

 THE COUNCIL

COMMERCIAL PROPERTY/ CASUALTY MARKET INDEX

Q1/2021



Commercial Property/Casualty Market Index

Q1/2021

EXECUTIVE SUMMARY

The following are key takeaways from The Council of Insurance Agents & Brokers' *Commercial Property/Casualty Market Report Q1 2021 (January 1 – March 31)*:

- Q1 2021 was the 14th consecutive quarter of increased premiums, with respondents reporting an average increase of 10% across all-sized accounts. As with previous quarters, premiums increased the most for **large accounts**, at 12.9%, followed by medium accounts at 10.9% and small accounts at 6.3%.
- Premiums increased for all lines of business, including Workers' Compensation, for the 4th consecutive quarter. Highest among them was again Umbrella, with an average premium increase of 19.7%, followed, notably, by Cyber at 18%.
- Underwriting tightened significantly for troubled lines like Cyber and Umbrella. Additionally, capacity contracted for both of those lines, with nearly 80% of respondents reporting a decrease in capacity for Umbrella, and 73% reporting the same for Cyber.
- Respondents indicated that the COVID-19 pandemic's impact was still being felt in Q1 2021. Most respondents said the pandemic impacted **pricing, availability of coverage, renewals** and **underwriting trends**.

PREMIUM PRICING

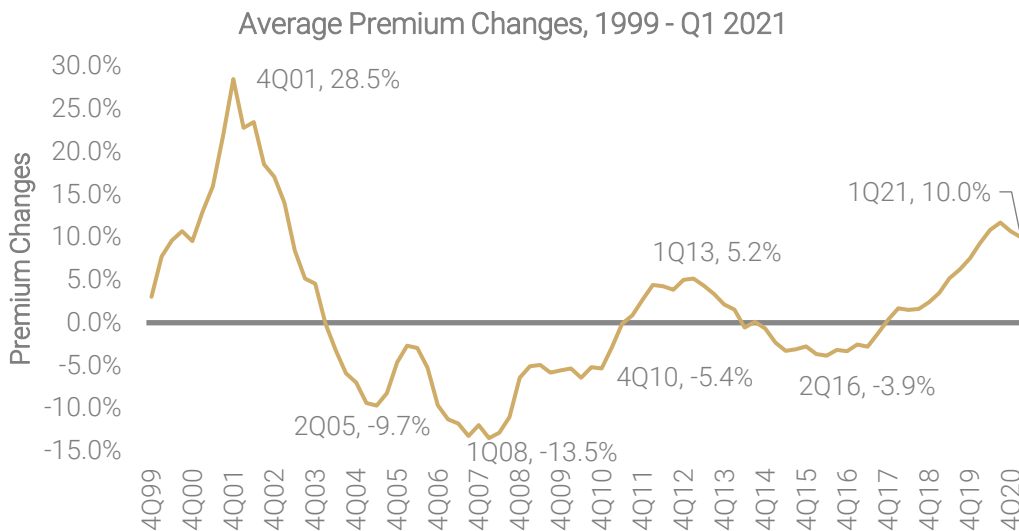
While prices increased again in Q1 2021, there were further signs that the pace of premium increases in 2020 moderated slightly. The average premium increase across all-sized accounts was 10% in Q1 2021, down from Q4 2020 at 10.7% and Q3 2020 at 11.7%.

AVERAGE COMMERCIAL PRICING INCREASES

	By Account Size			
	SMALL	MEDIUM	LARGE	AVERAGE
First Quarter 2021	6.3%	10.9%	12.9%	10.0%
Fourth Quarter 2020	6.7%	11.7%	13.7%	10.7%
Third Quarter 2020	7.1%	12.7%	15.3%	11.7%
Second Quarter 2020	7.3%	11.0%	14.2%	10.8%
First Quarter 2020	5.5%	9.8%	12.6%	9.3%
High	20.8%	31.7%	33.0%	28.5%
High Date	4Q01	4Q01	4Q01	
Low	-10.0%	-15.0%	-15.9%	-13.6%
Low Date	1Q08	3Q07	3Q07	

Source:
The Council of Insurance Agents & Brokers

Segmented out by account size, large account premiums increased by an average of 12.9% in Q1 2021, compared to 13.7% in Q4 2020 and 15.3% in Q3 2020; medium accounts saw an increase of 10.9%, down from 11.7% and 12.7% in Q4 and Q3 2020 respectively; and small accounts, which saw the least impact, recorded an increase of 6.3%, down from its Q4 2020 increase of 6.7%.



PREMIUM PRICING BY LINE OF BUSINESS

Across the major lines, the average premium price increase was 9.6% in Q1 2021, compared to 10.2% in Q4 2020 and 11.3% in Q3 2020, demonstrating again that the price climb moderated slightly this quarter. Nevertheless, prices were up again for all lines of business for the 4th consecutive quarter, including Workers' Compensation, a line historically known for its persistent price decreases.

"Umbrella and Cyber continued to pose problems for brokers in Q1 2021," said Ken A. Crerar, President/CEO of The Council. "Carriers continued to push for rate increases in Umbrella noting factors such as nuclear verdicts or social inflation and began to pull back on Cyber risk in the face of rapidly increasing claims from ransomware and attacks that exploit the remote workforce. Though COVID-19 infection rates have been steadily decreasing and employers

are beginning to bring their employees back to the office, brokers will need to brace for the aftershocks as we return to a new normal.”

BY-LINE FIRST QUARTER 2021 RATE CHANGES RANGED FROM 1.0% TO +19.7%

	COMM'L AUTO	WORKERS' COMP	COMM'L PROPERTY	GEN'L LIABILITY	UMBRELLA	AVERAGE
First Quarter 2021	9.0%	1.0%	12.0%	6.2%	19.7%	9.6%
Fourth Quarter 2020	9.1%	0.4%	12.9%	7.3%	21.3%	10.2%
Third Quarter 2020	11.0%	1.5%	14.2%	6.7%	22.9%	11.3%
Second Quarter 2020	9.6%	0.7%	13.3%	6.8%	20.0%	10.1%
First Quarter 2020	9.6%	-1.2%	12.0%	5.7%	17.3%	8.7%
High	28.6%	24.9%	45.4%	26.0%	51.9%	35.3%
Low	-11.6%	-12.3%	-15.0%	-13.6%	-13.5%	-12.2%

Source:
The Council of Insurance Agents & Brokers

Umbrella prices rose by 19.7% in Q1 2021, the highest among all lines of business. Notably, Cyber, whose increases were normally on the order of 1-2%, had the **second-highest** increase in premiums out of all lines of business in Q1, at 18%, reflecting recent comments about the widespread use of ransomware and the challenges of the forced transition to an all-digital work environment due to the pandemic.

Directors & Officers, Commercial Property, and Employment Practices Liability were the other three lines of business that reported average premium increases in excess of 10%, at 15.1%, 12%, and 10.8%, respectively.

RATE CHANGES IN OTHER LINES

	1Q21	High	Low
Broker E&O	4.3%	15.4%	-4.5%
Business Interruption	7.4%	28.8%	-10.2%
Construction	7.5%	38.7%	-10.7%
Cyber	18.0%	11.1%	-1.5%
D&O Liability	15.1%	32.4%	-8.7%
Employment Practices	10.8%	21.9%	-8.1%
Flood	5.8%	8.6%	-2.7%
Marine	5.8%	4.5%	-10.6%
Medical Malpractice	6.9%	32.5%	-4.1%
Surety Bonds	2.7%	11.2%	-2.3%
Terrorism	1.1%	10.4%	-3.6%

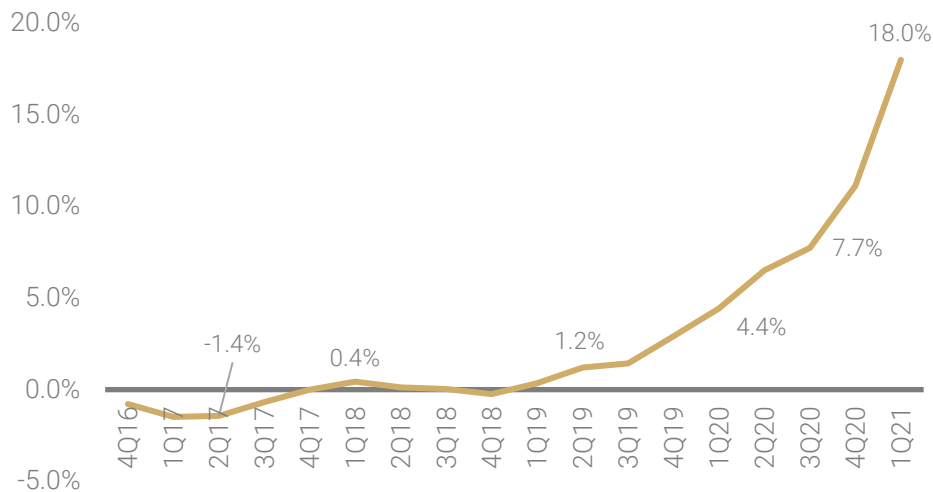
Source:
The Council of Insurance Agents & Brokers

NOTABLE LINES OF BUSINESS

CYBER

Cyber premiums continued to increase significantly in Q1 2021. Respondents reported an average premium increase of 18% for Cyber in Q1 2021, compared to 11.1% in Q4 2020 and 7.7% in Q3 2020. As one respondent from a large Southeastern firm described it, “Cyber changed quickly in Q1. Numerous clients received 80%+ increases.”

Premium Change for Cyber, Q4 2016 - Q1 2021



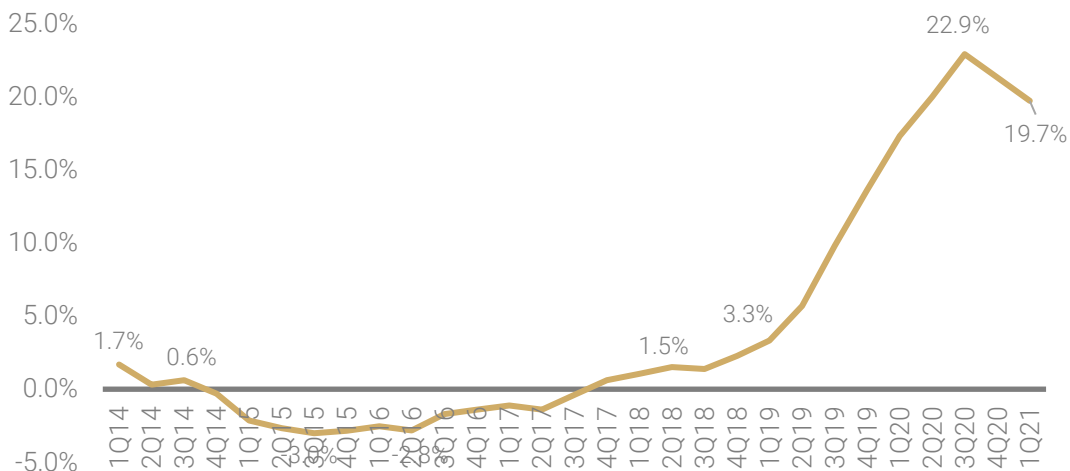
Other respondents said similar things, pointing to an increase in frequency and severity of cyber claims as a major contributing factor to the increases. According to Gallagher’s [2021 Cyber Insurance Market Update](#), ransomware was one of the main causes of increased claims—for example, the report mentions a 404% increase in ransomware demands between 2018 and 2019, and cites a study by cyber insurer Coalition that showed “exploiting the remote workforce” was the leading cause of ransomware claims during the pandemic.

