



 THE COUNCIL

## COMMERCIAL PROPERTY/ CASUALTY MARKET INDEX

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Q3/2021



# Commercial Property/Casualty Market Index

Q3/2021

## EXECUTIVE SUMMARY

The following are key takeaways from The Council of Insurance Agents & Brokers' *Commercial Property/Casualty Market Report Q3 2021 (July 1 – September 30)*:

- Premiums increased for the 16<sup>th</sup> consecutive quarter in Q3 2021, with respondents reporting an average premium increase across all account sizes of 8.9%.
- Prices increased for all lines of business, save for Workers' Compensation. After five quarters of slight increases for Workers' Compensation, premiums began to decrease once again, at -0.3%.
- Cyber once again had a record increase in Q3 2021, the highest premium increase out of all other lines. Respondents said premiums for that line increased by an average of 27.6%.
- Respondents agreed that the prevalence of cyberattacks, specifically ransomware, phishing, and social engineering attacks, was one of the primary drivers of Cyber premium increases.
- Reported changes in underwriting were consistent with reported hard market conditions, according to respondents, who noted more disciplined underwriting, stricter loss controls, and more in-depth reviews of loss history. This was especially evident in Cyber. Some respondents noted their clients couldn't get coverage at all if they did not implement specific carrier-requested cybersecurity measures.

# PREMIUM PRICING

Q3 2021 marked the 16<sup>th</sup> consecutive quarter of increased premiums, with respondents reporting an average increase across all account sizes of 8.9%, slightly up from 8.3% in Q2 2021.

## AVERAGE COMMERCIAL PRICING INCREASES

	By Account Size			AVERAGE
	SMALL	MEDIUM	LARGE	
Third Quarter 2021	6.2%	10.1%	10.4%	8.9%
Second Quarter 2021	6.2%	9.4%	9.3%	8.3%
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%
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

When segmenting the data by account size, we see that large accounts were again most impacted by current market conditions, with an average increase in premiums of 10.4%, compared to 9.3% in Q2 2021. Close behind was medium accounts, at 10.1%, versus 9.4% in Q2, then small accounts at 6.2%.

## PREMIUM PRICING BY LINE OF BUSINESS

The average premium price increase across the five major lines, Commercial Auto, Commercial Property, General Liability, Umbrella, and Workers' Compensation, was 8.1% in Q3 2021, the same as recorded in Q2 2021, and down from the 9.6% in Q1 2021. Workers' Compensation saw a decrease in premium pricing for the first time in five quarters, at -0.3%, but considering prices decreased for that line from Q1 2015 to Q1 2020, this may have been a return to form as the upward pressure on prices from the pandemic lessened.

## BY-LINE SECOND QUARTER 2021 RATE CHANGES RANGED FROM 0.3% TO +17.4%

	COMM'L AUTO	WORKERS' COMP	COMM'L PROPERTY	GEN'L LIABILITY	UMBRELLA	AVERAGE
Third Quarter 2021	7.4%	-0.3%	10.3%	6.3%	16.9%	8.1%
Second Quarter 2021	6.8%	0.3%	9.9%	6.0%	17.4%	8.1%
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%
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

Cyber prices continued to climb rapidly in Q3 2021, with an average increase of 27.6%, up from 25.5% in Q2 2021, and up still more from 18.0% in Q1 2021. This was the only line this quarter that recorded an average increase in excess of 20%.

"Carriers continued to take a hard line on cyber risks in Q3 2021," said Ken A. Crerar, President/CEO of The Council. "Brokers and clients that take proactive action on cybersecurity risk by implementing stricter loss controls, such as requiring multi-factor identification for access to company systems and employee

training, will be at a distinct advantage when it comes to finding robust, affordable cyber coverage.”

Umbrella and Directors & Officers (D&O) also saw a notable average increase in premium pricing, at 16.9% and 13.6%, respectively. Commercial Property and Employment Practices also saw increases in excess of 10%, at 10.3% for both lines.

## RATE CHANGES IN OTHER LINES

	3Q21	High	Low
Broker E&O	4.2%	15.4%	-4.5%
Business Interruption	5.9%	28.8%	-10.2%
Construction	6.3%	38.7%	-10.7%
Cyber	27.6%	27.6%	-1.5%
D&O Liability	13.6%	32.4%	-8.7%
Employment Practices	10.3%	21.9%	-8.1%
Flood	6.8%	8.6%	-2.7%
Marine	5.3%	5.3%	-10.6%
Medical Malpractice	5.0%	32.5%	-4.1%
Surety Bonds	1.9%	11.2%	-2.3%
Terrorism	1.5%	10.4%	-3.6%

**Source:**

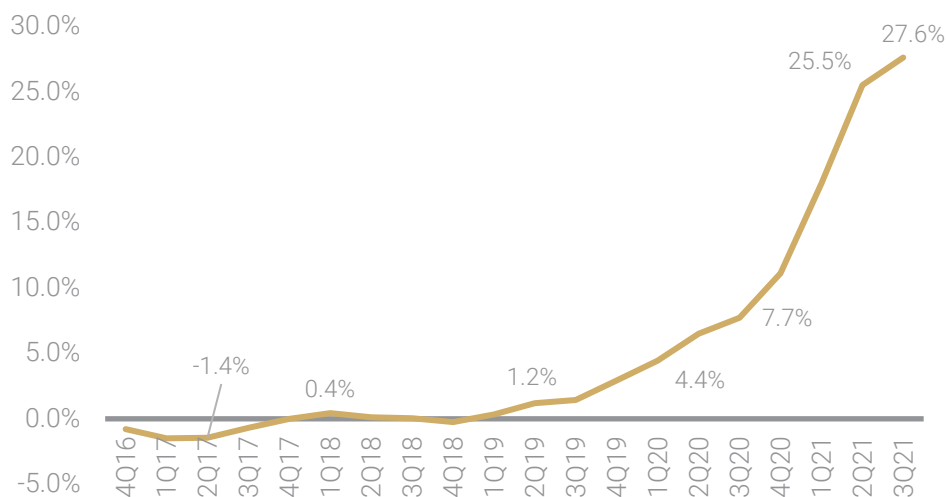
The Council of Insurance Agents & Brokers

## NOTABLE LINES OF BUSINESS

### CYBER

Cyber was again the most troubled line in Q3 2021, with respondents reporting that prices for this line increased by an average of 27.6%. Given the steady pricing increases over the subsequent quarters, we also asked respondents to dig in to the contributing factors to these sizable increases in Q3, from their point of view and referencing feedback from the carriers with which they worked—many similar themes to last quarter emerged.

Premium Change for Cyber, Q4 2016 - Q3 2021



The major underlying cause for these increases, according to most respondents, was the “exponential increase in frequency and severity of cyber claims.” Ransomware attacks were again named as one of the primary reasons there had been such an uptick in claims, and the majority of respondents noted that they had at least one client that was reimbursed by their insurer for paying a ransom. One respondent from a large Southwestern firm said that “three [clients] had over seven figure ransomware losses in the past twelve months,” highlighting that Cyber losses can often be far-reaching and devastating.

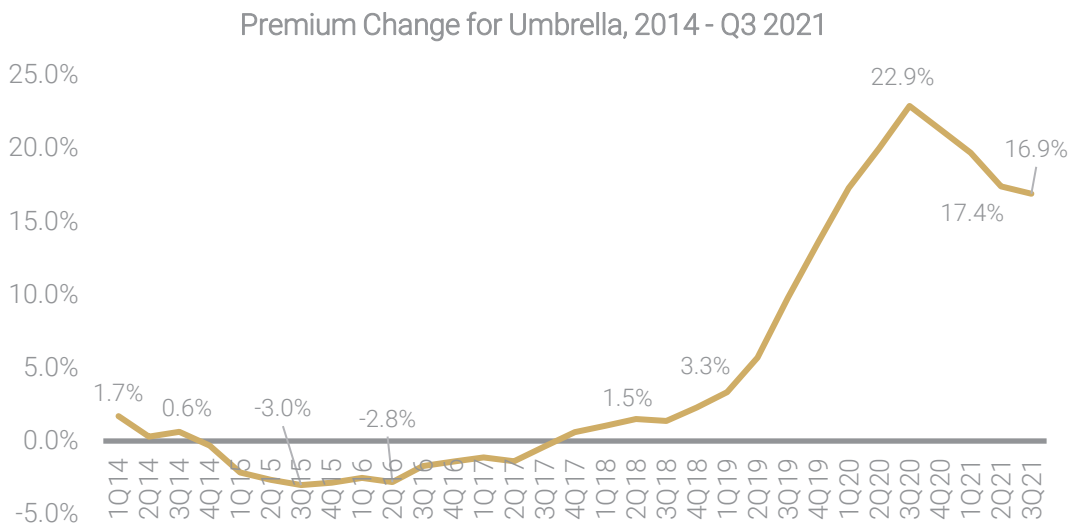
Respondents also agreed that besides ransomware, the “remote work environment caused an increase in phishing and social engineering claims.” “Cyber theft is very common now,” observed one respondent from a large Southeastern firm. “Companies still have more people working from home, making it easier for the hackers to access company or personal information.” This could be because, for example, employees are working off their personal Wi-Fi rather than a secured company network and have much more lax loss controls at home rather than in the office.

The increase in frequency and severity of claims also exposed underlying issues with how Cyber was priced, according to respondents. “Carriers were paying out a lot more than they have historically and more than their previous actuarial analysis predicted.” As another respondent from a large Southeastern firm put it, “Carriers who initially entered the Cyber space had priced the coverage so competitively that they were attempting to recoup for claims and losses.”

Additionally, respondents pointed to the fact that “coverage was underpriced in the past due to lack of historical analytical data.” Now that the product has been on the market for some years, we started to see “better actuarial pricing based on the product in the marketplace.”

## UMBRELLA

Though the pace of Umbrella increases slowed slightly since the peak in Q3 2020, prices were still up for this line in Q3 2021, increasing by an average of 16.9%, down from 17.4% in Q2 2021 and 19.7% in Q1 2021.

