	21%	1%	0%	0%	7%
Broker E&O	0%	0%	0%	1%	36%	23%	5%	0%	0%	0%	35%

Commercial Property – Casualty Market Survey 3rd Quarter 2013 Released: October 2013

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, 2013) 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%	23%	54%	8%	0%	0%	0%	7%
Medium (\$25K – \$100K)	0%	0%	0%	8%	38%	46%	8%	0%	0%	0%	0%
Large (>\$100K)	0%	0%	0%	31%	23%	38%	0%	0%	0%	0%	8%

2. How much have premium rates changed over the last three (July 1-September 30, 2013) 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%	23%	31%	31%	8%	0%	0%	0%	7%
Commercial Auto	0%	0%	0%	15%	23%	47%	0%	0%	0%	0%	15%
Commercial Property	0%	0%	0%	23%	15%	46%	8%	0%	0%	0%	8%
Construction Risks	0%	0%	0%	8%	46%	15%	8%	0%	0%	0%	23%
D & O	0%	0%	0%	0%	46%	38%	8%	0%	0%	0%	8%
Flood Insurance	0%	0%	0%	0%	38%	38%	8%	8%	0%	0%	8%
Employment Practices	0%	0%	0%	0%	38%	38%	15%	0%	0%	0%	9%
General Liability	0%	0%	0%	23%	23%	46%	0%	0%	0%	0%	8%
Marine	0%	0%	0%	8%	31%	31%	0%	0%	0%	0%	30%
Medical Malpractice	0%	0%	0%	15%	31%	23%	0%	0%	0%	0%	31%
Surety Bonds	0%	0%	0%	0%	62%	23%	0%	0%	0%	0%	15%
Terrorism	0%	0%	8%	0%	42%	33%	0%	0%	0%	0%	17%
Umbrella	0%	0%	0%	8%	33%	25%	17%	0%	0%	0%	17%
Worker's Compensation	0%	0%	0%	0%	23%	46%	15%	0%	0%	0%	16%
Broker E&O	0%	0%	0%	0%	23%	31%	8%	0%	0%	0%	38%

Commercial Property – Casualty Market Survey 3rd Quarter 2013 Released: October 2013

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 (July 1-September 30, 2013) 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%	15%	75%	5%	0%	0%	0%	5%
Medium (\$25K – \$100K)	0%	0%	0%	0%	15%	75%	5%	0%	0%	0%	5%
Large (>\$100K)	0%	0%	0%	10%	20%	65%	5%	0%	0%	0%	0%

2. How much have premium rates changed over the last three months (July 1-September 30, 2013) 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%	45%	45%	5%	0%	0%	0%	0%
Commercial Auto	0%	0%	0%	5%	25%	50%	20%	0%	0%	0%	0%
Commercial Property	0%	0%	0%	5%	25%	65%	5%	0%	0%	0%	0%
Construction Risks	0%	0%	0%	5%	48%	42%	5%	0%	0%	0%	0%
D & O	0%	0%	0%	0%	30%	50%	10%	0%	0%	0%	10%
Flood Insurance	0%	0%	0%	0%	30%	50%	15%	0%	0%	0%	5%
Employment Practices	0%	0%	0%	0%	42%	32%	16%	0%	0%	0%	10%
General Liability	0%	0%	0%	5%	45%	45%	5%	0%	0%	0%	0%
Marine	0%	0%	0%	11%	42%	42%	5%	0%	0%	0%	0%
Medical Malpractice	0%	0%	0%	5%	30%	15%	0%	0%	0%	0%	50%
Surety Bonds	0%	0%	0%	0%	60%	5%	0%	0%	0%	0%	35%
Terrorism	0%	0%	0%	0%	80%	15%	0%	0%	0%	0%	5%
Umbrella	0%	0%	0%	5%	55%	40%	0%	0%	0%	0%	0%
Workers' Compensation	0%	0%	0%	0%	30%	55%	15%	0%	0%	0%	0%
Broker E&O	0%	0%	0%	0%	30%	20%	0%	0%	0%	0%	50%

Commercial Property – Casualty Market Survey 3rd Quarter 2013 Released: October 2013

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, 2013) 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%	32%	37%	10%	0%	0%	0%	10%
Medium (\$25K – \$100K)	0%	0%	0%	5%	21%	63%	0%	0%	0%	0%	11%
Large (>\$100K)	0%	0%	0%	5%	26%	53%	5%	0%	0%	0%	11%

2. How much have premium rates changed over the last three (July 1-September 30, 2013) 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%	47%	0%	0%	0%	0%	11%
Commercial Auto	0%	0%	0%	5%	26%	63%	0%	0%	0%	0%	6%
Commercial Property	0%	0%	0%	21%	16%	47%	5%	0%	0%	0%	11%
Construction Risks	0%	0%	0%	11%	21%	42%	5%	0%	0%	0%	21%
D & O	0%	0%	0%	0%	11%	68%	5%	0%	0%	0%	16%
Flood Insurance	0%	0%	0%	0%	37%	42%	11%	0%	0%	0%	10%
Employment Practices	0%	0%	0%	0%	32%	37%	16%	0%	0%	0%	15%
General Liability	0%	0%	0%	5%	37%	53%	5%	0%	0%	0%	0%
Marine	0%	0%	0%	5%	53%	26%	0%	0%	0%	0%	16%
Medical Malpractice	0%	0%	0%	11%	32%	21%	5%	0%	0%	0%	31%
Surety Bonds	0%	0%	0%	0%	50%	28%	6%	0%	0%	0%	16%
Terrorism	0%	0%	5%	0%	47%	26%	0%	0%	0%	0%	22%
Umbrella	0%	0%	0%	11%	37%	47%	0%	0%	0%	0%	5%
Workers' Compensation	0%	0%	0%	0%	21%	53%	21%	0%	0%	0%	5%
Broker E&O	0%	0%	0%	0%	58%	11%	5%	0%	0%	0%	26%