The Gallagher report also indicates increasingly aggressive regulatory enforcement as a possible reason for why underwriters were beginning to push for sizable increases, since cyber insurance often covers fines and penalties for violations of privacy law. “Comparing fines issued between the time periods of July 2018 through June 2019 and July 2019 through June 2020, there was a 260% increase in [GDPR] fine frequency,” according to the report. The report also noted that the “second-largest HIPAA settlement ever, amounting to \$6.8 million,” took place in 2020.

UMBRELLA

Prices for Umbrella continued to increase in Q1 2021, at 19.7%. Though down from 21.3% in Q4 2020, it was clear that brokers continued having issues with this particular line of business.

Premium Change for Umbrella, 2014 - Q1 2021



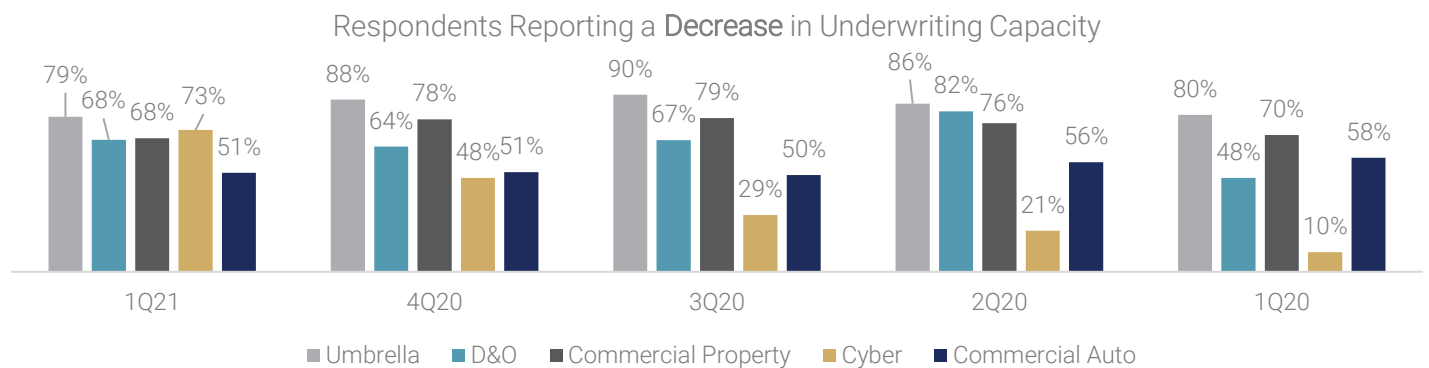
Nuclear verdicts and social inflation were noted by several respondents this quarter, as with previous quarters. “Frequency and severity of extreme jury verdicts and settlements continued to increase, fueled by social inflation and increasingly sympathetic jurors (anti-corporate sentiments),” said one respondent from a large Northwestern firm. “Some factors included the makeup of the jurors (fewer baby boomers, more millennials), broader definitions

of liability, legal and regulatory changes that benefited plaintiffs, and attorney advertising and investors funding this type of litigation.”

As for which lines were experiencing these large claims, respondents most often named Commercial Auto and General Liability. “Large verdicts and ten years of auto losses were finally catching up; billings and capacity were feeling it,” said one respondent from a large Southeastern firm. Another respondent from the Northwest, naming General Liability as a driver for increasing Umbrella premium costs, described a “fear of the financed litigation, judicial environment and perceived increase in risk and exposure.”

Respondents reported that aside from nuclear verdicts and social inflation, carriers also justified increases by claiming a need to decrease capacity, pointing to a difficult reinsurance market, and saying that the line was “historically underpriced.”

UNDERWRITING



UNDERWRITING BY LINE OF BUSINESS

Reflecting on the notable increase in premiums for Cyber and Umbrella, respondents reported major changes in how carriers underwrote those lines in Q1 2021. One respondent from a mid-sized Southwestern firm described “reduced limits, higher retentions, adding coinsurance, significant price increases, and much less capacity.” Another respondent from a large Northwestern firm said Cyber experienced “significant changes: reduced limits (capacity), increased deductibles, significant pricing increases, various exclusions added such as wind, solar.”

As for Umbrella, “Umbrella/Excess capacity is shrinking. Pricing is up significantly,” one respondent from a mid-sized Northeastern firm said. Another respondent from a different Northeastern firm said that “For excess liability/umbrella, underwriters have begun requesting loss runs from prior umbrella carriers.” “Umbrella limits were cut; some carriers left the marketplace for certain classes of business,” said a respondent from a large Midwestern firm.

Though Umbrella and Cyber saw the biggest changes in underwriting, most if not all lines were affected by current market conditions. Respondents reported similar, if less pronounced, increases to deductibles, reductions in limits, and shrinking capacity for the majority of lines. “Disciplined underwriting continued,” said one respondent from a mid-sized Northeastern firm. “Compliance with loss control recommendations were being enforced more,” said a respondent from a large Midwestern firm, speaking generally. “There was scrutiny of loss runs and detailed supplemental applications were required.”

Additionally, several respondents mentioned the addition of communicable disease exclusions in Q1 2021.

UNDERWRITING BY ACCOUNT SIZE

Increased scrutiny was also a common theme in responses about underwriting changes in Q1 2021 for medium and large accounts. For large accounts specifically, one respondent from a large Southwestern firm said there was

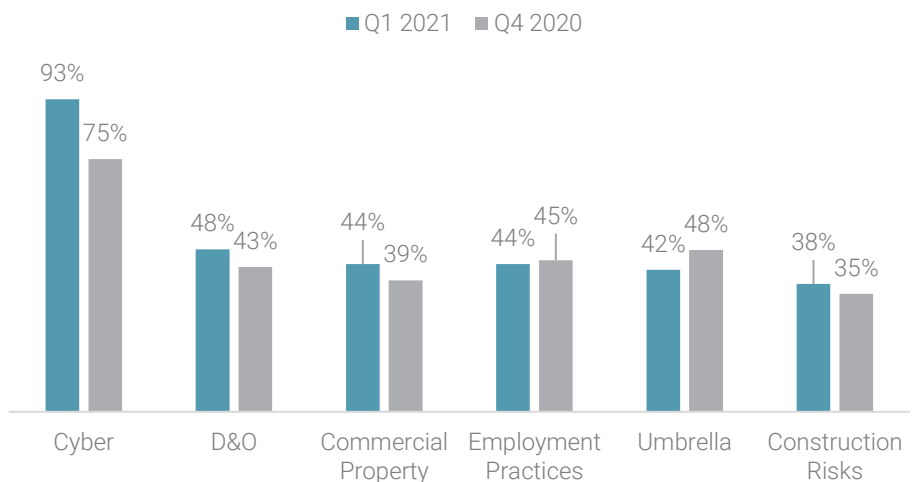
“much more underwriter scrutiny around submissions and the quality of data (property valuations, COPE info, etc.)” For medium accounts, a respondent from a mid-sized Southeastern firm also noted “much tighter scrutiny” and that there were “so many submissions in the market underwriters are really picking and choosing what to work on.” That same respondent also said that “limited underwriter bandwidth really strained the large market. Everything was being marketed and not that many resources.”

Small accounts, as with previous quarters, saw fewer changes in underwriting. The price increases respondents observed for this account size were less significant than for large and medium accounts and though there was some tightening of underwriting, respondents did not note many changes. Several respondents mentioned that underwriters continued to use online processes to underwrite small accounts and thus underwriting remained mostly rote with little change.

DEMAND

Despite the significant increase in Cyber premiums, 93% of respondents reported an increase in demand for that line of business in Q1 2021. “Cyber market started to turn - some companies who didn’t purchase started to purchase as well,” said one respondent from a large Northwestern firm. Apart from this, respondents did not specify exactly why demand for cyber insurance continued to spike this quarter, but there could be several contributing factors such as the rise in ransomware, an increasingly unfriendly regulatory environment, and the primarily digital workforce, as discussed previously.

Respondents Reporting an Increase in Demand

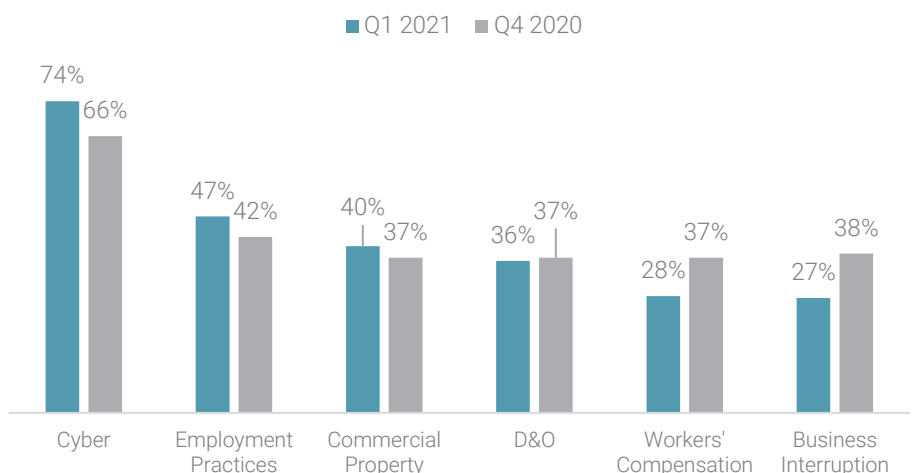


In addition to Cyber, respondents all saw an uptick in demand for D&O, Commercial Property and Construction Risks. Demand remained fairly static for all other lines, with more than 80% of respondents reporting there had been no change in demand.

CLAIMS

Nearly three-quarters (74%) of respondents said there was an increase in Cyber claims in Q1 2021, aligning with respondents’ anecdotes about the increased frequency and severity of cyber claims driving premium increases. Cyber was followed by Employment Practices, for which 47% of respondents reported an increase in claims. Though respondents did not clarify why Employment Practices claims were up, an [article](#) by CBIZ proposed the uptick in claims could be linked to the pandemic, which gave rise to claims related to unsafe working conditions, retaliations to objections about those unsafe working conditions, disability discrimination, and issues over furloughs or layoffs.

Respondents Reporting an Increase in Claims



The number of respondents reporting an increase in Business Interruption claims dropped again in Q1 2021 at 27%, down from 38% in Q4 2020 (as well as 62% in Q3 2020 and 94% in Q2 2020), signaling that the initial rush of Business Interruption claims due to the pandemic continued to abate.

PRIORITIES AND CHALLENGES

“Driving organic growth” was the top broker priority in Q1 2021, with 77% of respondents naming it as a top-three priority, followed closely by “recruiting and developing talent,” which 66% of respondents identified as a top-three priority. Respondents recognized that as the world slowly eases back into a “post-pandemic” state, it was time to begin reorienting towards these two top priorities. Though one respondent from a large Midwestern firm said “2020 was really hard for creating new relationships,” they added that now they “were really focused on new business and new relationships.”