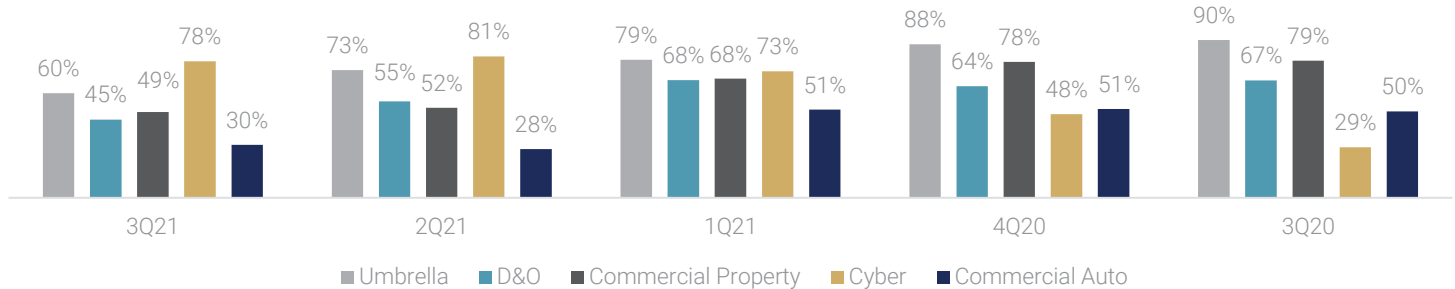


While respondents agreed that Umbrella was still experiencing pricing and capacity issues, several also commented that those issues became less pronounced in Q3 2021. One respondent from a large Northwestern firm said there was “more capacity for Umbrella,” and carriers were even “calling to look for risks.” Other respondents offered similar observations, saying “Umbrella capacity seems to be increasing and the market was not as restrictive as in prior quarters,” and “We saw more options than we did in the last quarter especially in Umbrella excess.”

Nevertheless, respondents emphasized that Umbrella was still a challenge, with significant pricing increases. Brokers were also still encountering problems with capacity reduction, which became especially acute for classes of business with “liquor liability exposures as well as larger fleet schedules,” according to one respondent from a large Southeastern firm. So, while there were some signs Umbrella might be recovering, it is not clear whether that will bear out in future quarters.

## UNDERWRITING

Respondents Reporting a **Decrease** in Underwriting Capacity



Cyber was by far the main focus when respondents were asked to discuss recent changes in underwriting. “Cyber underwriters were much more demanding in reviews and requirements. Higher retentions, higher premiums, and lower limits,” said one respondent from a large Midwestern firm. Another respondent from a large Northwestern firm noted that limits were reduced to “\$2-\$5 million.” Yet another from a midsized Southwestern firm gave an alarming example of the increase in retentions and premiums they had seen, saying “Cyber retentions were up 10x and premiums 300%+.”

“Cyber deductible increases were rampant,” commented one respondent from a large Southeastern firm. Other respondents observed the same thing, saying things like “Deductibles were being increased on Cyber Risks regardless of loss experience,” “Increased deductibles were being mandated on Cyber,” and “Cyber deductibles increases were regularly doubled.”

Respondents also noted stricter coverage restrictions and loss control requirements. “Carriers recalibrated their underwriting approach and required insureds of all sizes to demonstrate that necessary cybersecurity measures were in place, including multi-factor authentication, endpoint detection and response, and backups in the cloud (or segregated from the network),” said one respondent from a large Midwestern firm. “Cyber submissions were scrutinized more closely with testing of client security protocols,” said another respondent, and a third reported that “some clients could not get coverage if they did not have good IT security, MFA and endpoint protection.” Respondents emphasized, even with these loss controls in place, that price increases were still substantial.

As for other lines of business, the notable premium increases for Umbrella, Commercial Property, Employment Liability, and D&O also came with reports of tightening capacity, increased deductibles, and additional coverage restrictions. “Employment Liability and D&O were very limited in capacity and terms were tightening daily,” said one respondent from a large Southwestern firm.

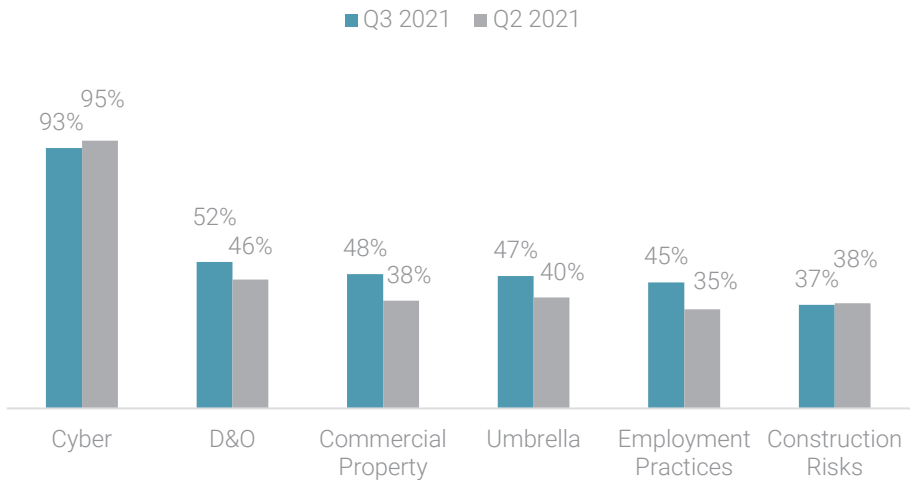
Overall, respondents agreed that carrier underwriting approaches were consistent with reported hard market conditions: more disciplined underwriting, heightened scrutiny, and reductions in capacity, with limits cut for tougher classes of business like Cyber.

## DEMAND

Demand for cyber insurance remained very high in Q3 2021, despite increased carrier scrutiny, additional loss controls, and high premiums. As with last quarter, respondents cited examples of clients experiencing cyber losses which drove them to purchase Cyber, suggesting that while the increasing prevalence of cyberattacks during the past year made cyber insurance more expensive, it also drove firms to purchase cyber insurance.

For all other lines not pictured here in the graph, the number of respondents reporting an increase in demand remained relatively in line with what was seen in Q2.

Respondents Reporting an Increase in Demand

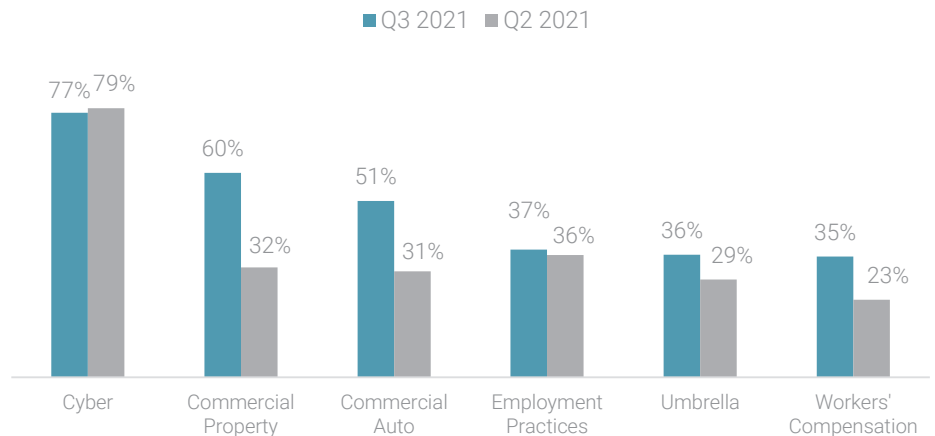


## CLAIMS

While the number of respondents reporting an increase in claims remained stable for most lines, two specific lines saw a significant rise in respondents reporting increased claims activity: Commercial Property and Commercial Auto. Sixty percent (60%) of respondents reported increased claims for Commercial Property in Q3 2021, nearly double the number recorded in Q2 2021 (32%), while 51% of respondents reported increased claims for Commercial Auto in Q3, compared to 31% in Q2. Additionally, as seen in the graph, Workers' Compensation saw a relatively notable rise in respondents reporting increased claims, though not nearly as large as Commercial Property and Commercial Auto.

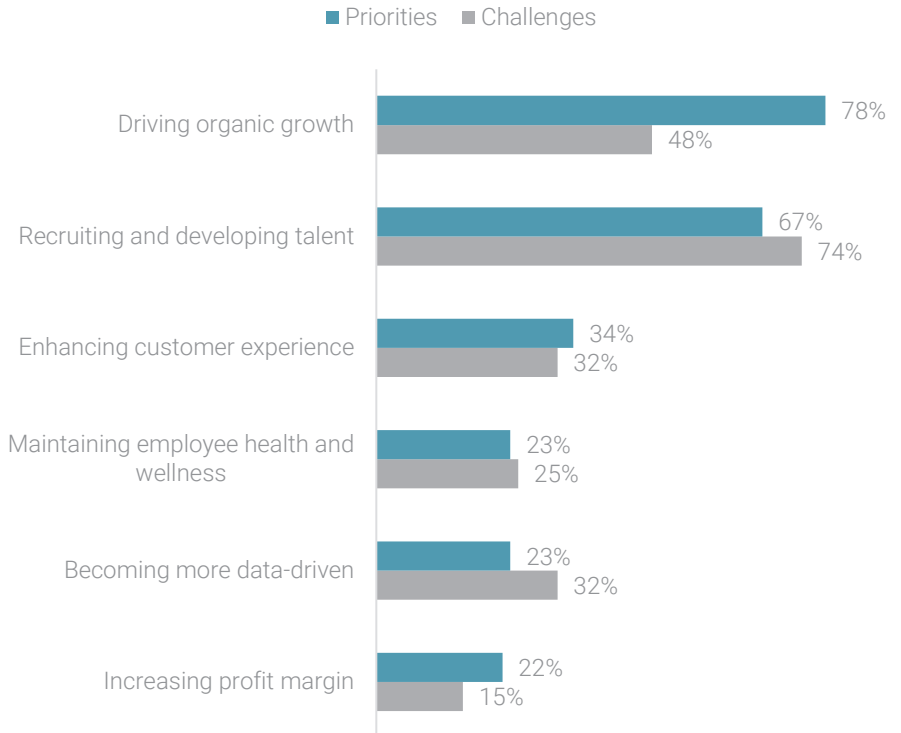
A few respondents offered explanations for this increase in claims. "Claims are still below pre-pandemic levels but increasing as more people are on the road and back to work," explained one respondent from a large Southwestern firm. "Courts started to open, people were out on the road driving, severe weather events increased," said another respondent from a large Northeastern firm."