Commercial Property – Casualty Market Survey 3rd Quarter 2013 Released: October 2013

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, 2013) 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%	25%	56%	19%	0%	0%	0%	0%
Medium (\$25K – \$100K)	0%	0%	0%	0%	25%	63%	12%	0%	0%	0%	0%
Large (>\$100K)	0%	0%	0%	0%	38%	56%	6%	0%	0%	0%	0%

2. How much have premium rates changed over the last three months July 1-September 30, 2013) 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%	31%	38%	19%	0%	0%	0%	12%
Commercial Auto	0%	0%	0%	0%	44%	44%	6%	0%	0%	0%	6%
Commercial Property	0%	0%	0%	0%	31%	44%	6%	13%	0%	0%	6%
Construction Risks	0%	0%	0%	0%	33%	47%	20%	0%	0%	0%	0%
D & O	0%	0%	0%	6%	19%	31%	31%	0%	0%	0%	13%
Flood Insurance	0%	0%	0%	0%	13%	40%	7%	0%	7%	0%	33%
Employment Practices	0%	0%	0%	0%	25%	19%	38%	0%	0%	0%	18%
General Liability	0%	0%	0%	0%	38%	50%	12%	0%	0%	0%	0%
Marine	0%	0%	0%	0%	50%	25%	13%	0%	0%	0%	12%
Medical Malpractice	0%	0%	0%	0%	36%	41%	0%	0%	0%	0%	23%
Surety Bonds	0%	0%	0%	0%	43%	21%	0%	0%	0%	0%	36%
Terrorism	0%	0%	0%	0%	60%	20%	0%	0%	0%	0%	20%
Umbrella	0%	0%	0%	0%	38%	44%	18%	0%	0%	0%	0%
Workers' Compensation	0%	0%	0%	0%	19%	38%	31%	6%	0%	0%	6%
Broker E&O	0%	0%	0%	0%	50%	29%	7%	0%	0%	0%	14%

Commercial Property – Casualty Market Survey 3rd Quarter 2013 Released: October 2013

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, 2013) 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%	44%	45%	0%	0%	0%	0%	0%
Medium (\$25K – \$100K)	0%	0%	0%	11%	33%	56%	0%	0%	0%	0%	0%
Large (>\$100K)	0%	0%	0%	22%	44%	34%	0%	0%	0%	0%	0%

2. How much have premium rates changed over the last three months (July 1-September 30, 2013) for the following lines? Please check N/A if you don't know or don't handle the line.

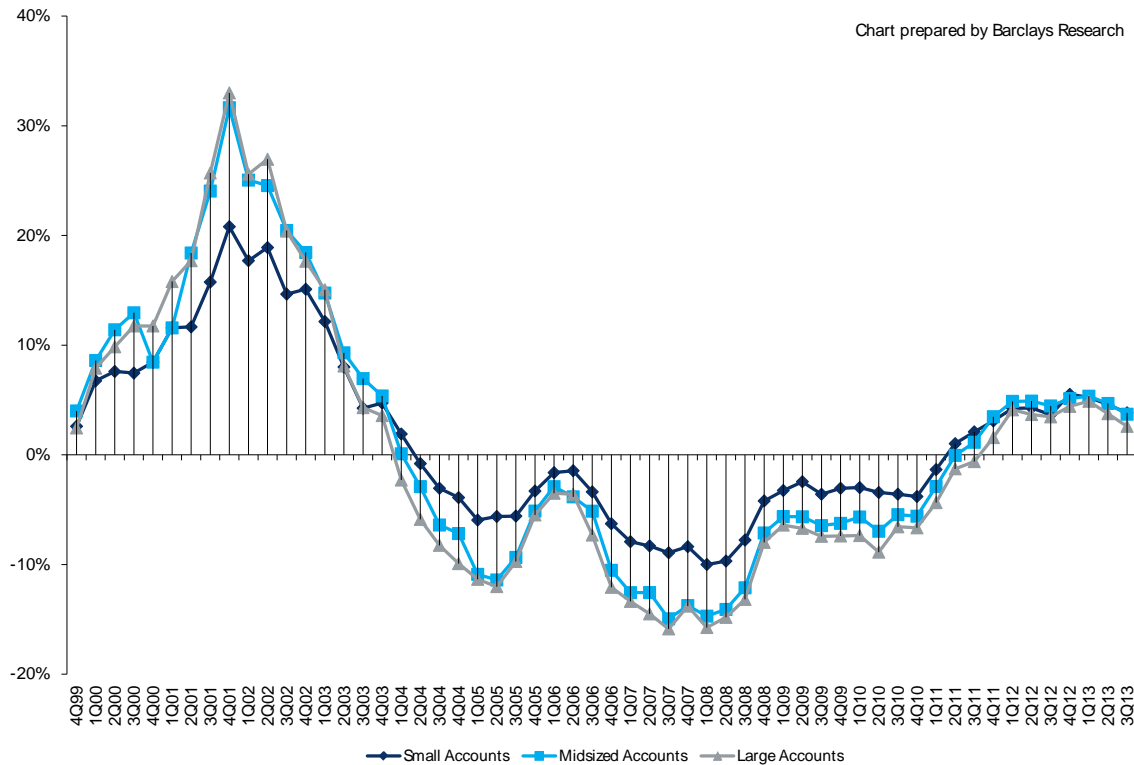
	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10- 20%	8 Up 20- 30%	9 Up 30- 50%	10 Up 50- 100%	N/A
Business Interruption	0%	0%	0%	0%	67%	22%	0%	0%	0%	0%	11%
Commercial Auto	0%	0%	0%	0%	33%	56%	0%	0%	0%	0%	11%
Commercial Property	0%	0%	0%	0%	33%	56%	0%	0%	0%	0%	11%
Construction Risks	0%	0%	0%	0%	22%	56%	0%	0%	0%	0%	22%
D & O	0%	0%	0%	0%	0%	22%	44%	0%	0%	0%	34%
Flood Insurance	0%	0%	0%	0%	25%	25%	13%	0%	0%	0%	37%
Employment Practices	0%	0%	0%	0%	11%	22%	44%	11%	0%	0%	12%
General Liability	0%	0%	0%	0%	44%	56%	0%	0%	0%	0%	0%
Marine	0%	0%	0%	0%	44%	22%	0%	0%	0%	0%	34%
Medical Malpractice	0%	0%	0%	0%	22%	22%	0%	0%	0%	0%	56%
Surety Bonds	0%	0%	0%	0%	44%	0%	0%	0%	0%	0%	56%
Terrorism	0%	0%	0%	11%	56%	11%	0%	0%	0%	0%	22%
Umbrella	0%	0%	0%	0%	44%	33%	11%	0%	0%	0%	12%
Workers' Compensation	0%	0%	0%	13%	12%	38%	25%	0%	0%	0%	12%
Broker E&O	0%	0%	0%	11%	0%	33%	11%	0%	0%	0%	45%