Other respondents described similar strategies for driving organic growth, such as making a “gradual return to travel and in-person meetings by sales staff and increased marketing activities,” or “training on how to sell remotely without face to face client interaction,” as well as trying to “get out in front of new customers post pandemic - live and in person if at all possible.”

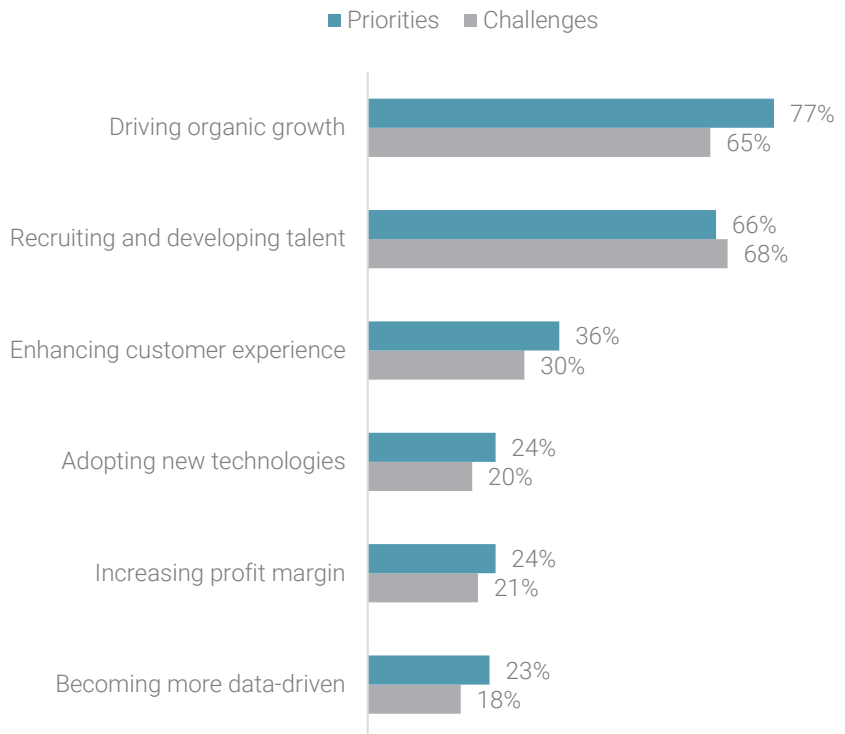
As for recruiting and developing talent, several respondents noted that the “the market of available talent is currently non-existent” and “COVID-19 has made it much harder to hire people and much harder to train people as both are not in person.” However, brokers were undertaking several efforts to counteract this, such as “utilizing internal and external recruiters and providing bonuses to existing staff for referrals,” “developing a strategy to promote from within,” and using the “many mergers and changes” at larger brokerage firms as a recruitment opportunity.

Recruiting and developing talent was crucial, respondents said, because “lots of experienced personnel are retiring and the knowledge they have goes with them,” according to one respondent from a large Midwestern firm. Said another respondent from a large Southeastern firm, “Establishing and attracting the next generation of insurance talent—our knowledge base is aging; therefore, development of knowledgeable talent is paramount to our success.”

Many respondents were optimistic that if brokerages take advantage of existing opportunities presented by the new normal, they will only grow. “The brokers who can maintain strong client relationships, continue to interact with them both virtually and, when appropriate, in-person while being laser focused on the client’s needs (beyond just pricing), have the recipe for retention, growth and expansion,” said one respondent from a large Midwestern firm. Other respondents highlighted the opportunity to leverage data, embrace technology to enable clients to access their services outside of business hours and to reduce friction with insurers, and improve efficiencies.

“I see the opportunity for the brokers to play an integral part of a company's health and profitability,” said one respondent from a large Southeastern firm. “In this world of uncertainty, the broker’s role now is more important than ever.”

Top 3 Broker Priorities and Challenges for Q1 2021



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. With expansive international reach, The Council fosters industry wide relationships around the globe by engaging lawmakers, regulators and stakeholders to promote the interests of its members and the valuable role they play in the mitigation of risk for their clients. Founded in 1913, The Council is based in Washington, D.C.

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**BELOW ARE THE SURVEY RESULTS FOR:
ALL REGIONS**

1. During the first quarter of 2021 (January 1 – March 31), on average, did premiums go up or down for each of the following account sizes, compared to the fourth quarter of 2020 (October 1 – December 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not sure
Small Account (Less than \$25k in commission and fees)	0.00%	0.00%	0.00%	0.00%	10.11%	66.29%	16.85%	1.12%	1.12%	0.00%	4.49%
Medium Account (Between \$25k to \$100k in commission and fees)	0.00%	0.00%	0.00%	1.11%	3.33%	38.89%	50.00%	5.56%	1.11%	0.00%	0.00%
Large Account (More than \$100k in commission and fees)	0.00%	0.00%	0.00%	1.11%	3.33%	32.22%	38.89%	16.67%	4.44%	0.00%	3.33%

2. During the first quarter of 2021 (January 1 – March 31), on average, did premiums go up or down for each of the following lines of business, compared to the fourth quarter of 2020 (October 1 – December 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No Change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not Sure
Business interruption	0.00%	0.00%	0.00%	0.00%	10.71%	48.81%	32.14%	3.57%	0.00%	0.00%	4.76%
Broker E&O	0.00%	0.00%	0.00%	0.00%	42.86%	23.38%	9.09%	2.60%	2.60%	1.30%	18.18%
Commercial auto	0.00%	0.00%	0.00%	1.19%	3.57%	51.19%	36.90%	5.95%	1.19%	0.00%	0.00%
Commercial property	0.00%	0.00%	0.00%	0.00%	4.71%	30.59%	48.24%	14.12%	0.00%	1.18%	1.18%
Construction risks	0.00%	0.00%	0.00%	0.00%	18.99%	36.71%	37.97%	5.06%	0.00%	0.00%	1.27%
Cyber	0.00%	0.00%	0.00%	0.00%	7.06%	14.12%	38.82%	27.06%	9.41%	3.53%	0.00%
D&O	0.00%	0.00%	0.00%	0.00%	5.95%	25.00%	35.71%	23.81%	5.95%	2.38%	1.19%
Flood	0.00%	0.00%	0.00%	0.00%	41.03%	30.77%	17.95%	6.41%	2.56%	0.00%	1.28%
Employment practices	0.00%	0.00%	0.00%	0.00%	9.76%	37.80%	31.71%	14.63%	4.88%	0.00%	1.22%
General liability	0.00%	0.00%	0.00%	0.00%	9.52%	71.43%	13.10%	3.57%	1.19%	0.00%	1.19%
Marine	0.00%	0.00%	0.00%	0.00%	37.33%	41.33%	14.67%	1.33%	1.33%	2.67%	1.33%
Medical malpractice	0.00%	0.00%	0.00%	1.32%	31.58%	26.32%	17.11%	2.63%	2.63%	3.95%	14.47%
Surety bonds	0.00%	0.00%	0.00%	1.30%	62.34%	24.68%	1.30%	0.00%	0.00%	2.60%	7.79%
Terrorism	0.00%	0.00%	0.00%	1.33%	68.00%	16.00%	4.00%	0.00%	0.00%	0.00%	10.67%
Umbrella	0.00%	0.00%	0.00%	0.00%	4.65%	12.79%	30.23%	31.40%	16.28%	2.33%	2.33%
Workers' compensation	1.18%	0.00%	2.35%	21.18%	38.82%	25.88%	7.06%	2.35%	0.00%	0.00%	1.18%

**BELOW ARE THE SURVEY RESULTS FOR:
NORTHEAST (CT, DE, DC, MA, ME, MD, NH, NJ, NY, PA, RI)**

1. During the first quarter of 2021 (January 1 – March 31), on average, did premiums go up or down for each of the following account sizes, compared to the fourth quarter of 2020 (October 1 – December 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not sure
Small Account (Less than \$25k in commission and fees)	0.00%	0.00%	0.00%	0.00%	16.67%	72.22%	11.11%	0.00%	0.00%	0.00%	0.00%
Medium Account (Between \$25k to \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	5.56%	33.33%	55.56%	5.56%	0.00%	0.00%	0.00%
Large Account (More than \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	5.56%	33.33%	22.22%	27.78%	5.56%	0.00%	5.56%

2. During the first quarter of 2021 (January 1 – March 31), on average, did premiums go up or down for each of the following lines of business, compared to the fourth quarter of 2020 (October 1 – December 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No Change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not Sure
Business interruption	0.00%	0.00%	0.00%	0.00%	0.00%	64.71%	29.41%	0.00%	0.00%	0.00%	5.88%
Broker E&O	0.00%	0.00%	0.00%	0.00%	46.67%	33.33%	0.00%	0.00%	6.67%	0.00%	13.33%
Commercial auto	0.00%	0.00%	0.00%	0.00%	6.25%	56.25%	31.25%	6.25%	0.00%	0.00%	0.00%
Commercial property	0.00%	0.00%	0.00%	0.00%	5.88%	47.06%	47.06%	0.00%	0.00%	0.00%	0.00%
Construction risks	0.00%	0.00%	0.00%	0.00%	25.00%	43.75%	31.25%	0.00%	0.00%	0.00%	0.00%
Cyber	0.00%	0.00%	0.00%	0.00%	0.00%	6.25%	43.75%	37.50%	0.00%	12.50%	0.00%
D&O	0.00%	0.00%	0.00%	0.00%	6.25%	25.00%	31.25%	31.25%	0.00%	6.25%	0.00%
Flood	0.00%	0.00%	0.00%	0.00%	25.00%	25.00%	31.25%	12.50%	0.00%	0.00%	6.25%
Employment practices	0.00%	0.00%	0.00%	0.00%	6.25%	25.00%	50.00%	12.50%	6.25%	0.00%	0.00%
General liability	0.00%	0.00%	0.00%	0.00%	12.50%	68.75%	12.50%	6.25%	0.00%	0.00%	0.00%
Marine	0.00%	0.00%	0.00%	0.00%	20.00%	40.00%	33.33%	0.00%	6.67%	0.00%	0.00%
Medical malpractice	0.00%	0.00%	0.00%	0.00%	25.00%	31.25%	12.50%	6.25%	6.25%	6.25%	12.50%
Surety bonds	0.00%	0.00%	0.00%	6.25%	50.00%	31.25%	6.25%	0.00%	0.00%	0.00%	6.25%
Terrorism	0.00%	0.00%	0.00%	0.00%	68.75%	18.75%	6.25%	0.00%	0.00%	0.00%	6.25%
Umbrella	0.00%	0.00%	0.00%	0.00%	0.00%	12.50%	18.75%	25.00%	37.50%	6.25%	0.00%
Workers' compensation	6.25%	0.00%	0.00%	25.00%	31.25%	18.75%	12.50%	6.25%	0.00%	0.00%	0.00%

**BELOW ARE THE SURVEY RESULTS FOR:
SOUTHEAST (AL, FL, GA, KY, LA, MS, NC, SC, TN, VA, WV)**

1. During the first quarter of 2021 (January 1 – March 31), on average, did premiums go up or down for each of the following account sizes, compared to the fourth quarter of 2020 (October 1 – December 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not sure
Small Account (Less than \$25k in commission and fees)	0.00%	0.00%	0.00%	0.00%	6.67%	60.00%	20.00%	0.00%	0.00%	0.00%	13.33%
Medium Account (Between \$25k to \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	6.67%	20.00%	73.33%	0.00%	0.00%	0.00%	0.00%
Large Account (More than \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	6.67%	26.67%	53.33%	6.67%	6.67%	0.00%	0.00%