Respondents Reporting an Increase in Claims



# PRIORITIES AND CHALLENGES

## Top Broker Priorities and Challenges for Q3 2021



Nearly 80% of respondents identified “driving organic growth” as their top priority in Q3 2021, though as with last quarter, significantly fewer respondents identified it as a top-three challenge, at 48%. “Recruiting and developing talent” was also one of brokers’ top priorities this quarter, with 67% of respondents identifying it as such, and even more (74%) naming it as a top-three challenge.

Broker strategies this quarter focused on “growing existing accounts” and “finding underserved firms and niches.” Others concentrated on developing into a “trusted advisor” role, with respondents saying things like “We

want to continue to exceed our customers’ expectations by focusing on more tech tools they can use for risk mitigation,” “[We want to] connect with our clients when and how they desire with the information and resources that they value,” and “We are providing additional risk mitigation training and education along with a customer portal to keep up on the latest insurance news.”

Respondents expressed significant challenges with recruiting and developing talent, with one respondent from a large Northwestern firm commenting “recruitment is currently extremely difficult” and another from a midsize Southeastern firm highlighting “there is a true shortage of talent, whether experienced or new,” as well as multiple respondents mentioning they had twenty or more positions to fill.

One of the ways respondents attempted to address the talent gap was by turning inwards. “We are doing more in-house training than we have ever done. The insurance talent/experience is limited in our geographical area,” said one respondent from a large Northwestern firm. “It’s important that we continue to invest in our current staff, provide them with opportunities to further develop their careers,” said a respondent from another large Northwestern firm. “We must be vigilant with them, check in often, even though employees are not looking for new jobs, the new jobs are finding them and offering considerably more in this marketplace.”

Several respondents also mentioned taking advantage of remote work capabilities in order to bring in new and experienced talent. “We need to be creative, hire people from other locales who can work remote - we are starting to look at that,” said one respondent from a large Northwestern firm. And according to another respondent from a large Midwestern firm, “The ease for employees to change employers in working virtual can either be a problem or an opportunity for brokers. We are doing our best to take advantage of this situation.”



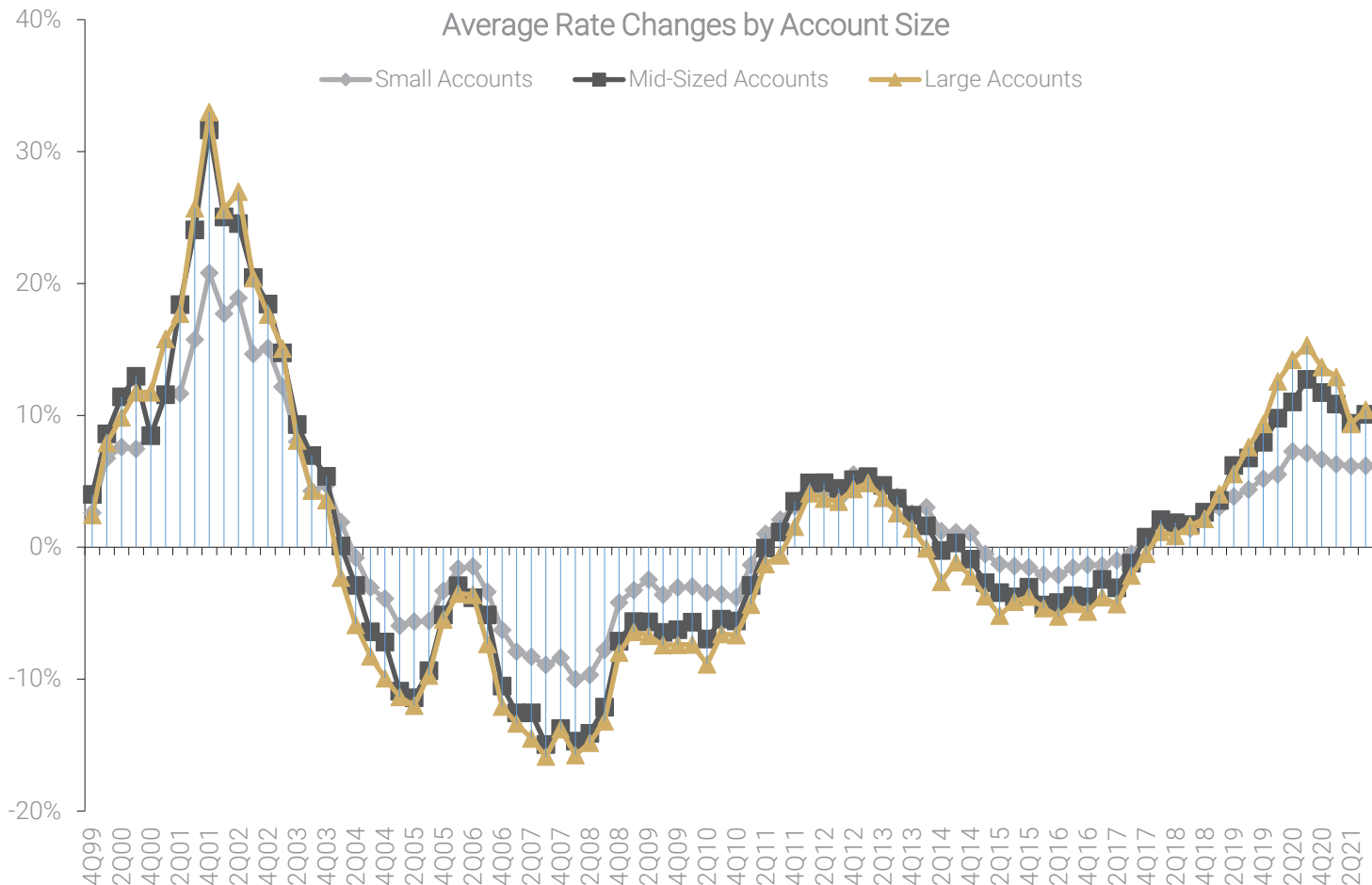
Brokers remained optimistic about opportunities on the horizon. “New technology platforms are creating opportunities for commercial insurance brokers to serve clients without interruption in real-time, providing consulting services based upon data, not guess-work, and responding to client service needs promptly and accurately,” said one respondent from a large Northeastern firm.

And other opportunities lay in becoming the best trusted advisor a firm can be for clients. “Those that are able to keep clients in tune with latest laws and regulations and can answer the call on covering all risks and exposures, particularly cyber and excess layers, will win accounts,” remarked one respondent from a midsize Midwestern firm. According to another respondent from a large Midwestern firm, “Buyers are looking for specialists and experts to assist them given the challenges in the market. The best brokers are adapting to the new virtual environment.”

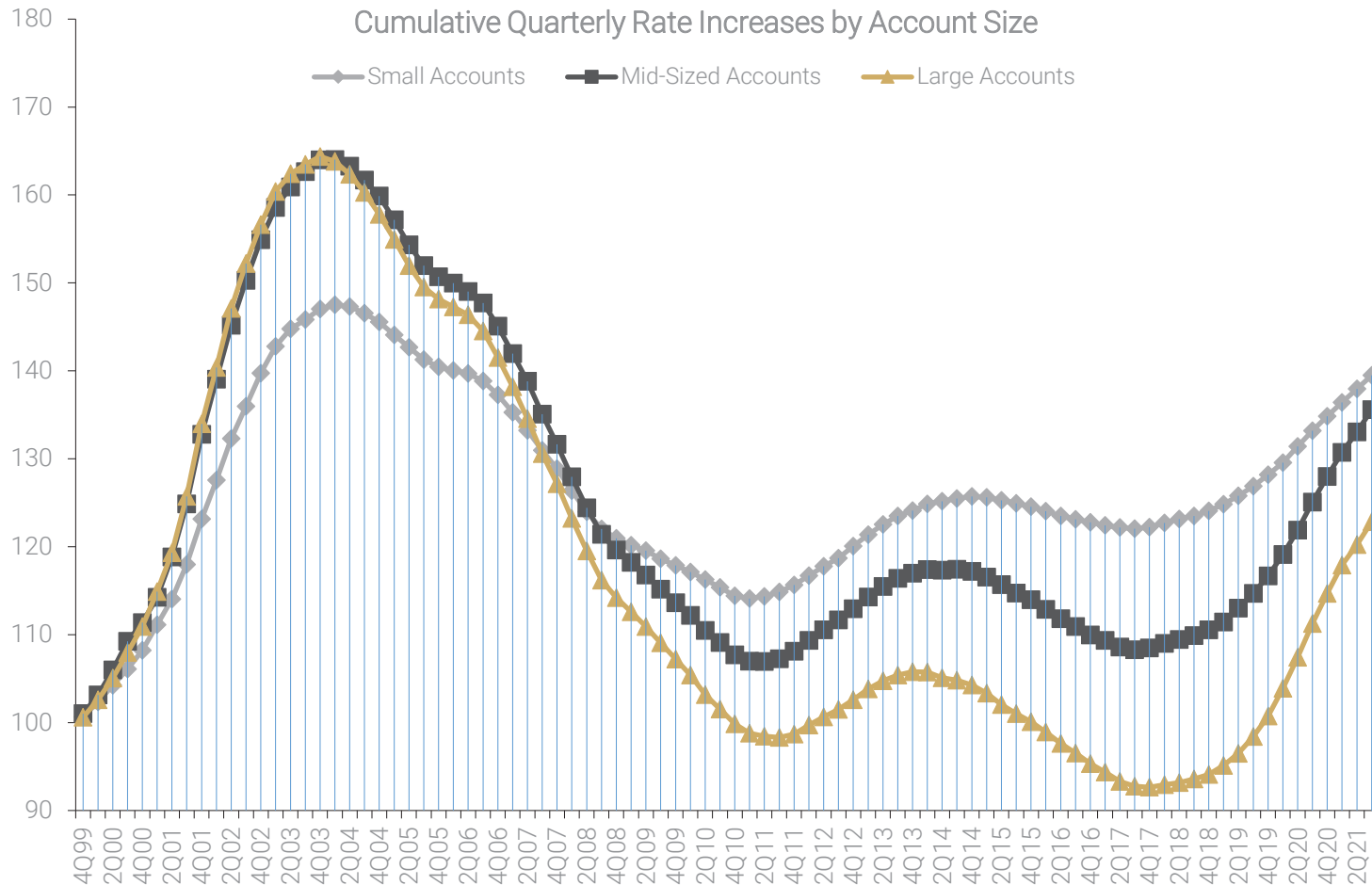
“The sky is the limit,” said a respondent from a large Northwestern firm. “There are so many risks that are not well defined or funded. The need to help clients navigate insurance and self-funding risk will only increase.”