Average Third Quarter 2013 Commercial Rate Increases Slow

	Small Accounts	Medium Accounts	Large Accounts	Avg
Third Quarter 2013	3.8%	3.7%	2.6%	3.4%
Second Quarter 2013	4.6%	4.7%	3.8%	4.3%
First Quarter 2013	5.2%	5.3%	4.9%	5.2%
Fourth Quarter 2012	5.5%	5.1%	4.4%	5.0%
Third Quarter 2012	3.7%	4.5%	3.5%	3.9%
High (4Q01)	20.8%	31.7%	33.0%	28.5%
Low (3Q07)	-10.0% (1Q08)	-15.0%	-15.9%	-13.3%

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

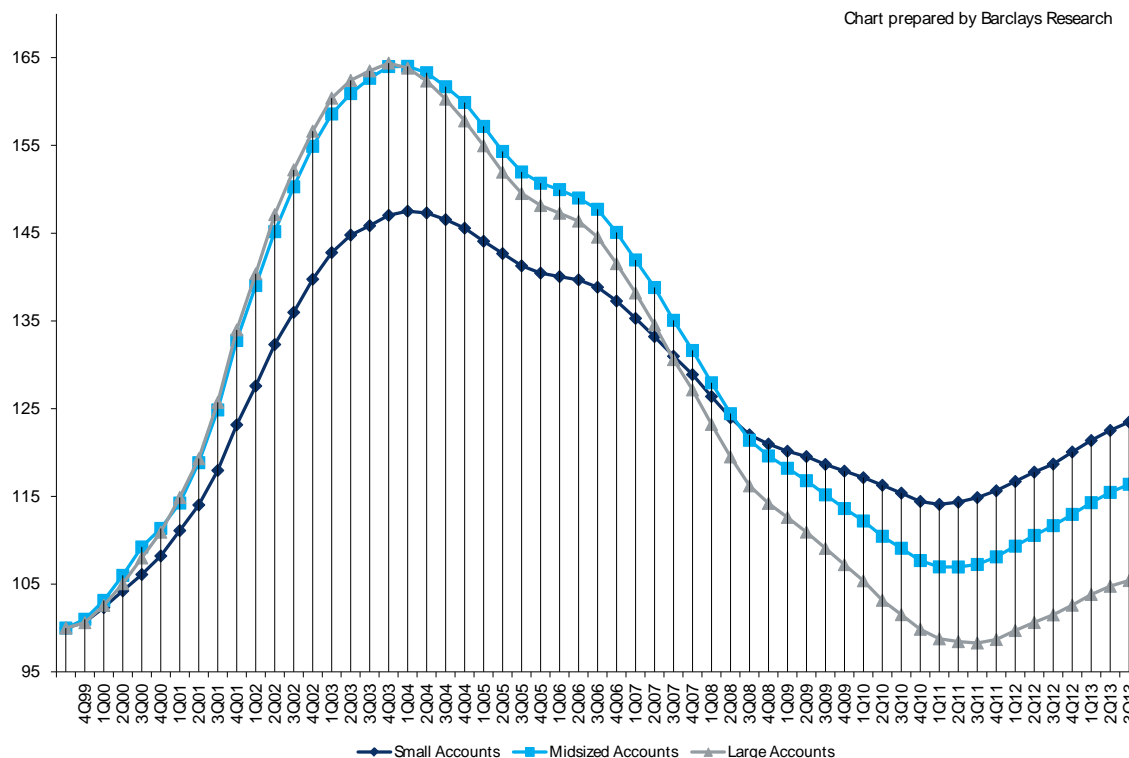
Average Commercial Premium Rate Changes by Account Size



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

Cumulative Quarterly Rate Increases by Account Size

Chart prepared by Barclays Research



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

By-Line Third Quarter 2013 Rate Changes Ranged From +2.9% to +5.8%

	Comm'l Auto	Workers' Comp	Comm'l Property	Gen'l Liability	Umbrella	Average
Third Quarter 2013	3.3%	5.8%	3.5%	2.9%	2.9%	3.7%
Second Quarter 2013	4.4%	8.3%	5.9%	3.5%	3.7%	5.2%
First Quarter 2013	4.6%	9.8%	6.8%	4.3%	4.6%	6.0%
Fourth Quarter 2012	3.4%	9.0%	5.7%	3.3%	3.5%	5.0%
Third Quarter 2012	3.3%	8.1%	5.6%	4.0%	3.1%	4.8%
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%