2. During the first quarter of 2021 (January 1 – March 31), on average, did premiums go up or down for each of the following lines of business, compared to the fourth quarter of 2020 (October 1 – December 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No Change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not Sure
Business interruption	0.00%	0.00%	0.00%	0.00%	13.33%	53.33%	33.33%	0.00%	0.00%	0.00%	0.00%
Broker E&O	0.00%	0.00%	0.00%	0.00%	42.86%	35.71%	7.14%	0.00%	0.00%	0.00%	14.29%
Commercial auto	0.00%	0.00%	0.00%	0.00%	0.00%	40.00%	60.00%	0.00%	0.00%	0.00%	0.00%
Commercial property	0.00%	0.00%	0.00%	0.00%	0.00%	28.57%	50.00%	21.43%	0.00%	0.00%	0.00%
Construction risks	0.00%	0.00%	0.00%	0.00%	13.33%	33.33%	46.67%	6.67%	0.00%	0.00%	0.00%
Cyber	0.00%	0.00%	0.00%	0.00%	13.33%	13.33%	46.67%	13.33%	13.33%	0.00%	0.00%
D&O	0.00%	0.00%	0.00%	0.00%	13.33%	33.33%	26.67%	26.67%	0.00%	0.00%	0.00%
Flood	0.00%	0.00%	0.00%	0.00%	64.29%	14.29%	14.29%	0.00%	7.14%	0.00%	0.00%
Employment practices	0.00%	0.00%	0.00%	0.00%	20.00%	53.33%	6.67%	13.33%	6.67%	0.00%	0.00%
General liability	0.00%	0.00%	0.00%	0.00%	6.67%	86.67%	6.67%	0.00%	0.00%	0.00%	0.00%
Marine	0.00%	0.00%	0.00%	0.00%	57.14%	42.86%	0.00%	0.00%	0.00%	0.00%	0.00%
Medical malpractice	0.00%	0.00%	0.00%	0.00%	38.46%	23.08%	15.38%	0.00%	0.00%	0.00%	23.08%
Surety bonds	0.00%	0.00%	0.00%	0.00%	80.00%	13.33%	0.00%	0.00%	0.00%	0.00%	6.67%
Terrorism	0.00%	0.00%	0.00%	0.00%	86.67%	6.67%	0.00%	0.00%	0.00%	0.00%	6.67%
Umbrella	0.00%	0.00%	0.00%	0.00%	0.00%	20.00%	20.00%	40.00%	20.00%	0.00%	0.00%
Workers' compensation	0.00%	0.00%	6.67%	26.67%	40.00%	26.67%	0.00%	0.00%	0.00%	0.00%	0.00%

**BELOW ARE THE SURVEY RESULTS FOR:
MIDWEST (AR, IL, IN, IA, KS, MI, MO, MN, NE, ND, SD, OH, WI)**

1. During the first quarter of 2021 (January 1 – March 31), on average, did premiums go up or down for each of the following account sizes, compared to the fourth quarter of 2020 (October 1 – December 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not sure
Small Account (Less than \$25k in commission and fees)	0.00%	0.00%	0.00%	0.00%	9.09%	69.70%	15.15%	0.00%	0.00%	0.00%	6.06%
Medium Account (Between \$25k to \$100k in commission and fees)	0.00%	0.00%	0.00%	3.03%	0.00%	51.52%	42.42%	3.03%	0.00%	0.00%	0.00%
Large Account (More than \$100k in commission and fees)	0.00%	0.00%	0.00%	2.94%	2.94%	20.59%	52.94%	11.76%	2.94%	0.00%	5.88%

2. During the first quarter of 2021 (January 1 – March 31), on average, did premiums go up or down for each of the following lines of business, compared to the fourth quarter of 2020 (October 1 – December 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No Change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not Sure
Business interruption	0.00%	0.00%	0.00%	0.00%	10.34%	51.72%	24.14%	6.90%	0.00%	0.00%	6.90%
Broker E&O	0.00%	0.00%	0.00%	0.00%	37.04%	11.11%	14.81%	3.70%	0.00%	3.70%	29.63%
Commercial auto	0.00%	0.00%	0.00%	0.00%	0.00%	68.97%	31.03%	0.00%	0.00%	0.00%	0.00%
Commercial property	0.00%	0.00%	0.00%	0.00%	0.00%	30.00%	53.33%	13.33%	0.00%	0.00%	3.33%
Construction risks	0.00%	0.00%	0.00%	0.00%	7.14%	46.43%	35.71%	7.14%	0.00%	0.00%	3.57%
Cyber	0.00%	0.00%	0.00%	0.00%	0.00%	3.23%	45.16%	35.48%	16.13%	0.00%	0.00%
D&O	0.00%	0.00%	0.00%	0.00%	3.45%	17.24%	41.38%	27.59%	10.34%	0.00%	0.00%
Flood	0.00%	0.00%	0.00%	0.00%	25.00%	46.43%	17.86%	7.14%	3.57%	0.00%	0.00%
Employment practices	0.00%	0.00%	0.00%	0.00%	7.14%	25.00%	42.86%	17.86%	3.57%	0.00%	3.57%
General liability	0.00%	0.00%	0.00%	0.00%	3.45%	72.41%	17.24%	3.45%	0.00%	0.00%	3.45%
Marine	0.00%	0.00%	0.00%	0.00%	26.92%	50.00%	15.38%	3.85%	0.00%	0.00%	3.85%
Medical malpractice	0.00%	0.00%	0.00%	0.00%	28.57%	21.43%	25.00%	3.57%	3.57%	3.57%	14.29%
Surety bonds	0.00%	0.00%	0.00%	0.00%	48.15%	33.33%	0.00%	0.00%	0.00%	3.70%	14.81%
Terrorism	0.00%	0.00%	0.00%	0.00%	57.69%	15.38%	7.69%	0.00%	0.00%	0.00%	19.23%
Umbrella	0.00%	0.00%	0.00%	0.00%	3.33%	10.00%	43.33%	30.00%	6.67%	3.33%	3.33%
Workers' compensation	0.00%	0.00%	3.33%	20.00%	40.00%	26.67%	3.33%	3.33%	0.00%	0.00%	3.33%

**BELOW ARE THE SURVEY RESULTS FOR:
SOUTHWEST (SO. CA, AZ, NM, OK, TX)**

1. During the first quarter of 2021 (January 1 – March 31), on average, did premiums go up or down for each of the following account sizes, compared to the fourth quarter of 2020 (October 1 – December 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not sure
Small Account (Less than \$25k in commission and fees)	0.00%	0.00%	0.00%	0.00%	0.00%	77.78%	0.00%	11.11%	11.11%	0.00%	0.00%
Medium Account (Between \$25k to \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	0.00%	44.44%	33.33%	11.11%	11.11%	0.00%	0.00%
Large Account (More than \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	0.00%	62.50%	12.50%	12.50%	12.50%	0.00%	0.00%

2. During the first quarter of 2021 (January 1 – March 31), on average, did premiums go up or down for each of the following lines of business, compared to the fourth quarter of 2020 (October 1 – December 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No Change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not Sure
Business interruption	0.00%	0.00%	0.00%	0.00%	22.22%	22.22%	44.44%	11.11%	0.00%	0.00%	0.00%
Broker E&O	0.00%	0.00%	0.00%	0.00%	62.50%	12.50%	12.50%	0.00%	0.00%	0.00%	12.50%
Commercial auto	0.00%	0.00%	0.00%	0.00%	11.11%	33.33%	44.44%	11.11%	0.00%	0.00%	0.00%
Commercial property	0.00%	0.00%	0.00%	0.00%	22.22%	11.11%	44.44%	22.22%	0.00%	0.00%	0.00%
Construction risks	0.00%	0.00%	0.00%	0.00%	50.00%	33.33%	16.67%	0.00%	0.00%	0.00%	0.00%
Cyber	0.00%	0.00%	0.00%	0.00%	12.50%	50.00%	12.50%	12.50%	0.00%	12.50%	0.00%
D&O	0.00%	0.00%	0.00%	0.00%	12.50%	37.50%	25.00%	12.50%	12.50%	0.00%	0.00%
Flood	0.00%	0.00%	0.00%	0.00%	37.50%	37.50%	12.50%	12.50%	0.00%	0.00%	0.00%
Employment practices	0.00%	0.00%	0.00%	0.00%	12.50%	50.00%	25.00%	0.00%	12.50%	0.00%	0.00%
General liability	0.00%	0.00%	0.00%	0.00%	22.22%	44.44%	11.11%	11.11%	11.11%	0.00%	0.00%
Marine	0.00%	0.00%	0.00%	0.00%	57.14%	28.57%	14.29%	0.00%	0.00%	0.00%	0.00%
Medical malpractice	0.00%	0.00%	0.00%	0.00%	66.67%	33.33%	0.00%	0.00%	0.00%	0.00%	0.00%
Surety bonds	0.00%	0.00%	0.00%	0.00%	83.33%	16.67%	0.00%	0.00%	0.00%	0.00%	0.00%
Terrorism	0.00%	0.00%	0.00%	0.00%	66.67%	33.33%	0.00%	0.00%	0.00%	0.00%	0.00%
Umbrella	0.00%	0.00%	0.00%	0.00%	22.22%	11.11%	0.00%	44.44%	11.11%	0.00%	11.11%
Workers' compensation	0.00%	0.00%	0.00%	0.00%	33.33%	44.44%	22.22%	0.00%	0.00%	0.00%	0.00%

**BELOW ARE THE SURVEY RESULTS FOR:
PACIFIC NORTHWEST (NO. CA, AK, CO, HI, ID, MT, NV, OR, UT, WA, WY)**

1. During the first quarter of 2021 (January 1 – March 31), on average, did premiums go up or down for each of the following account sizes, compared to the fourth quarter of 2020 (October 1 – December 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not sure
Small Account (Less than \$25k in commission and fees)	0.00%	0.00%	0.00%	0.00%	14.29%	50.00%	35.71%	0.00%	0.00%	0.00%	0.00%
Medium Account (Between \$25k to \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	6.67%	33.33%	46.67%	13.33%	0.00%	0.00%	0.00%
Large Account (More than \$100k in commission and fees)	0.00%	0.00%	0.00%	0.00%	0.00%	46.67%	26.67%	26.67%	0.00%	0.00%	0.00%

2. During the first quarter of 2021 (January 1 – March 31), on average, did premiums go up or down for each of the following lines of business, compared to the fourth quarter of 2020 (October 1 – December 31)? (If your company has more than one branch, refer to the premium change(s) at your individual branch.)