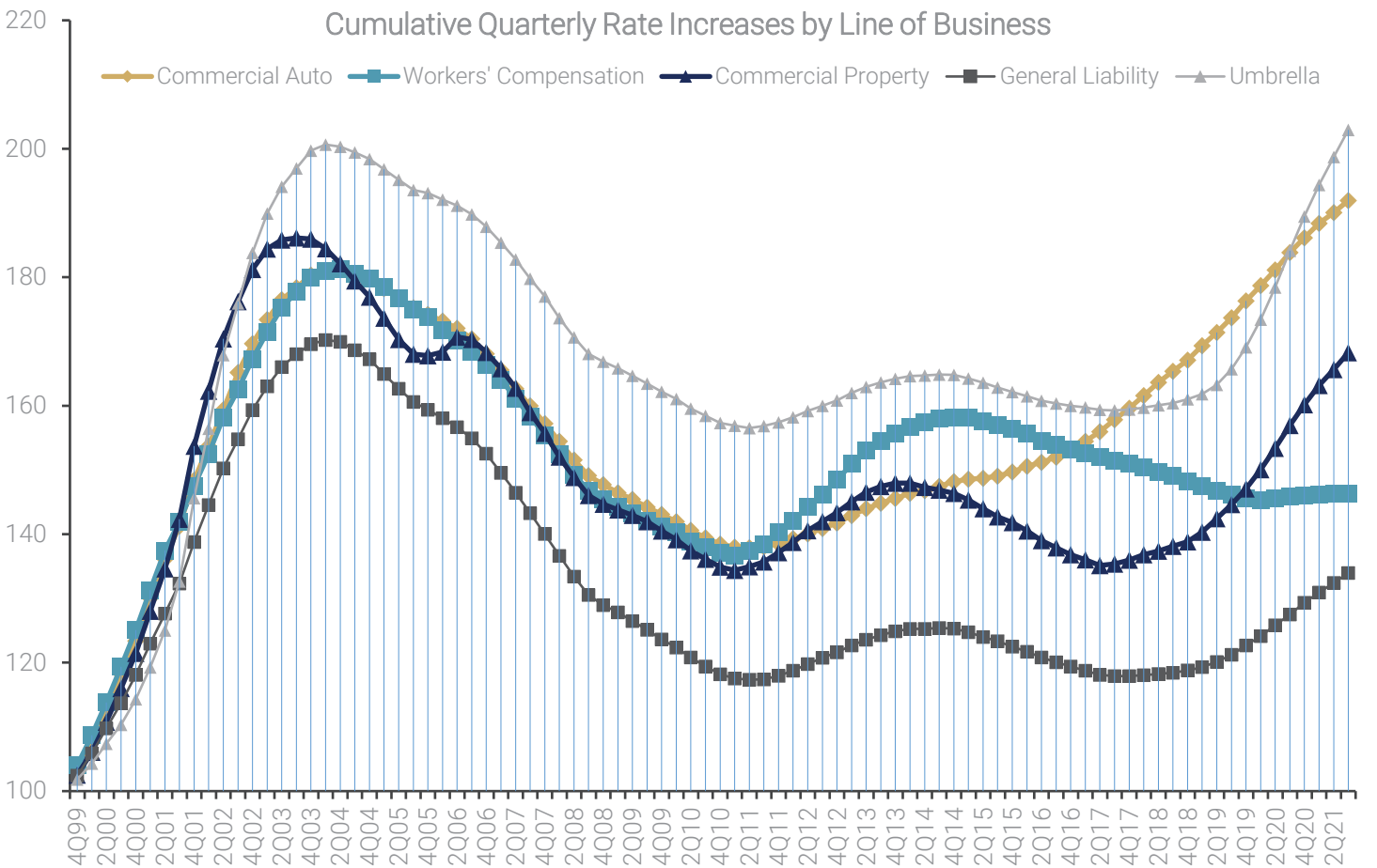
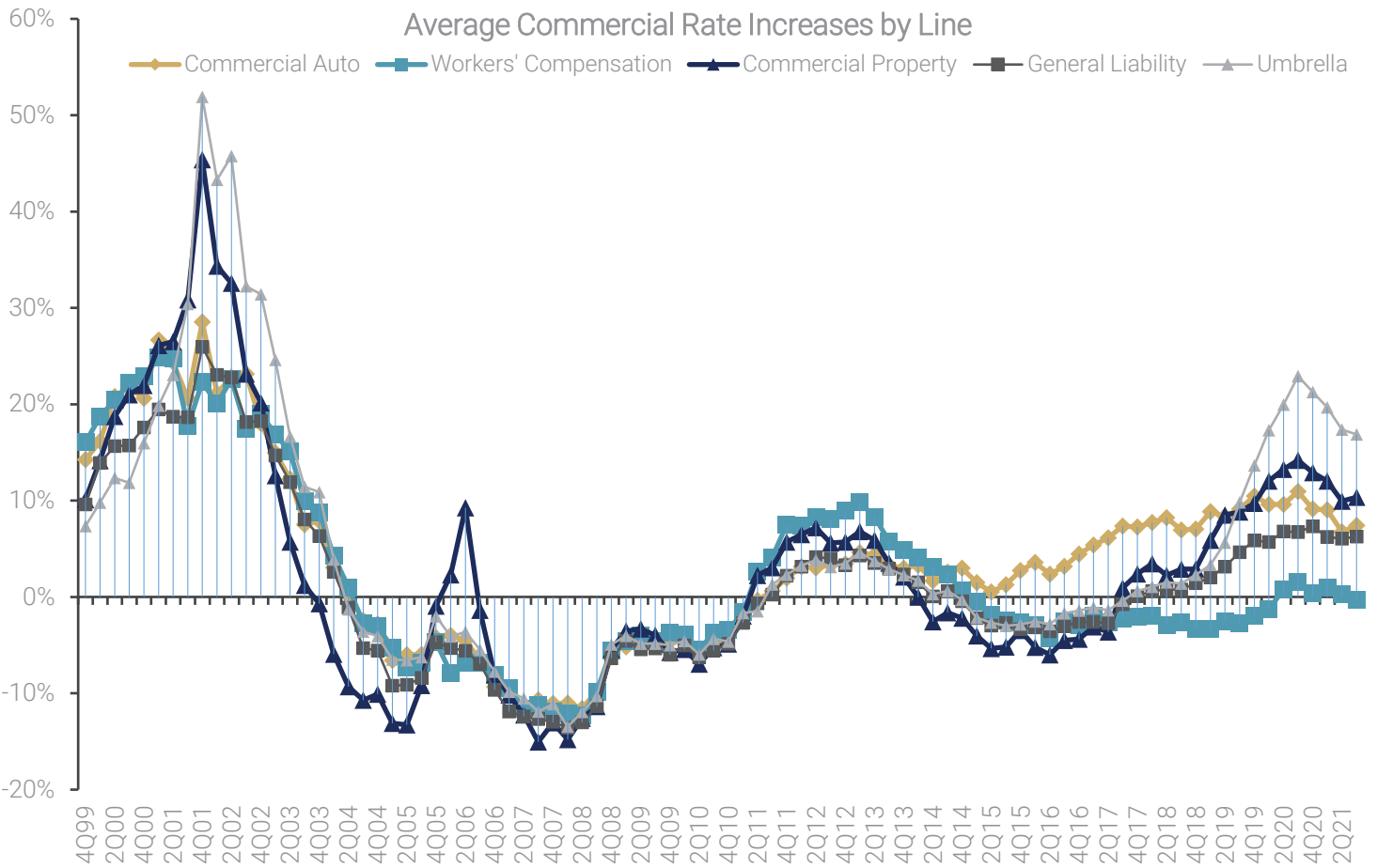
The Council of Insurance Agents & Brokers is the premier association for the top regional, national and international commercial insurance and employee benefits intermediaries worldwide. Council members are market leaders who annually place 85 percent of U.S. commercial property/casualty insurance premiums 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.