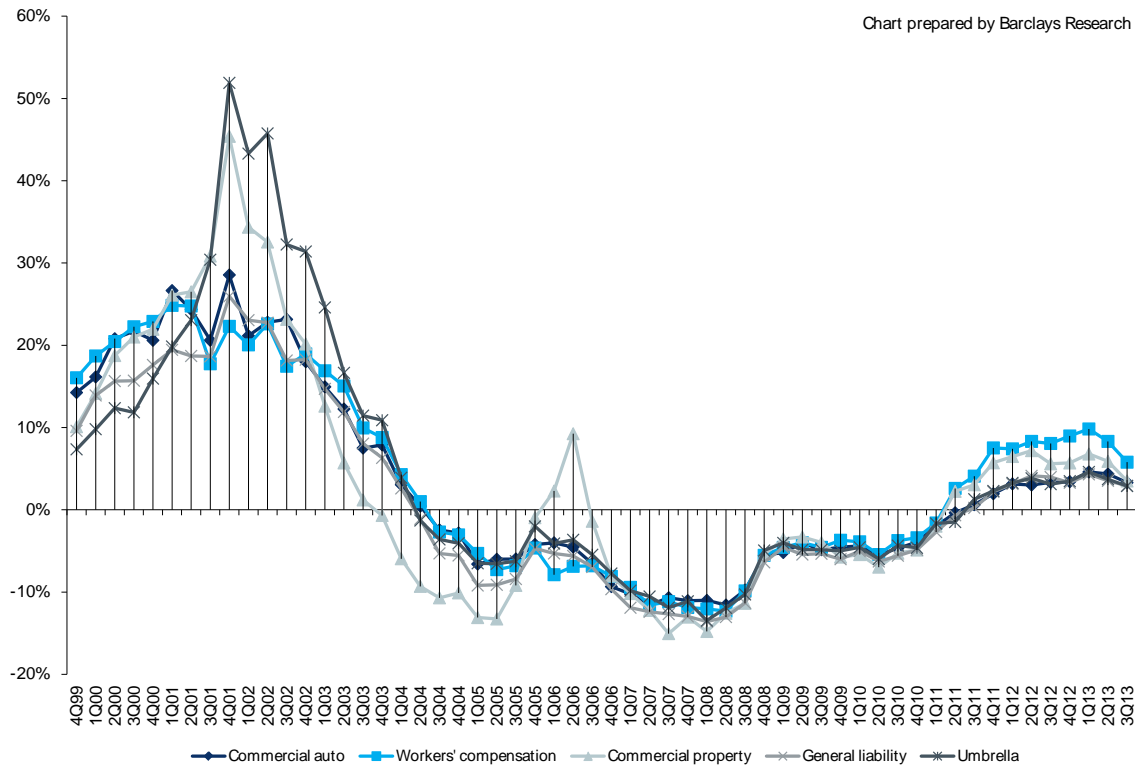
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

Rate Changes in Other Lines

Third Quarter 2013 Rate Changes in Other Lines	3Q13	High	Low
Business interruption	2.7%	28.8%	-10.2%
Construction	2.9%	38.7%	-10.7%
D&O liability	4.7%	32.4%	-8.7%
Employment practices	5.4%	21.9%	-8.1%
Surety bonds	1.0%	11.2%	-2.3%

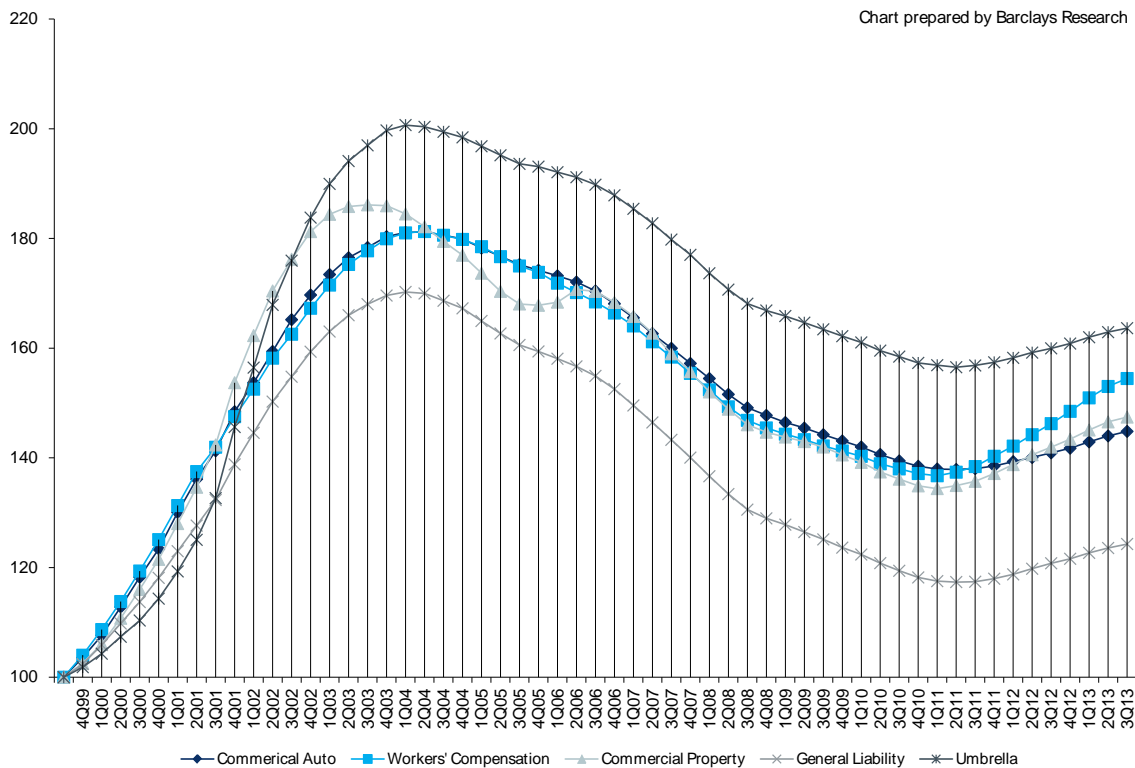
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