	1 Down more than 30%	2 Down 20% - 30%	3 Down 10% - 19%	4 Down 1% - 9%	5 No Change	6 Up 1% - 9%	7 Up 10% - 19%	8 Up 20% - 29%	9 Up 30% - 50%	10 Up more than 50%	N/A Not Sure
Business interruption	0.00%	0.00%	0.00%	0.00%	14.29%	35.71%	42.86%	0.00%	0.00%	0.00%	7.14%
Broker E&O	0.00%	0.00%	0.00%	0.00%	38.46%	30.77%	7.69%	7.69%	7.69%	0.00%	7.69%
Commercial auto	0.00%	0.00%	0.00%	6.67%	6.67%	33.33%	26.67%	20.00%	6.67%	0.00%	0.00%
Commercial property	0.00%	0.00%	0.00%	0.00%	6.67%	26.67%	40.00%	20.00%	0.00%	6.67%	0.00%
Construction risks	0.00%	0.00%	0.00%	0.00%	28.57%	14.29%	50.00%	7.14%	0.00%	0.00%	0.00%
Cyber	0.00%	0.00%	0.00%	0.00%	20.00%	26.67%	26.67%	20.00%	6.67%	0.00%	0.00%
D&O	0.00%	0.00%	0.00%	0.00%	0.00%	25.00%	43.75%	12.50%	6.25%	6.25%	6.25%
Flood	0.00%	0.00%	0.00%	0.00%	75.00%	16.67%	8.33%	0.00%	0.00%	0.00%	0.00%
Employment practices	0.00%	0.00%	0.00%	0.00%	6.67%	53.33%	20.00%	20.00%	0.00%	0.00%	0.00%
General liability	0.00%	0.00%	0.00%	0.00%	13.33%	73.33%	13.33%	0.00%	0.00%	0.00%	0.00%
Marine	0.00%	0.00%	0.00%	0.00%	46.15%	30.77%	7.69%	0.00%	0.00%	15.38%	0.00%
Medical malpractice	0.00%	0.00%	0.00%	7.69%	23.08%	30.77%	15.38%	0.00%	0.00%	7.69%	15.38%
Surety bonds	0.00%	0.00%	0.00%	0.00%	76.92%	15.38%	0.00%	0.00%	0.00%	7.69%	0.00%
Terrorism	0.00%	0.00%	0.00%	8.33%	66.67%	16.67%	0.00%	0.00%	0.00%	0.00%	8.33%
Umbrella	0.00%	0.00%	0.00%	0.00%	6.25%	12.50%	43.75%	25.00%	12.50%	0.00%	0.00%
Workers' compensation	0.00%	0.00%	0.00%	26.67%	46.67%	20.00%	6.67%	0.00%	0.00%	0.00%	0.00%

AVERAGE COMMERCIAL PRICING INCREASES

	By Account Size SMALL	MEDIUM	LARGE	AVERAGE
First Quarter 2021	6.3%	10.9%	12.9%	10.0%
Fourth Quarter 2020	6.7%	11.7%	13.7%	10.7%
Third Quarter 2020	7.1%	12.7%	15.3%	11.7%
Second Quarter 2020	7.3%	11.0%	14.2%	10.8%
First Quarter 2020	5.5%	9.8%	12.6%	9.3%
High	20.8%	31.7%	33.0%	28.5%
High Date	4Q01	4Q01	4Q01	
Low	-10.0%	-15.0%	-15.9%	-13.6%
Low Date	1Q08	3Q07	3Q07	

Source:

The Council of Insurance Agents & Brokers

BY-LINE FIRST QUARTER 2021 RATE CHANGES RANGED FROM 1.0% TO +19.7%

	COMM'L AUTO	WORKERS' COMP	COMM'L PROPERTY	GEN'L LIABILITY	UMBRELLA	AVERAGE
First Quarter 2021	9.0%	1.0%	12.0%	6.2%	19.7%	9.6%
Fourth Quarter 2020	9.1%	0.4%	12.9%	7.3%	21.3%	10.2%
Third Quarter 2020	11.0%	1.5%	14.2%	6.7%	22.9%	11.3%
Second Quarter 2020	9.6%	0.7%	13.3%	6.8%	20.0%	10.1%
First Quarter 2020	9.6%	-1.2%	12.0%	5.7%	17.3%	8.7%
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

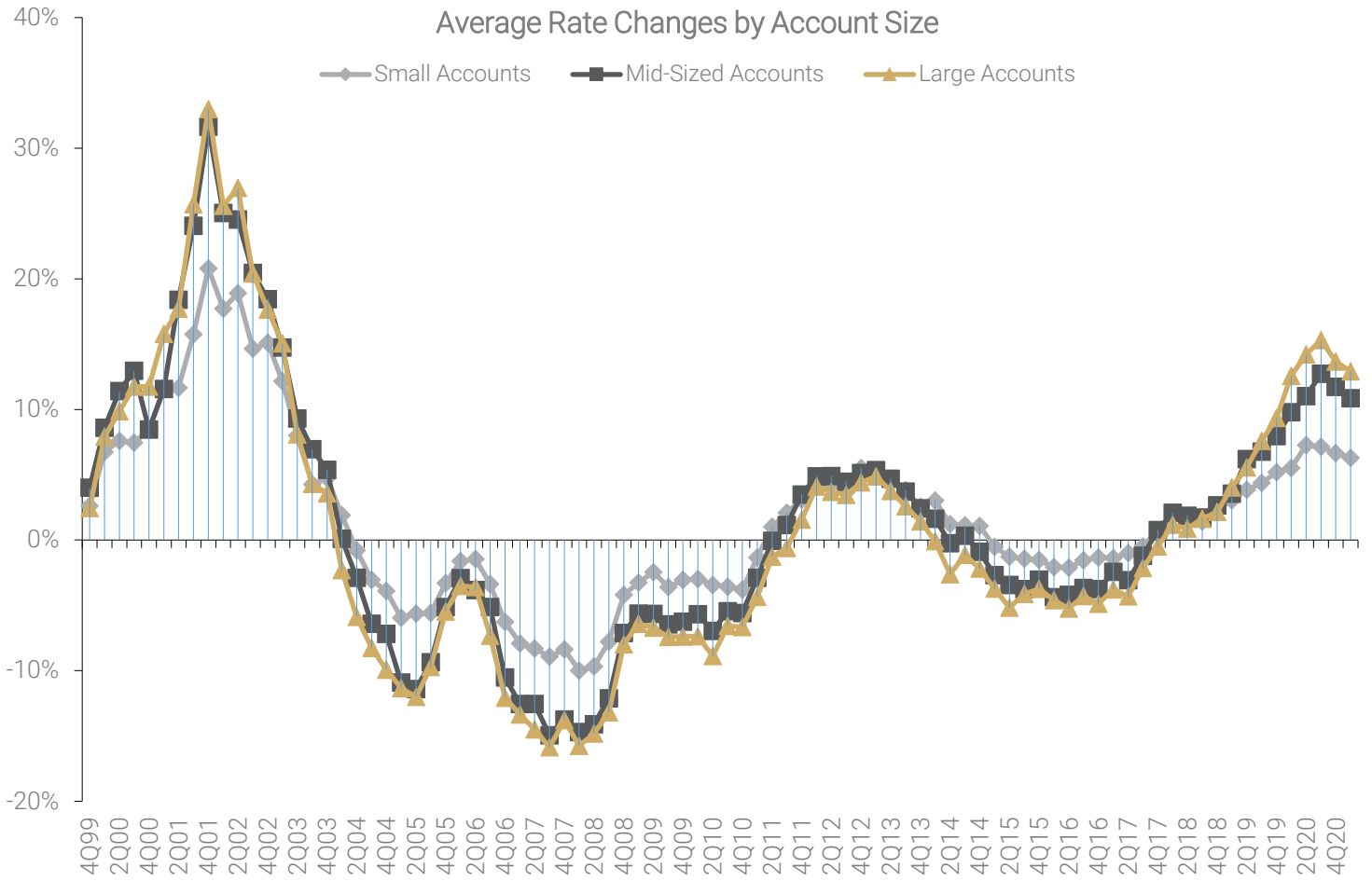
RATE CHANGES IN OTHER LINES

	1Q21	High	Low
Broker E&O	4.3%	15.4%	-4.5%
Business Interruption	7.4%	28.8%	-10.2%
Construction	7.5%	38.7%	-10.7%
Cyber	18.0%	11.1%	-1.5%
D&O Liability	15.1%	32.4%	-8.7%
Employment Practices	10.8%	21.9%	-8.1%
Flood	5.8%	8.6%	-2.7%
Marine	5.8%	4.5%	-10.6%
Medical Malpractice	6.9%	32.5%	-4.1%
Surety Bonds	2.7%	11.2%	-2.3%
Terrorism	1.1%	10.4%	-3.6%

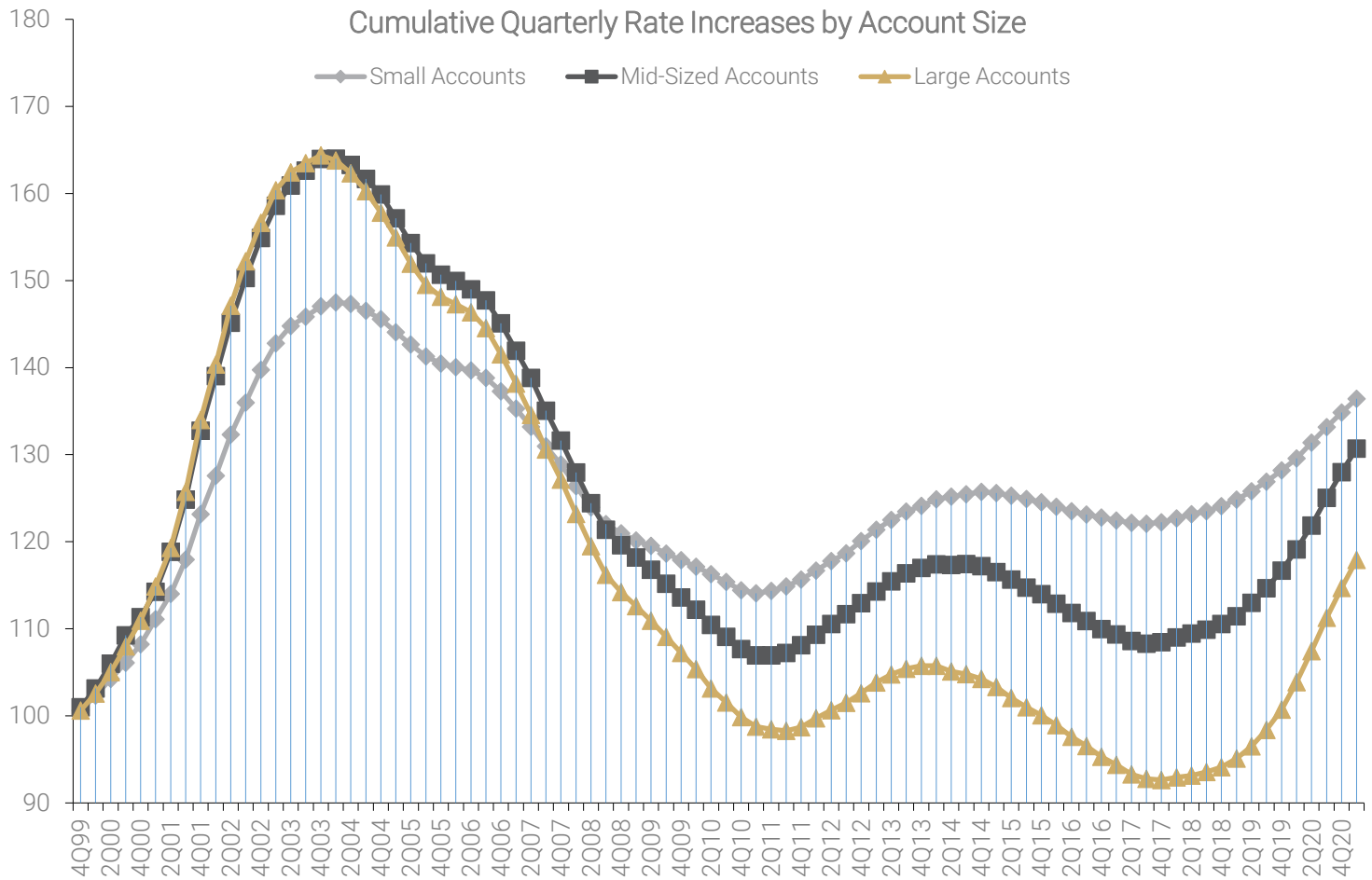
Source:

The Council of Insurance Agents & Brokers

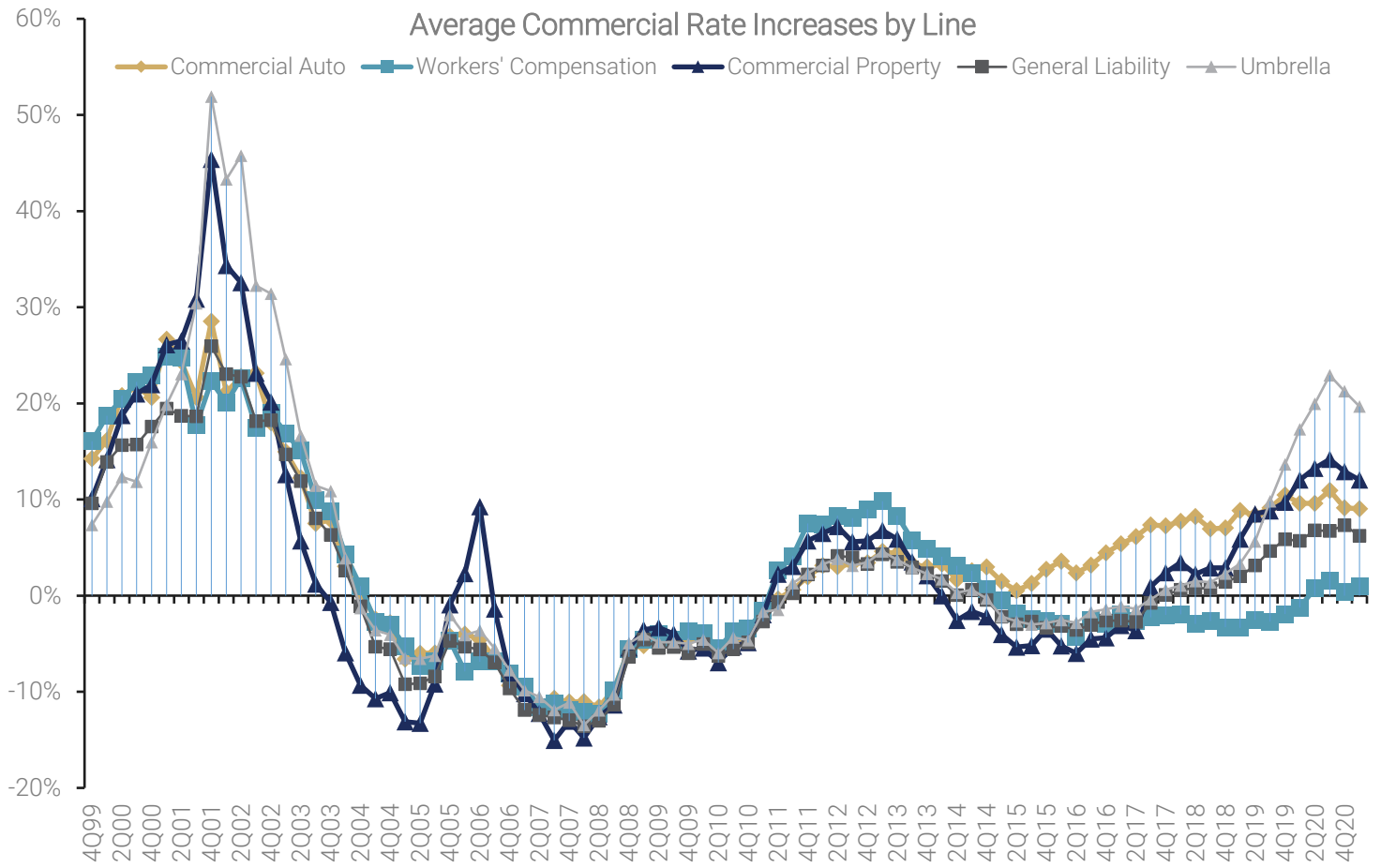
Average Rate Changes by Account Size



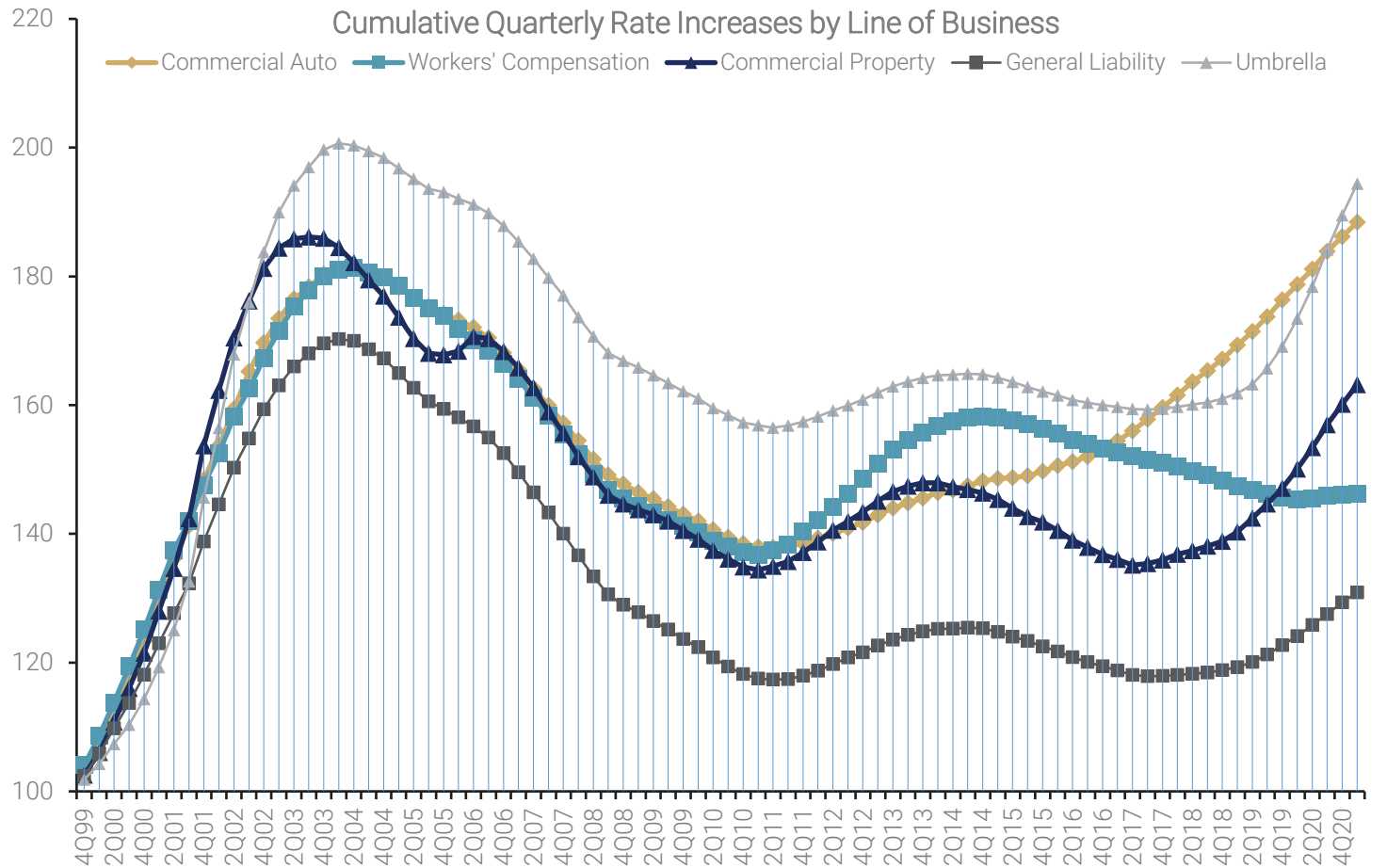
Cumulative Quarterly Rate Increases by Account Size



Average Commercial Rate Increases by Line



Cumulative Quarterly Rate Increases by Line of Business



Insurance Rate Changes, Small Commercial Accounts

(Accounts generating <\$25,000 in annual commissions & fees)

Percentage of Survey Respondents

100%

90%

80%

70%

60%

50%

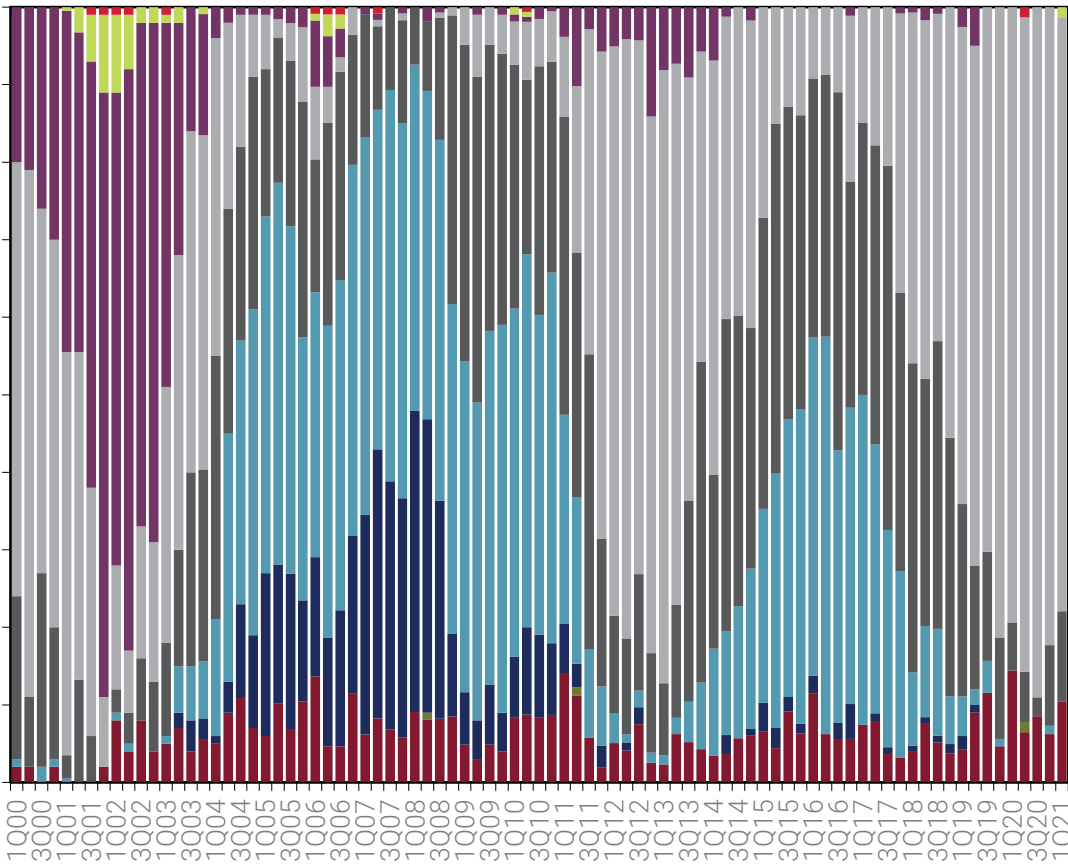
40%

30%

20%

10%

0%



- Up >100%
- Up 50-100%
- Up 30-50%
- Up 10-30%
- Up 1-10%
- No Change
- Down 1-10%