### Average Rate Changes by Account Size

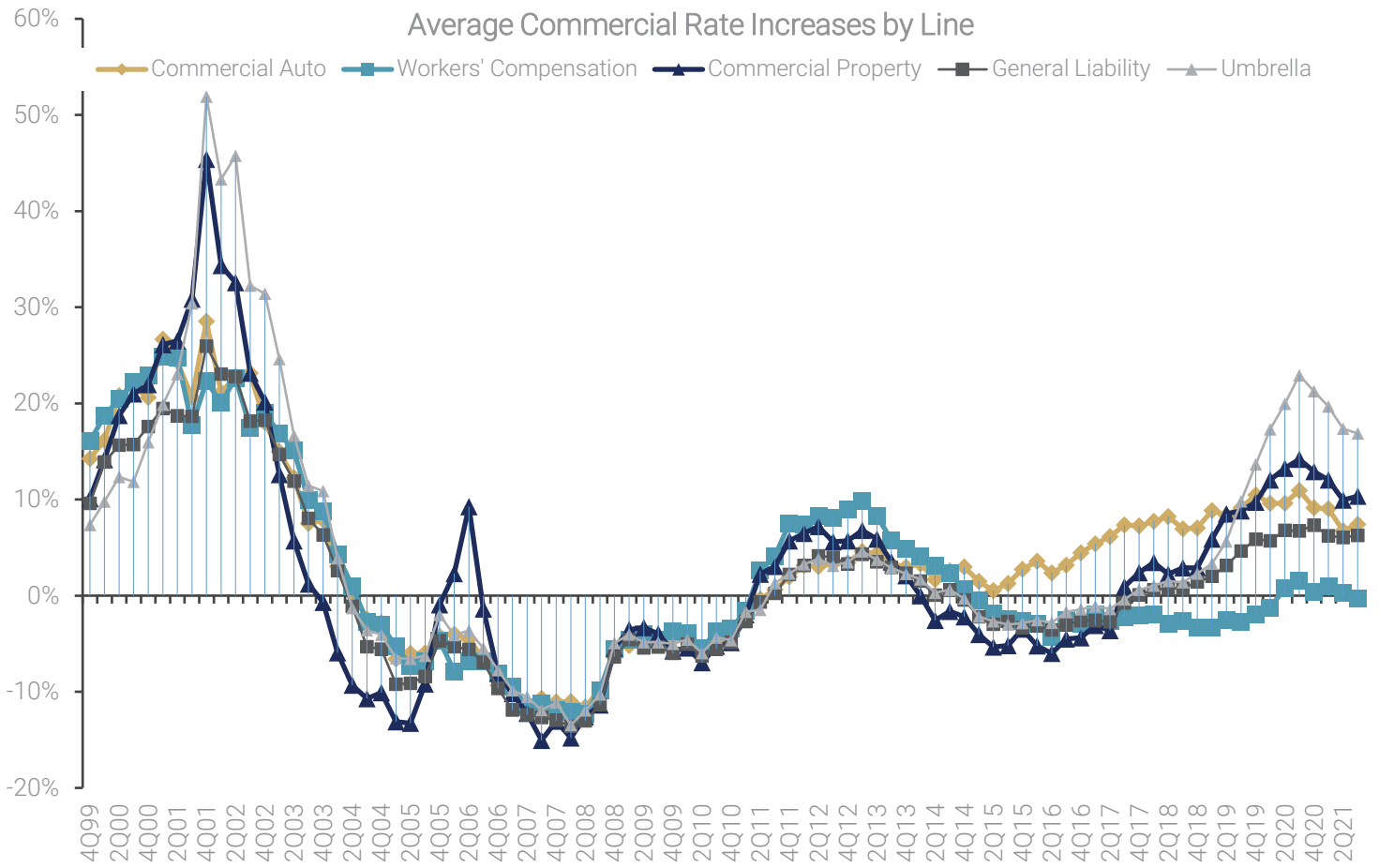


### Cumulative Quarterly Rate Increases by Account Size

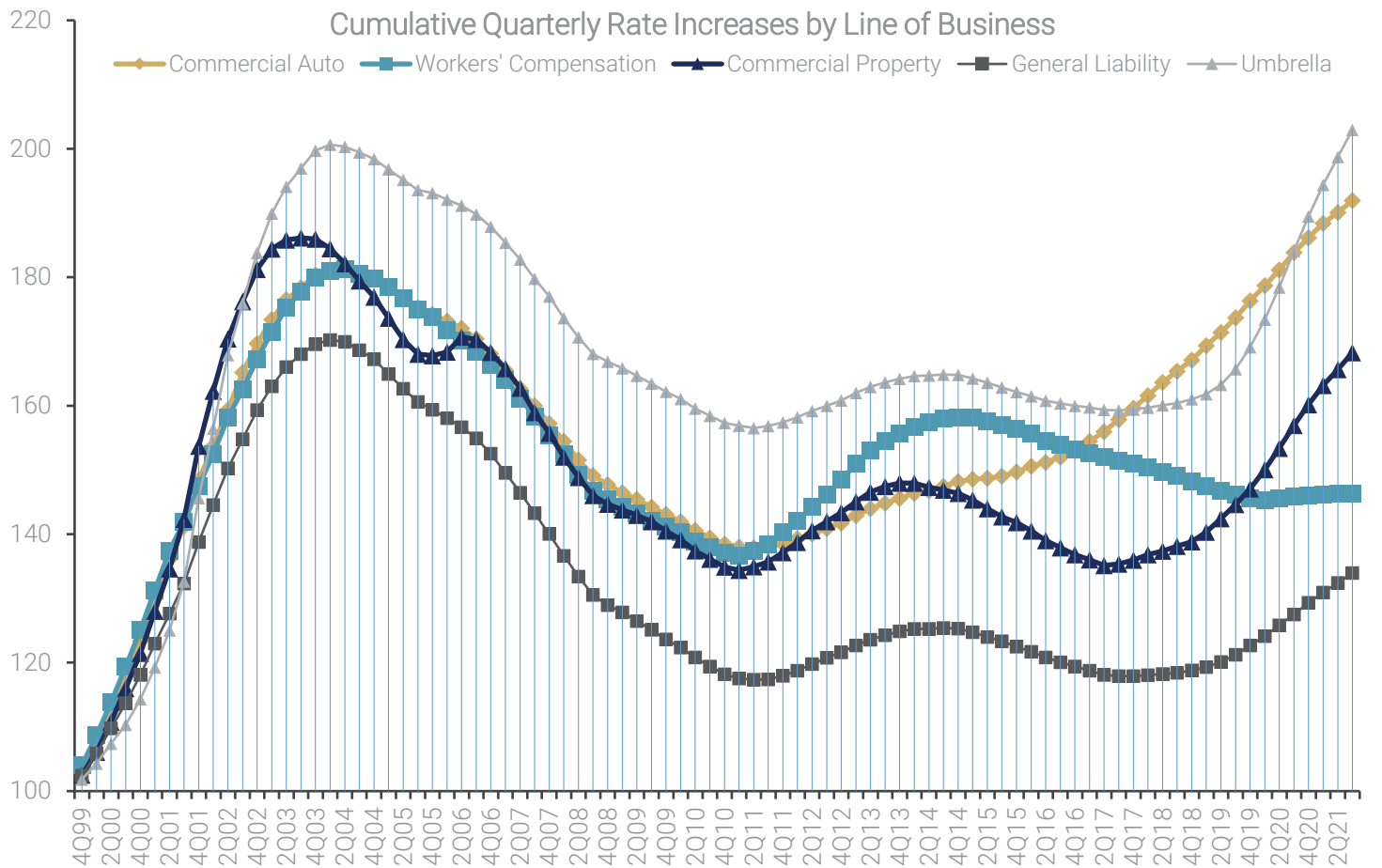




### Average Commercial Rate Increases by Line

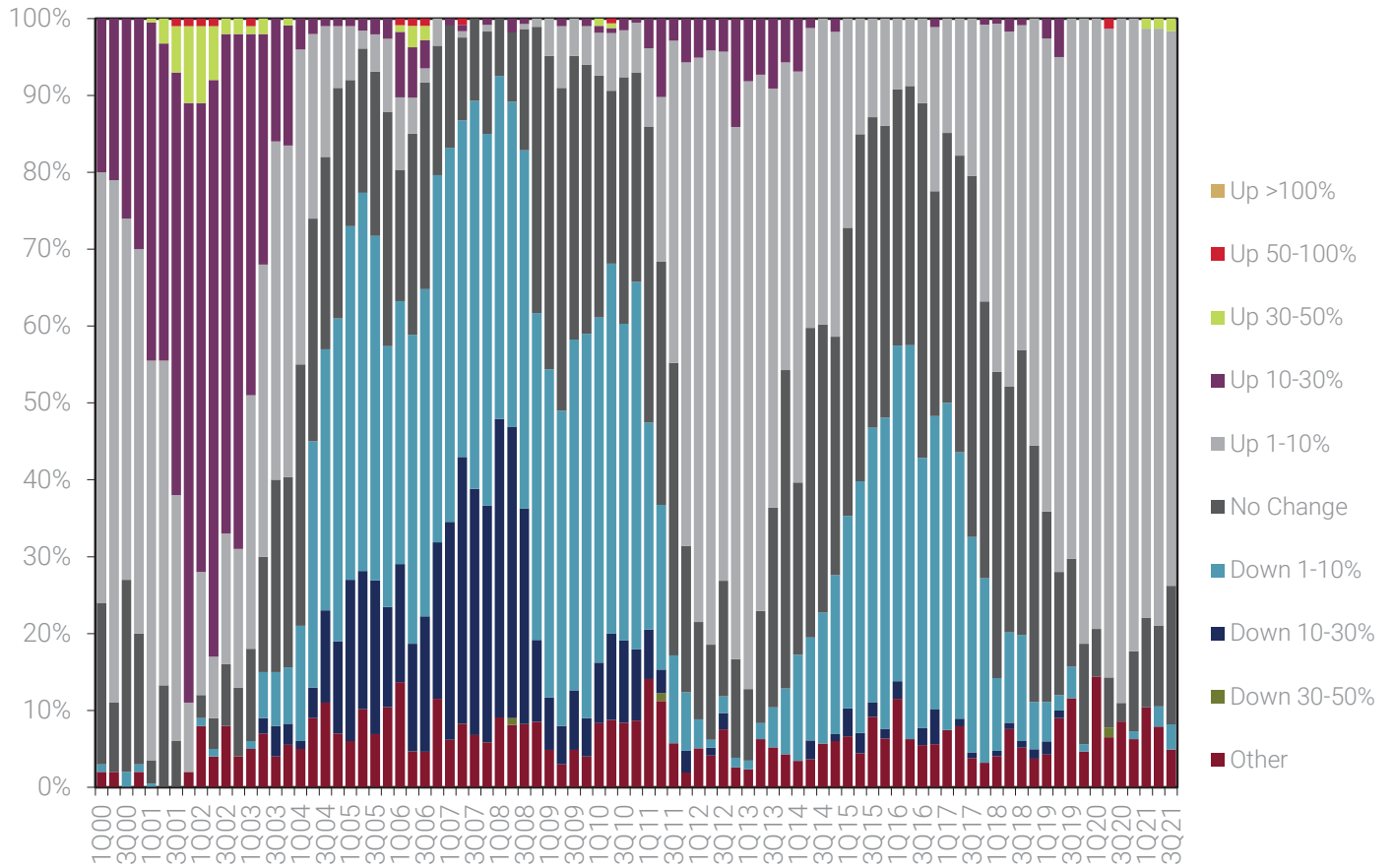


### Cumulative Quarterly Rate Increases by Line of Business



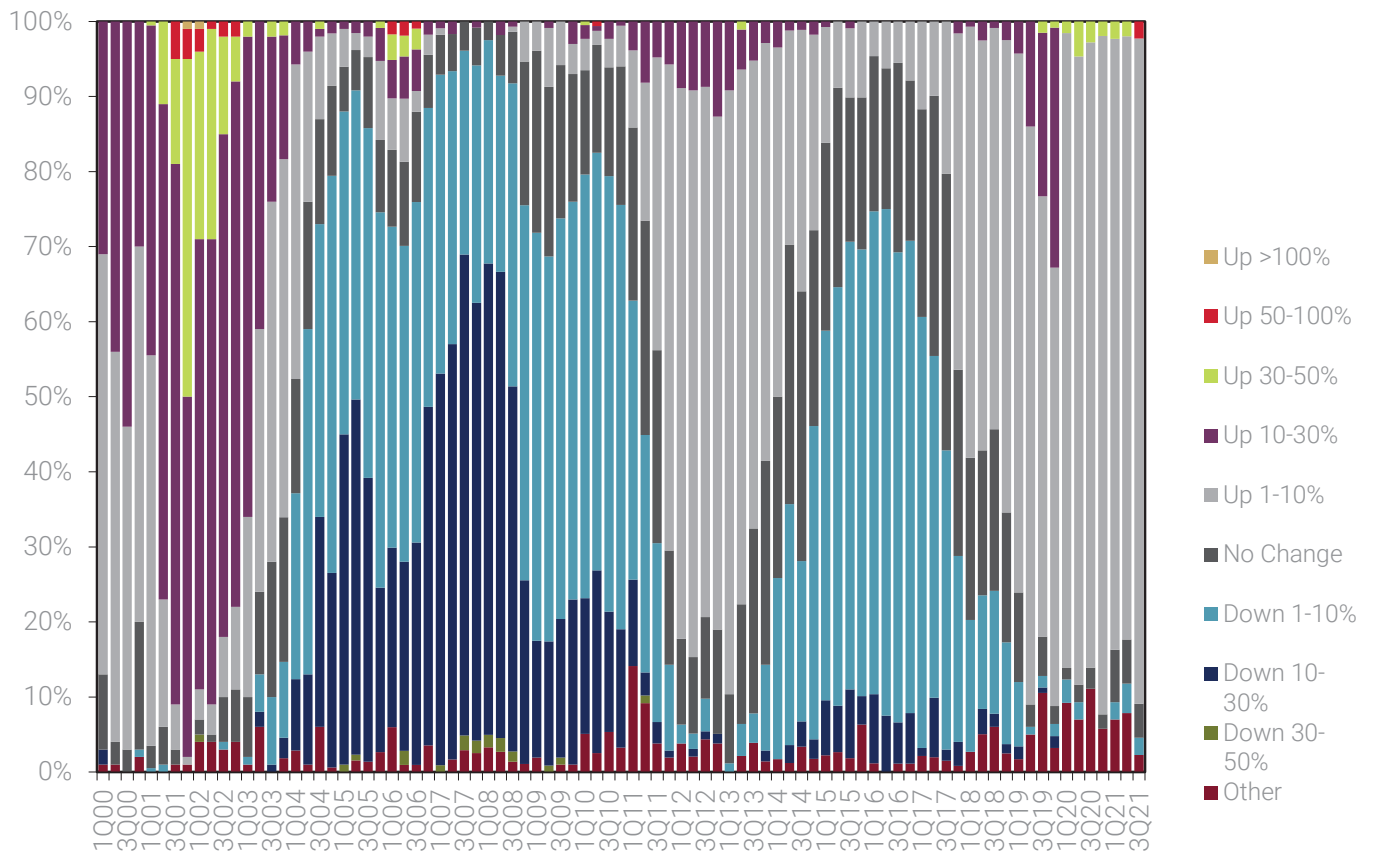
Percentage of Survey Respondents