Average Commercial Rate Increases by Line

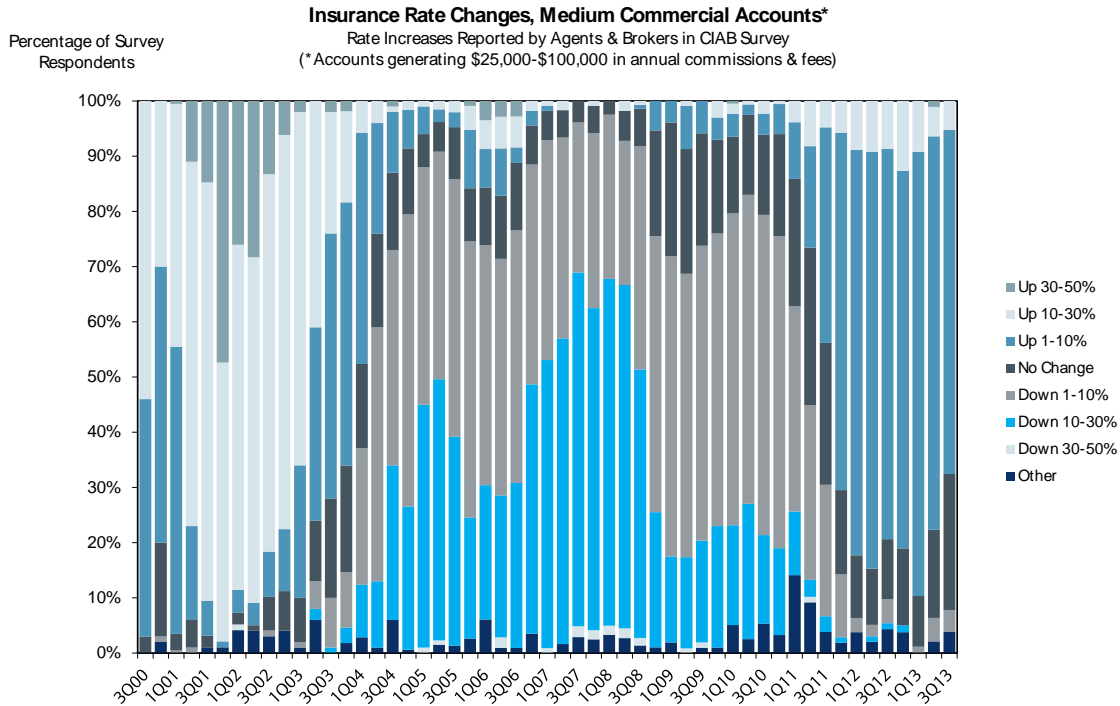
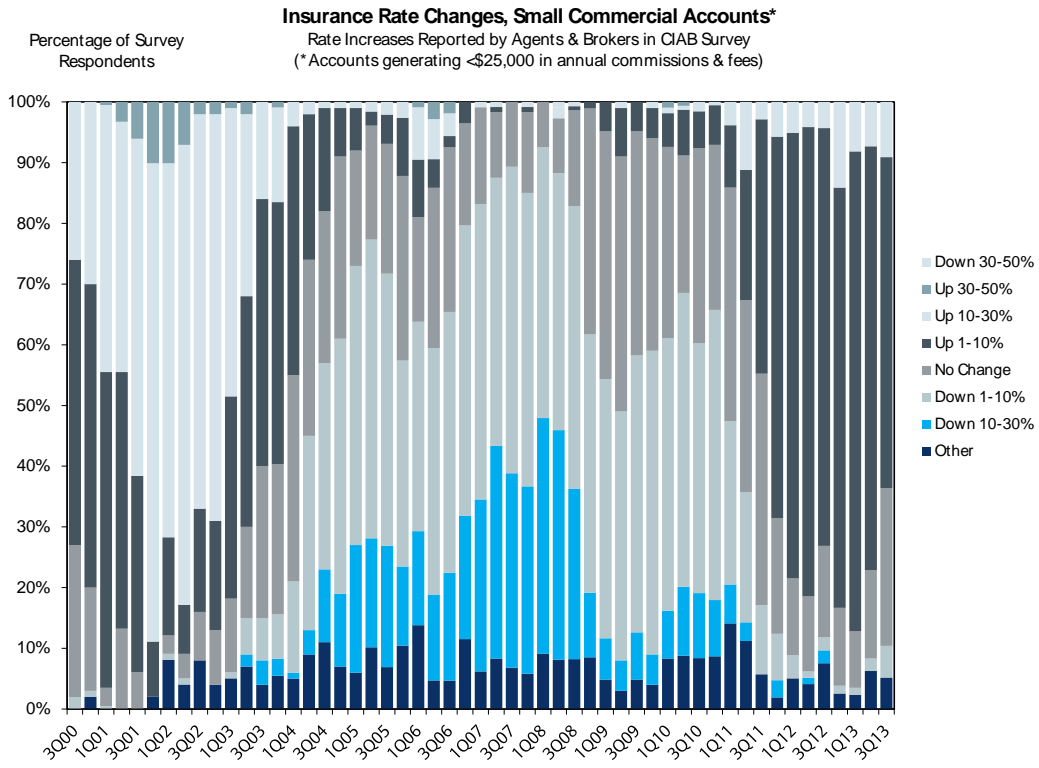


Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

Cumulative Quarterly Rate Increases by Line



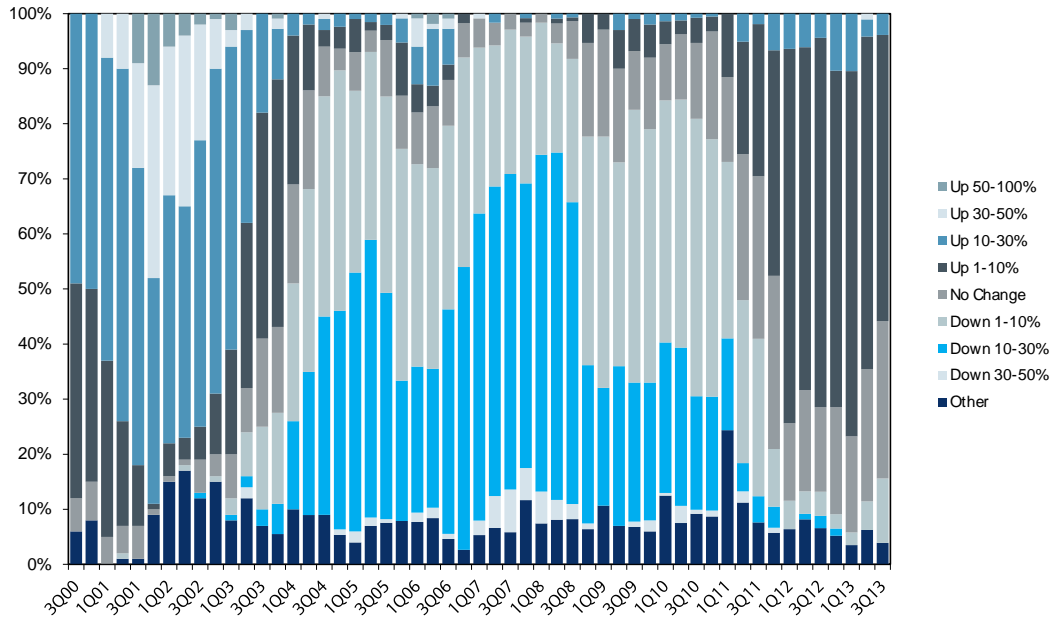
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.



Insurance Rate Changes, Large Commercial Accounts*

Percentage of Survey Respondents

Rate Increases Reported by Agents & Brokers in CIAB Survey
(* Accounts generating >\$100,000 in annual commissions & fees)