Insurance Rate Changes, Medium Commercial Accounts

(Accounts generating \$25,000-\$100,000 in annual commissions & fees)

Percentage of Survey Respondents

100%

90%

80%

70%

60%

50%

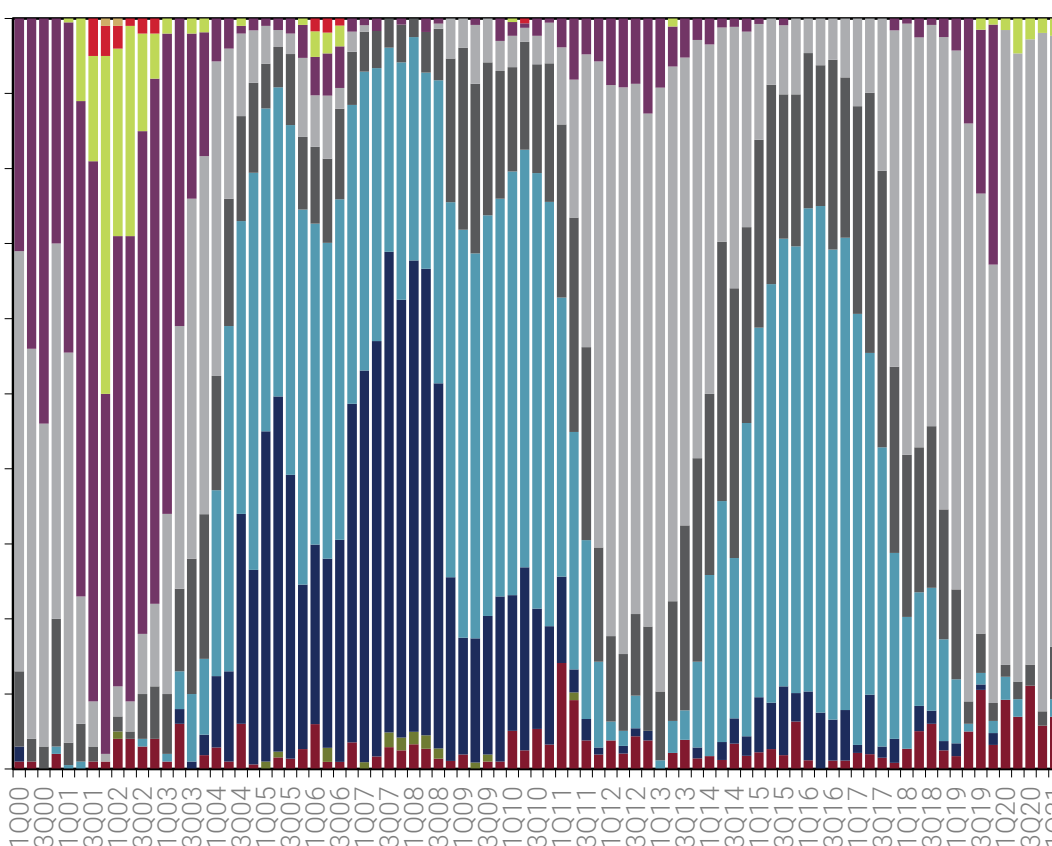
40%

30%

20%

10%

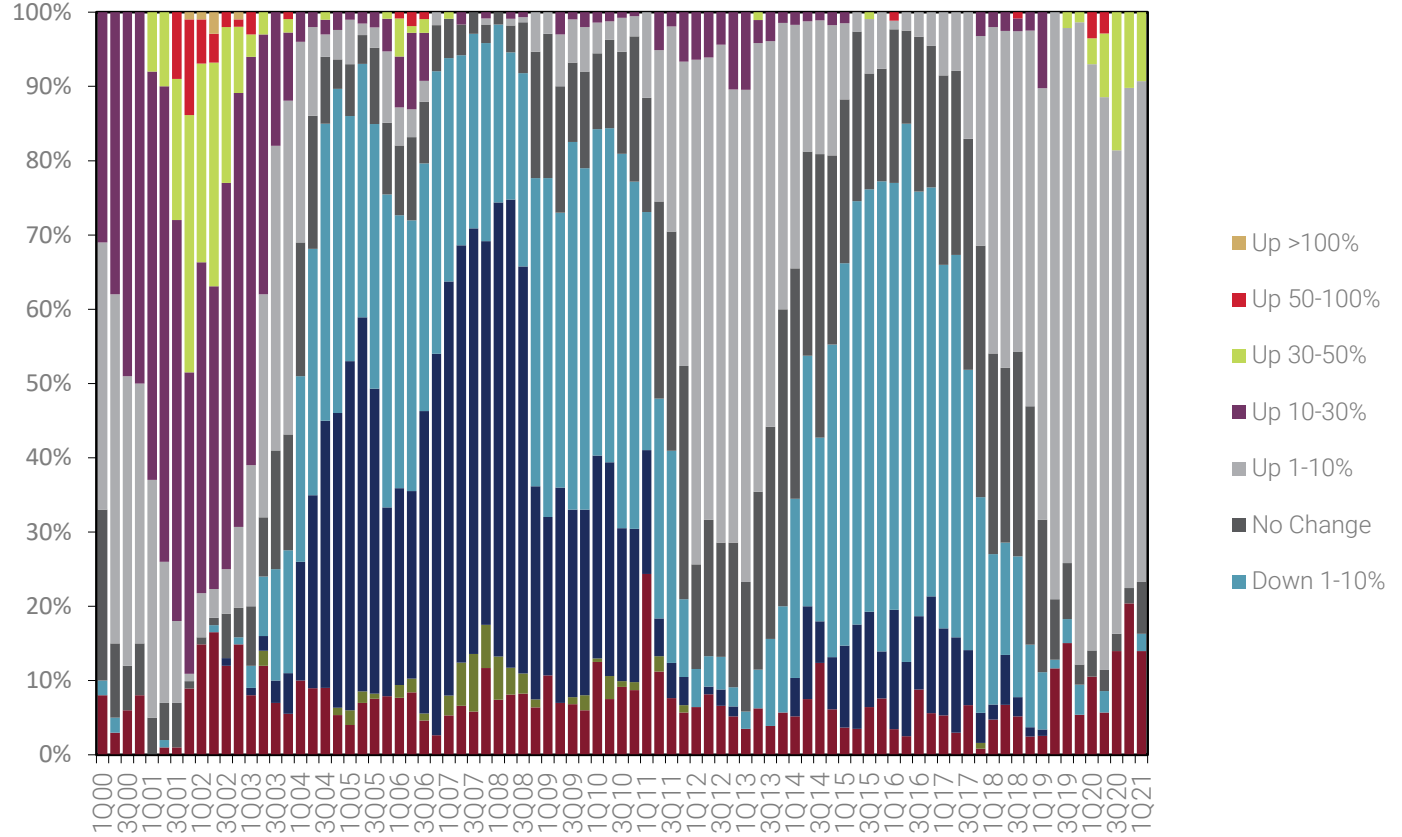
0%



- Up >100%
- Up 50-100%
- Up 30-50%
- Up 10-30%
- Up 1-10%
- No Change
- Down 1-10%

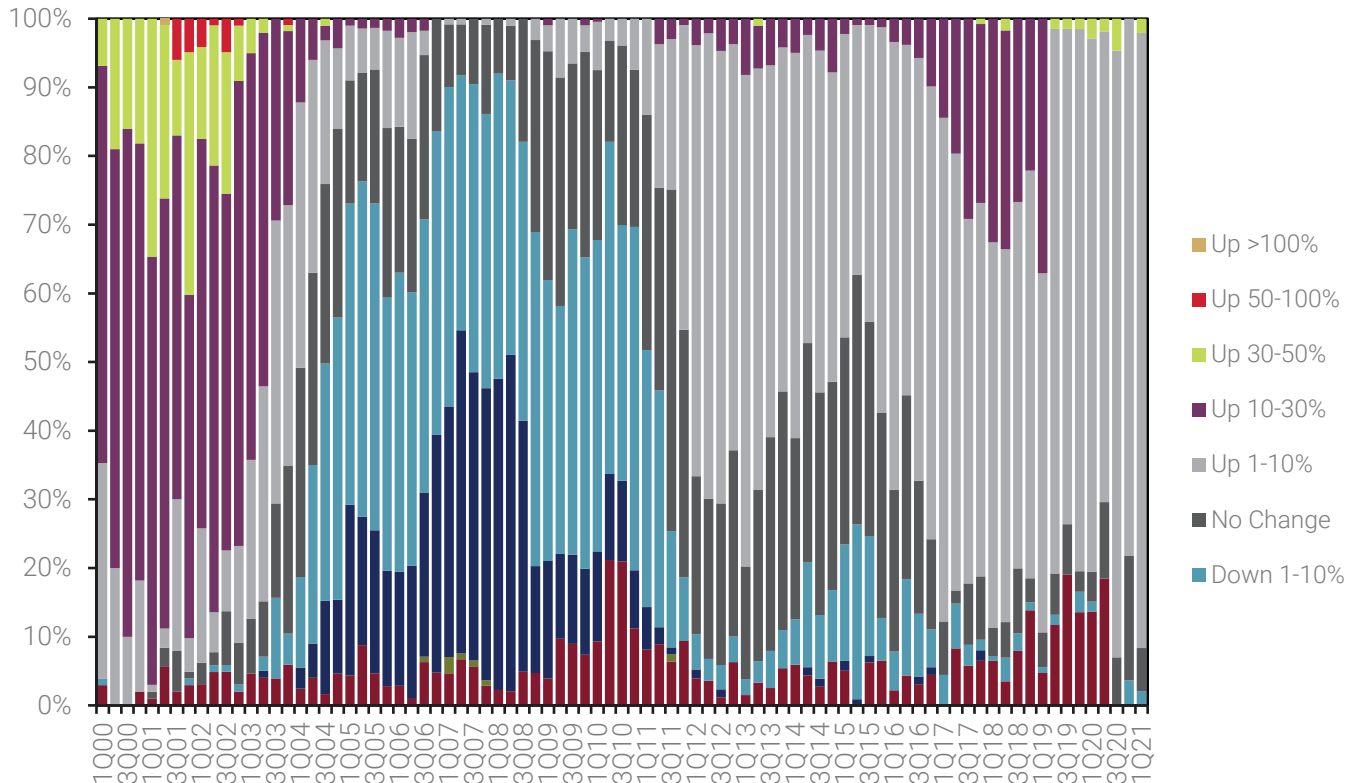
Insurance Rate Changes, Large Commercial Accounts (Accounts generating >\$100,000 in annual commissions & fees)