### Insurance Rate Changes, Small Commercial Accounts (Accounts generating <\$25,000 in annual commissions & fees)



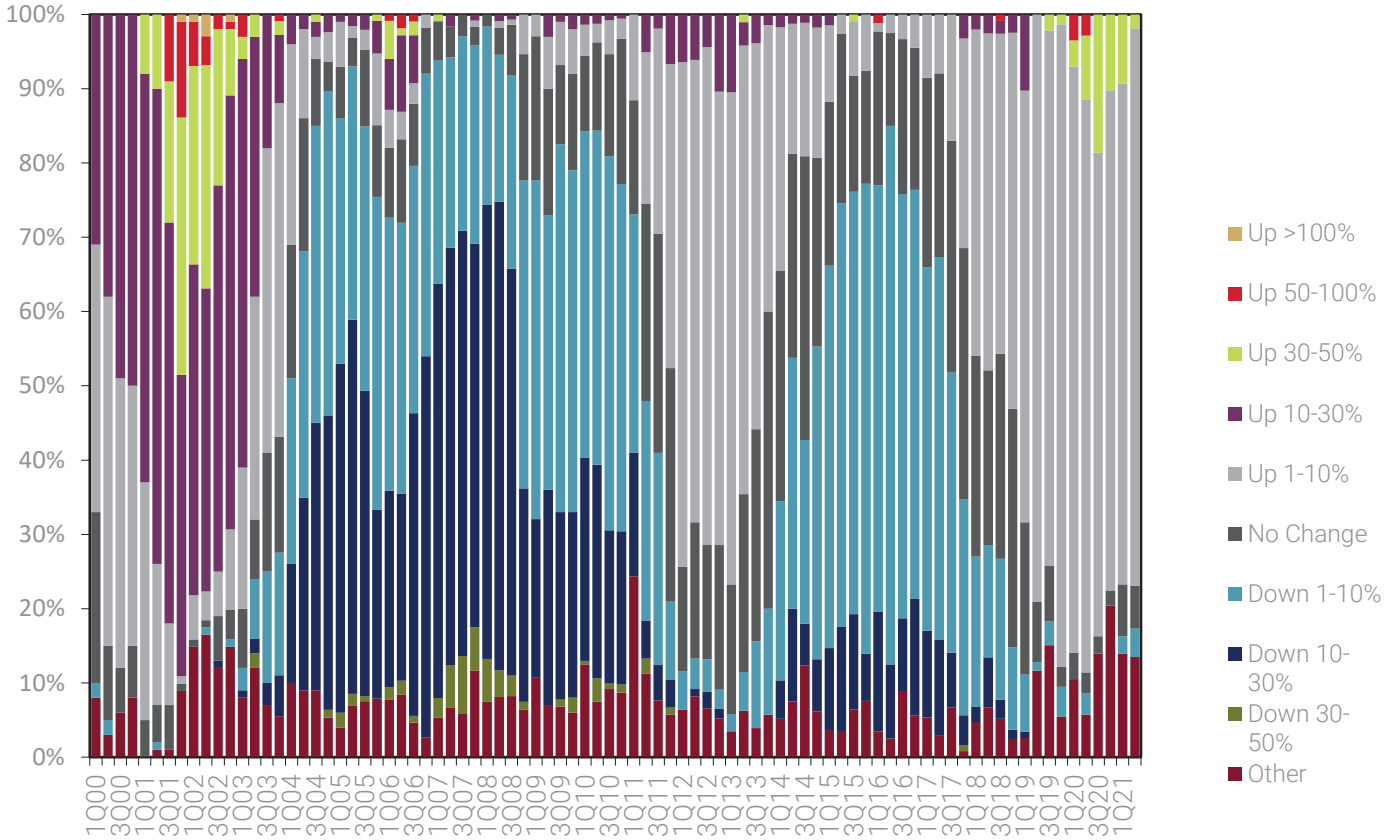
Percentage of Survey Respondents

### Insurance Rate Changes, Medium Commercial Accounts (Accounts generating \$25,000-\$100,000 in annual commissions & fees)



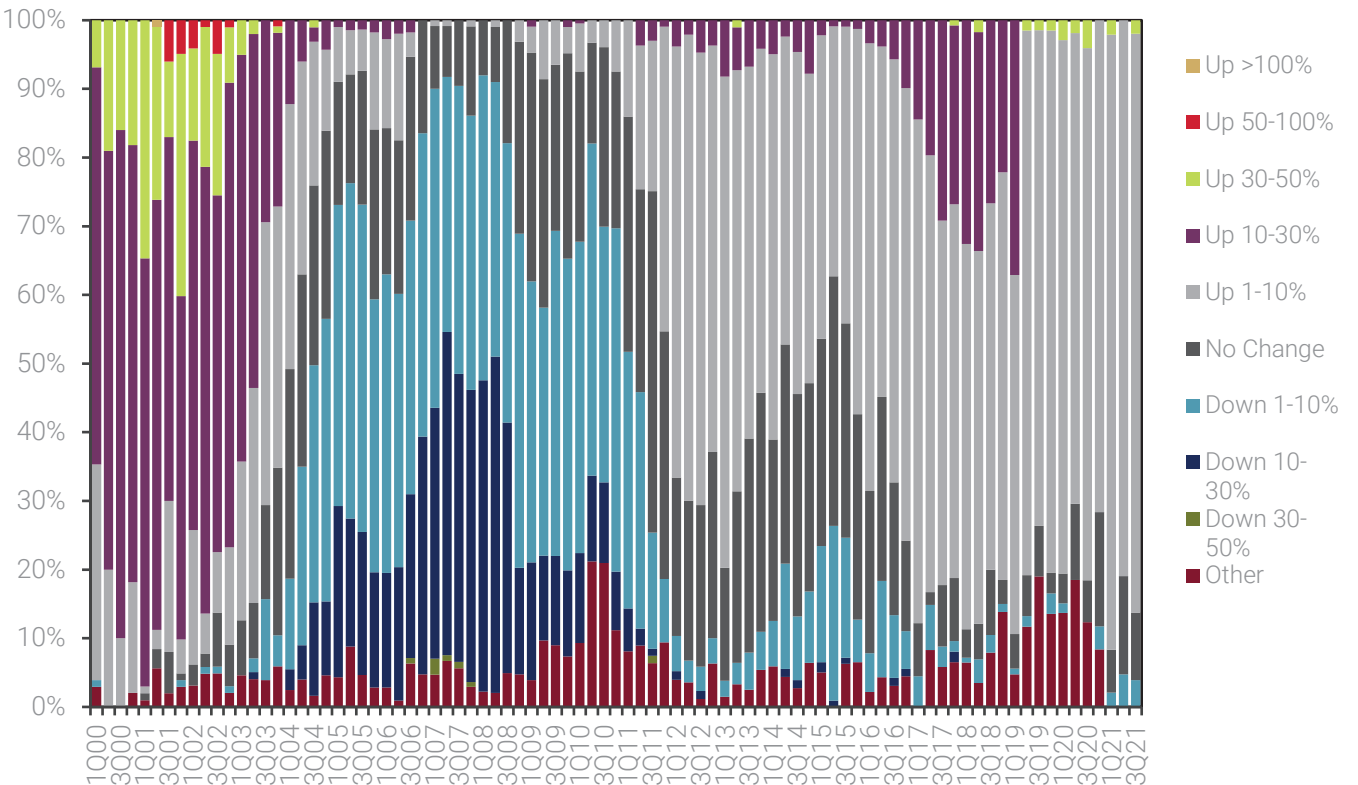
## Insurance Rate Changes, Large Commercial Accounts (Accounts generating >\$100,000 in annual commissions & fees)