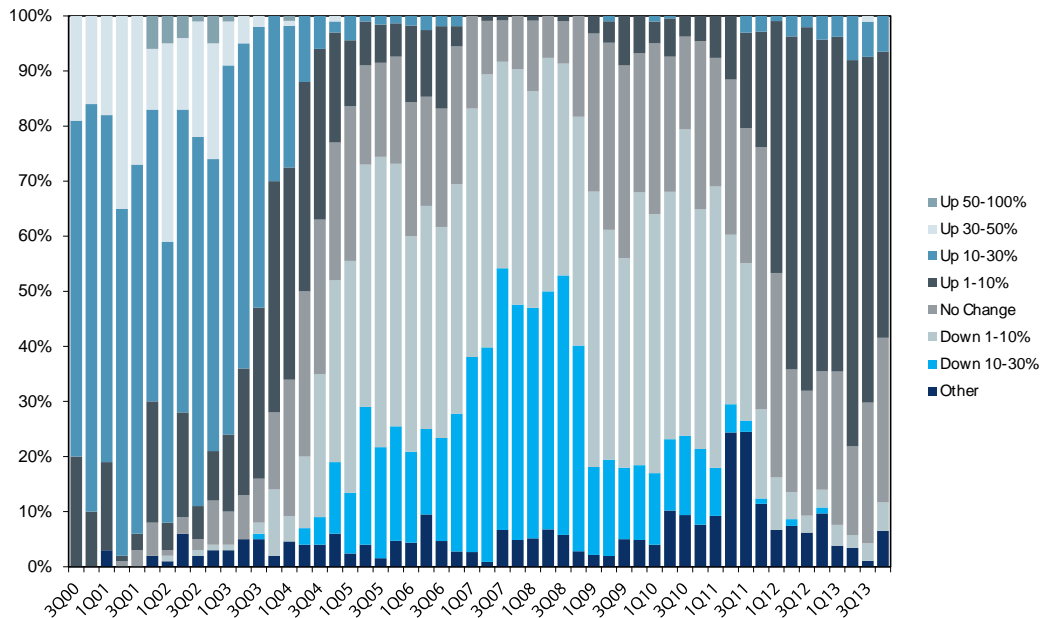


Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

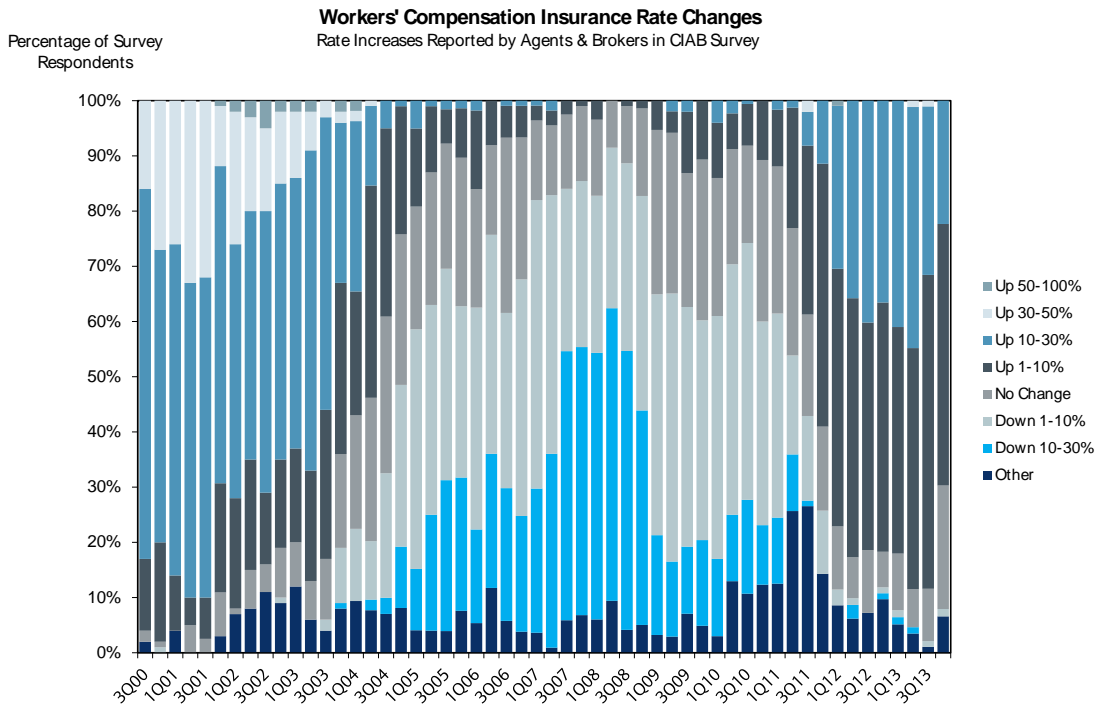
Commercial Auto Insurance Rate Changes

Percentage of Survey Respondents

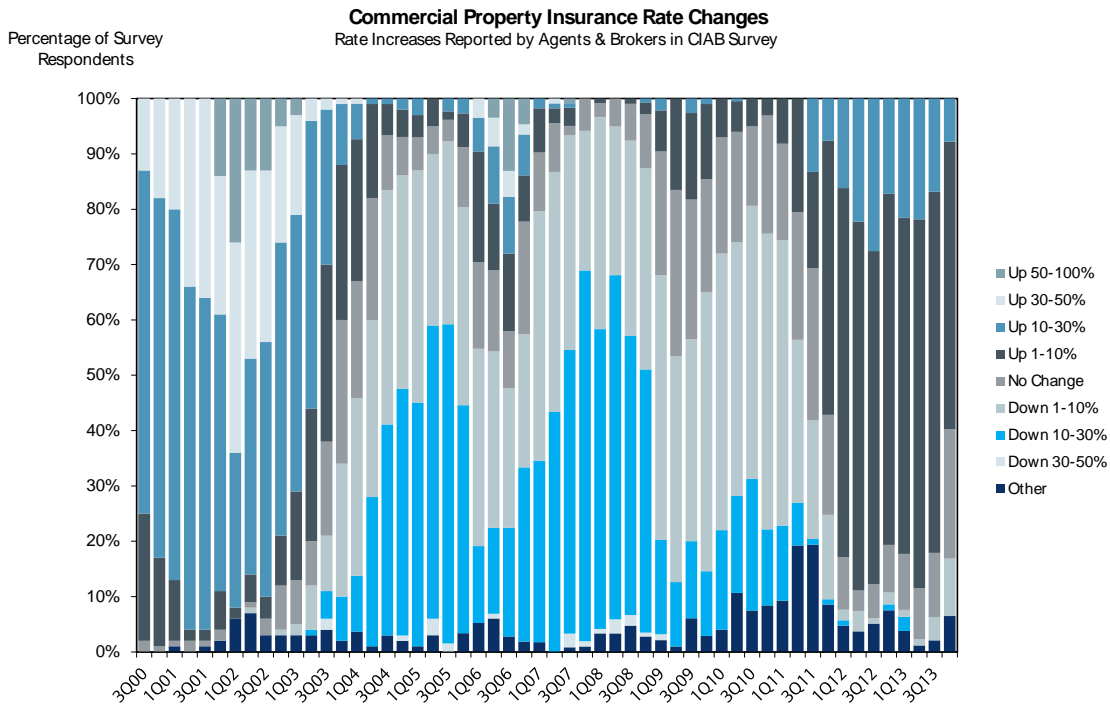
Rate Increases Reported by Agents & Brokers in CIAB Survey