Percentage of Survey Respondents



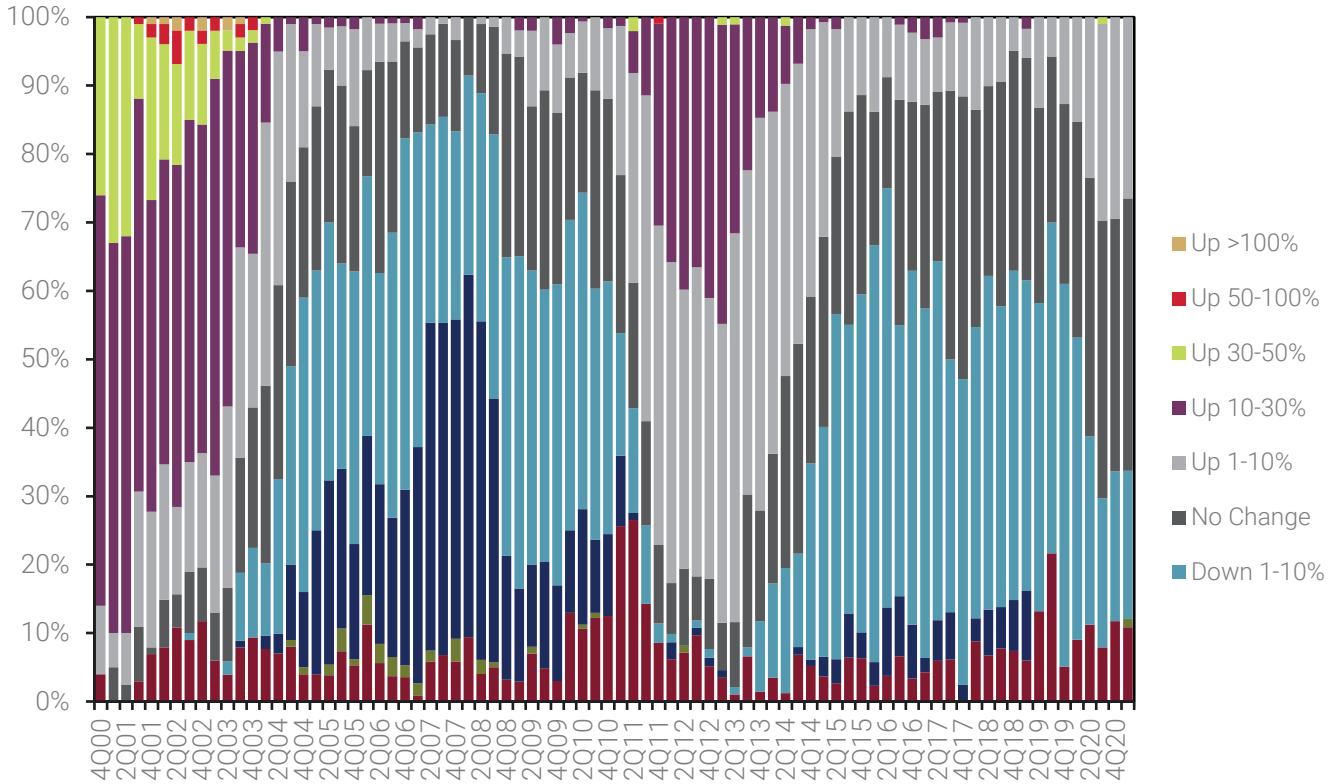
Commercial Auto Insurance Rate Changes

Percentage of Survey Respondents



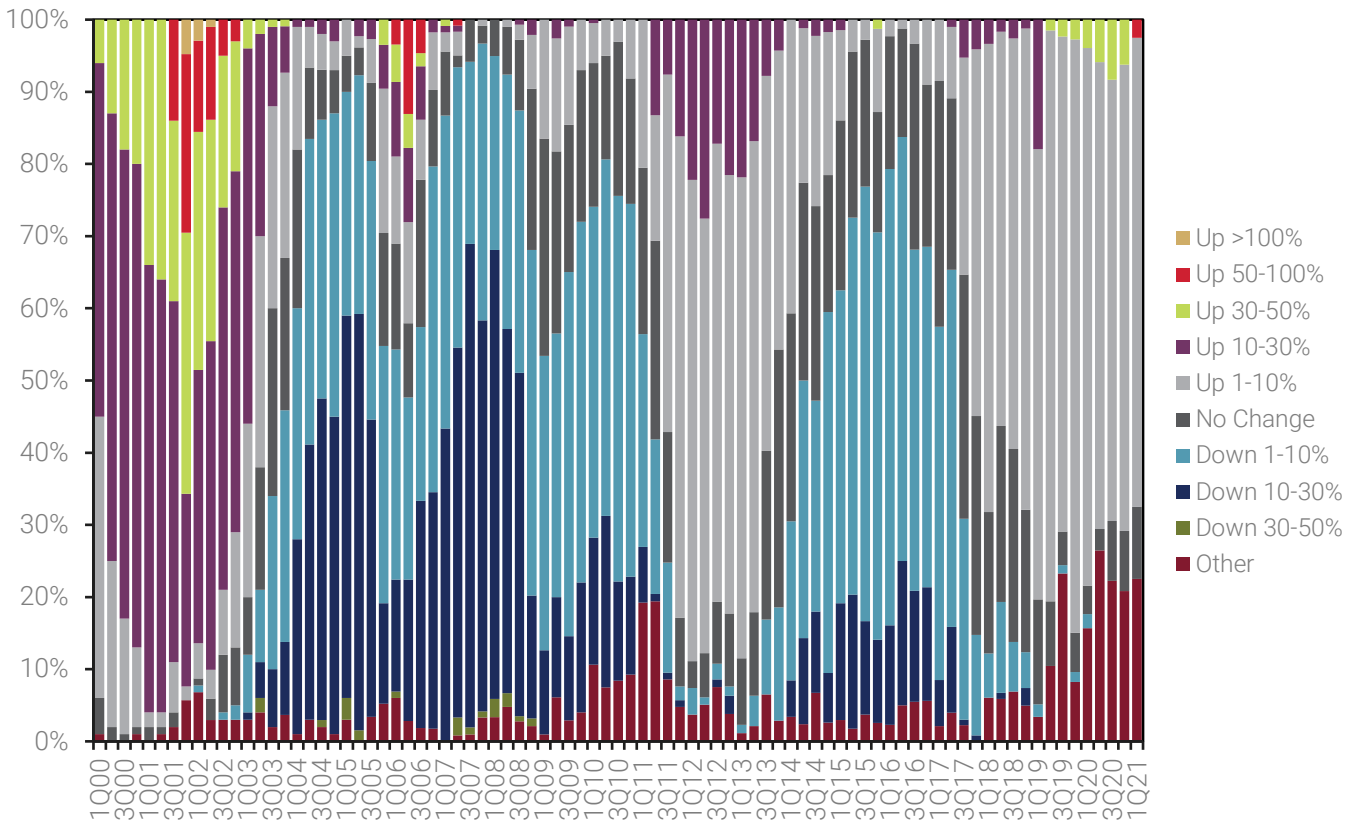
Workers' Compensation Insurance Rate Changes

Percentage of Survey Respondents



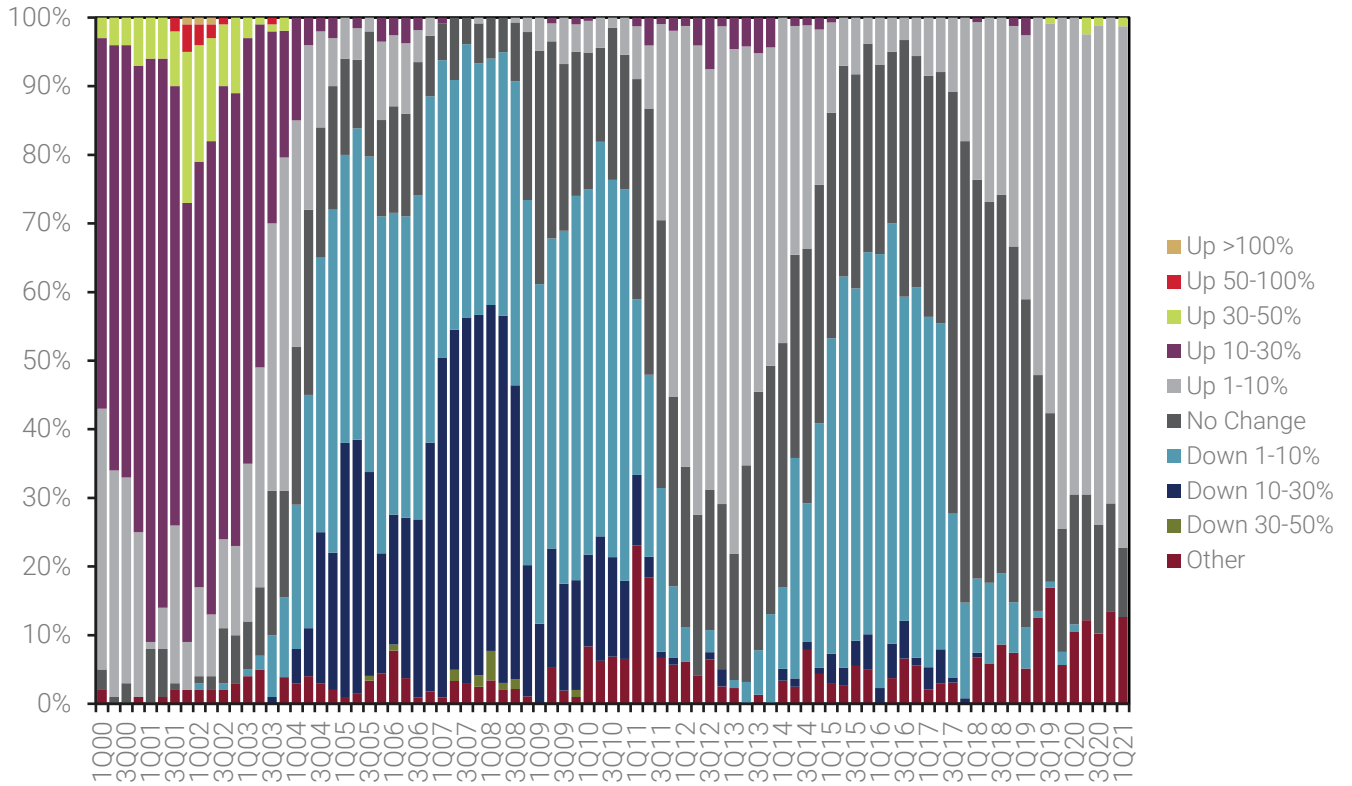
Commercial Property Insurance Rate Changes

Percentage of Survey Respondents



Commercial General Liability Insurance Rate Changes

Percentage of Survey Respondents



Umbrella Insurance Rate Changes

Percentage of Survey Respondents