Percentage of Survey Respondents



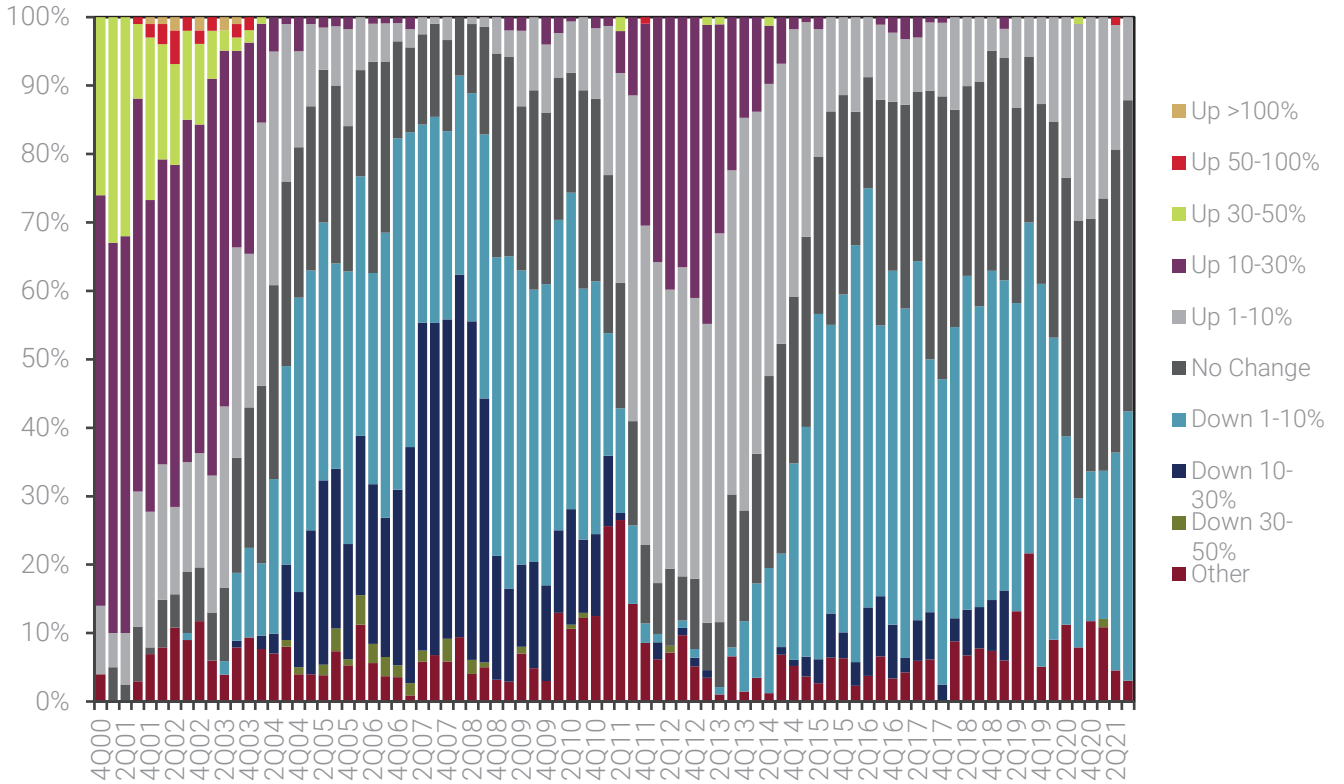
## Commercial Auto Insurance Rate Changes

Percentage of Survey Respondents



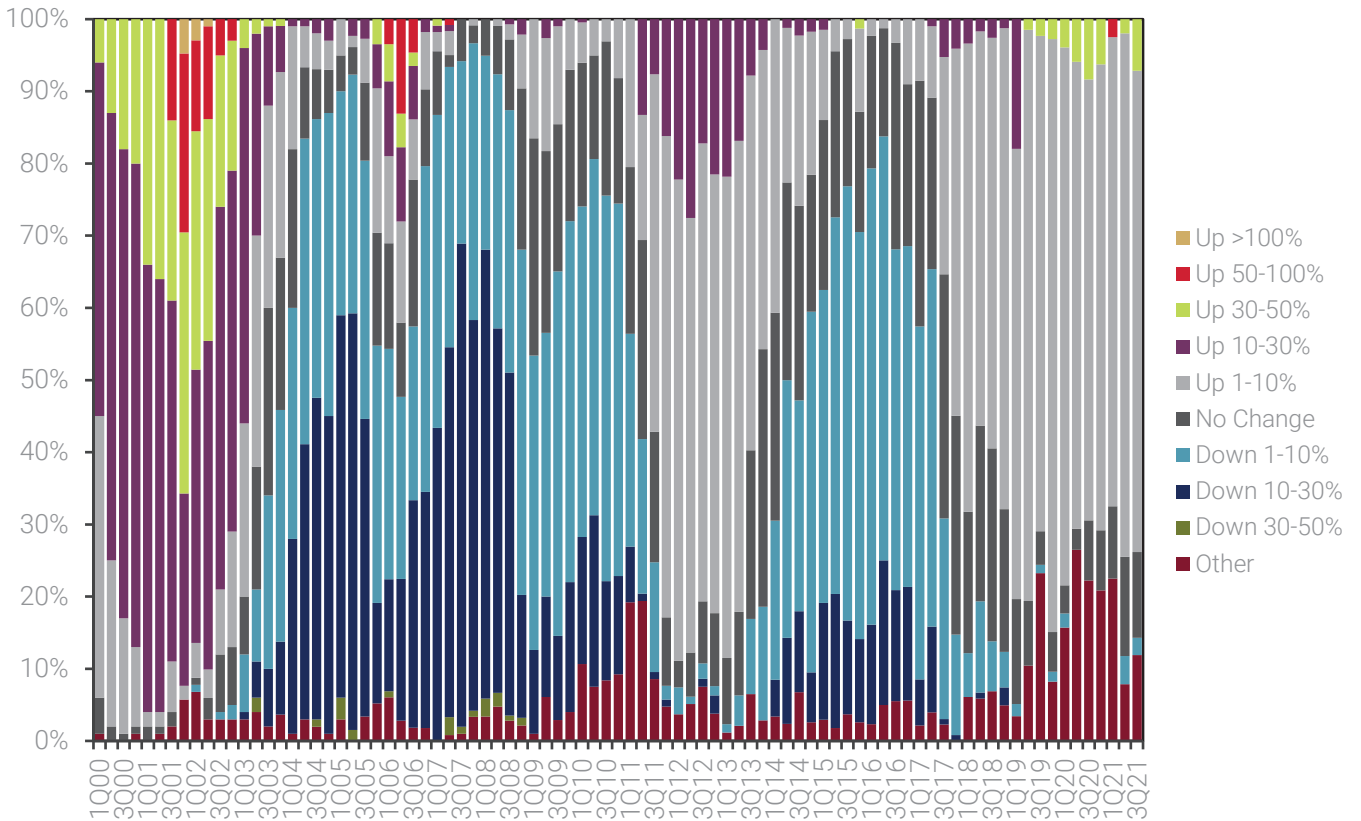
## Workers' Compensation Insurance Rate Changes

Percentage of Survey Respondents



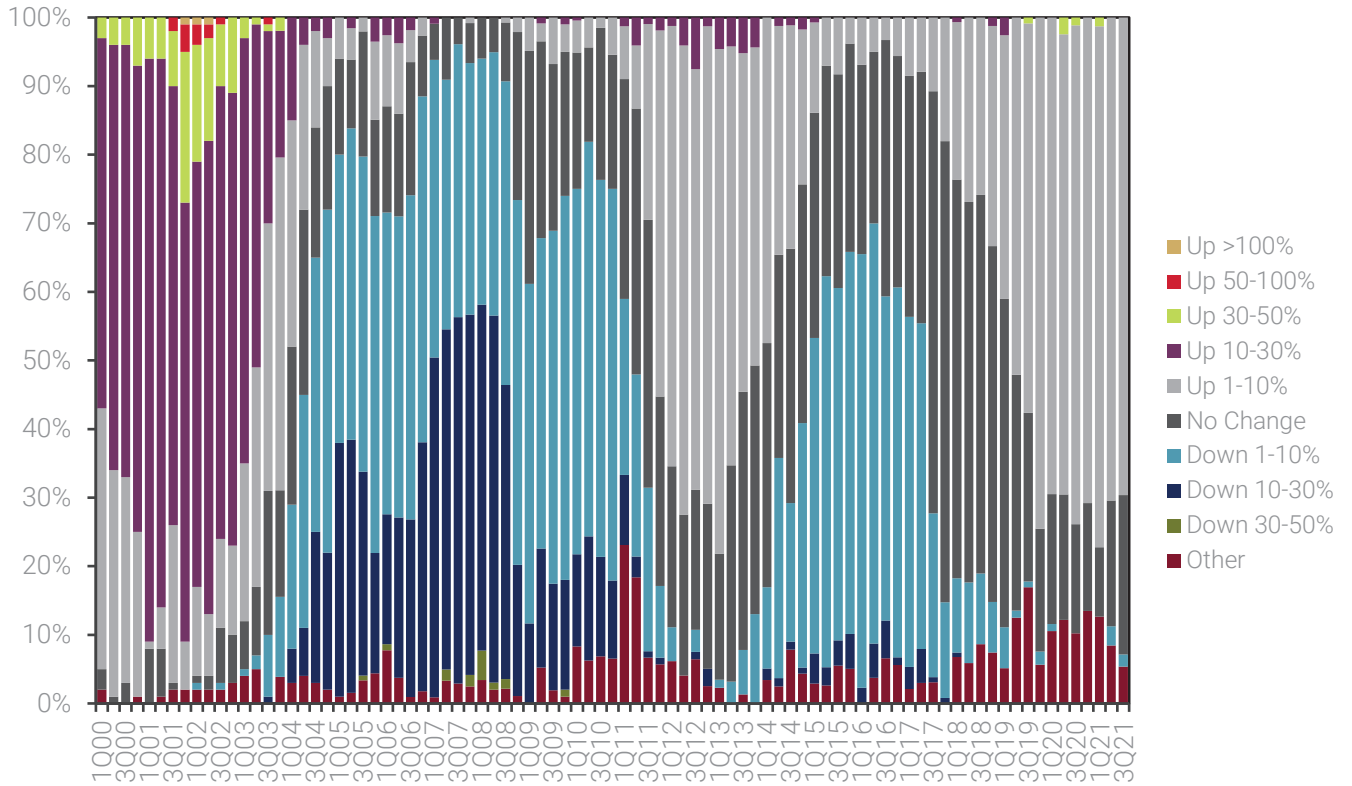
## Commercial Property Insurance Rate Changes