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



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

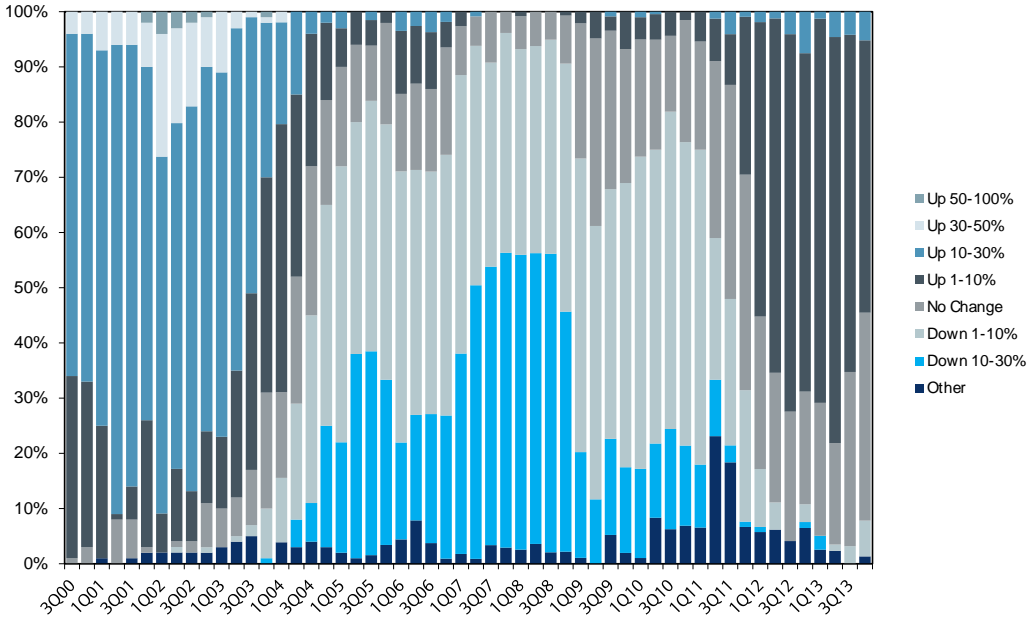


Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

Commercial General Liability Insurance Rate Changes

Percentage of Survey Respondents

Rate Increases Reported by Agents & Brokers in CIAB Survey

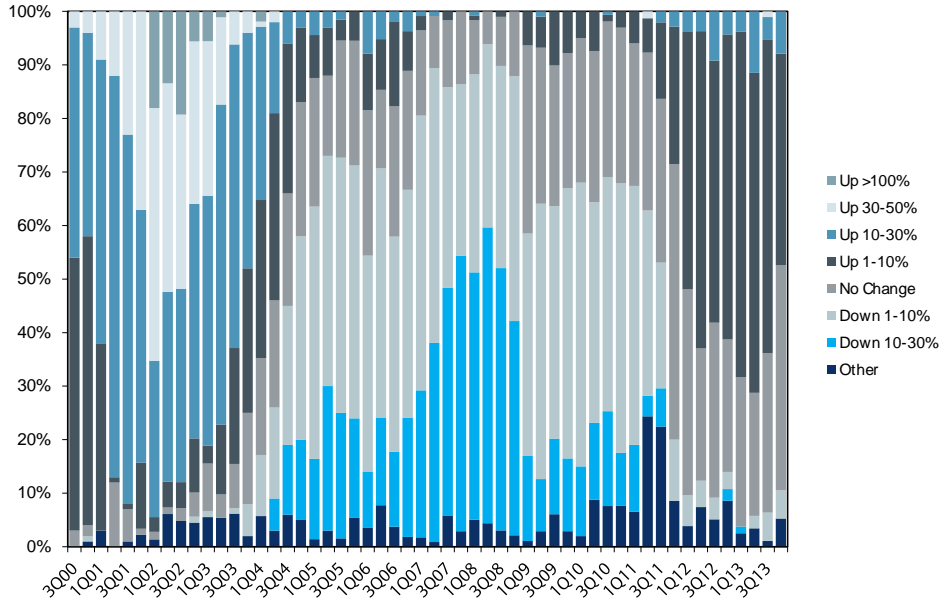


Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

Umbrella Insurance Rate Changes

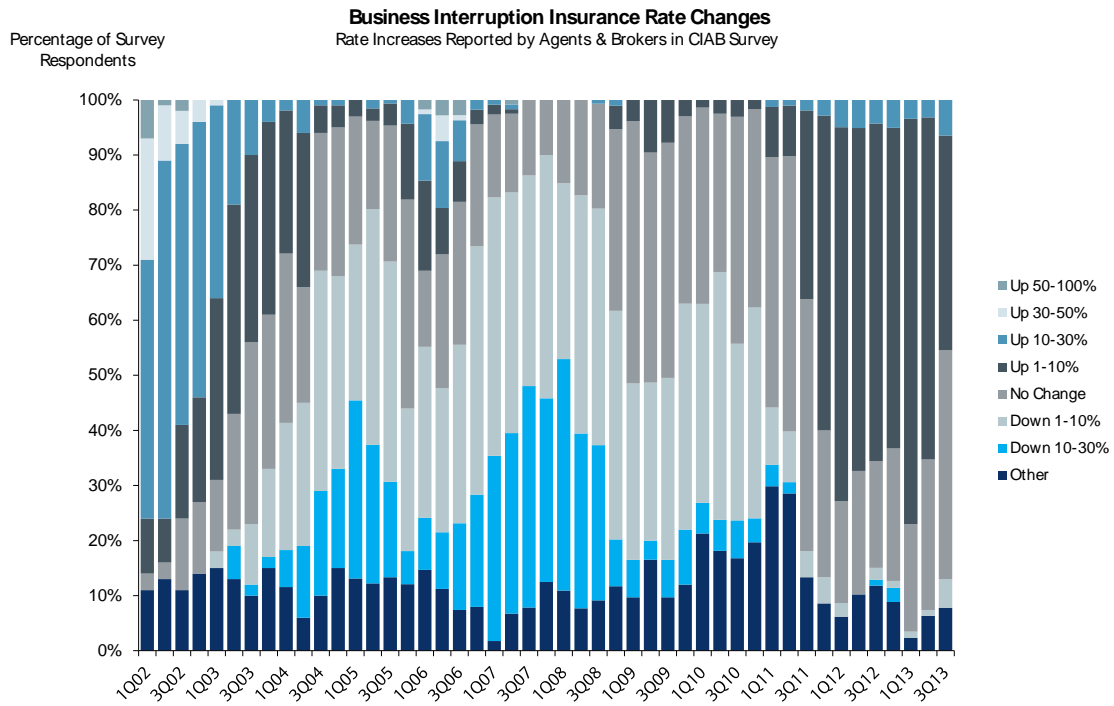
Percentage of Survey Respondents

Rate Increases Reported by Agents & Brokers in CIAB Survey



The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

Source:



Source:

The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.