Percentage of Survey Respondents



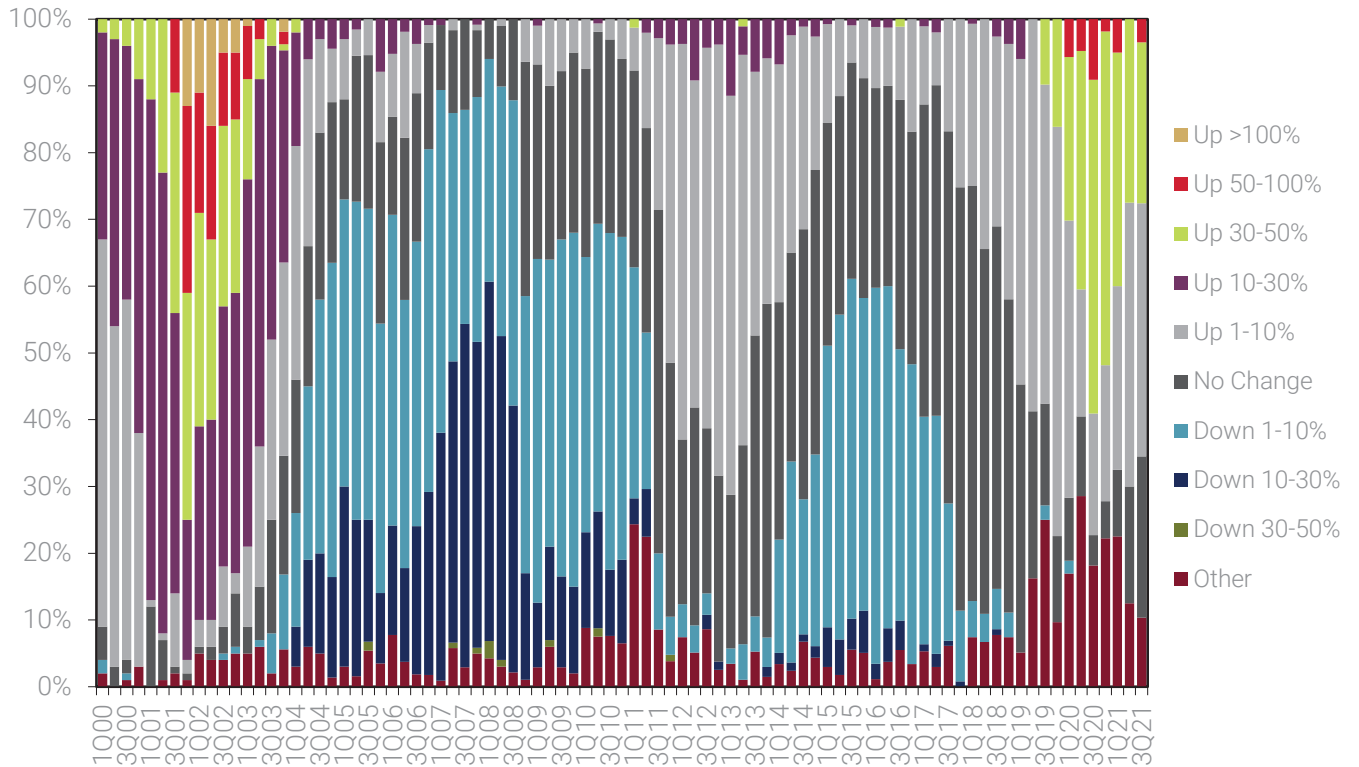
## Commercial General Liability Insurance Rate Changes

Percentage of Survey Respondents



## Umbrella Insurance Rate Changes

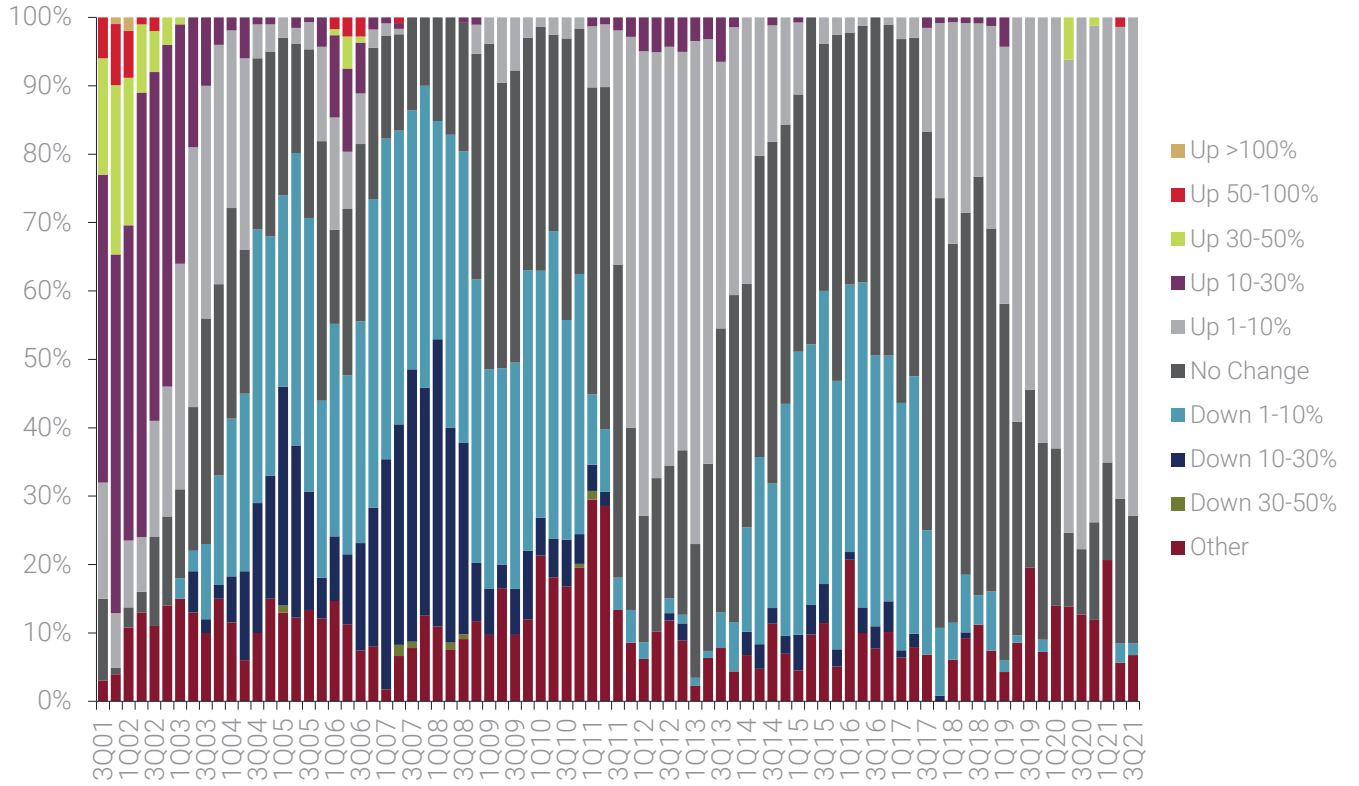
Percentage of Survey Respondents





# Business Interruption Insurance Rate Changes

Percentage of Survey Respondents



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

1. During the third quarter of 2021 (July 1 – September 30), on average, did premiums go up or down for each of the following account sizes, compared to the second quarter of 2021 (April 1 – June 30)? (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
<b>Small Account (Less than \$25k in commission and fees)</b>	0.00%	0.00%	0.00%	2.82%	15.49%	63.38%	11.27%	4.23%	1.41%	0.00%	1.41%
<b>Medium Account (Between \$25k to \$100k in commission and fees)</b>	0.00%	0.00%	0.00%	1.37%	2.74%	53.42%	34.25%	5.48%	0.00%	1.37%	1.37%
<b>Large Account (More than \$100k in commission and fees)</b>	0.00%	0.00%	1.37%	0.00%	2.74%	46.58%	31.51%	12.33%	1.37%	0.00%	4.11%

2. During the third quarter of 2021 (July 1 – September 30), on average, did premiums go up or down for each of the following lines of business, compared to the second quarter of 2021 (April 1 – June 30)? (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
<b>Business interruption</b>	0.00%	0.00%	0.00%	1.45%	15.94%	62.32%	17.39%	2.90%	0.00%	0.00%	0.00%
<b>Broker E&amp;O</b>	0.00%	0.00%	0.00%	0.00%	33.85%	40.00%	3.08%	6.15%	1.54%	0.00%	15.38%
<b>Commercial auto</b>	0.00%	0.00%	0.00%	2.86%	7.14%	62.86%	22.86%	2.86%	1.43%	0.00%	0.00%
<b>Commercial property</b>	0.00%	0.00%	0.00%	1.47%	7.35%	41.18%	39.71%	5.88%	4.41%	0.00%	0.00%
<b>Construction risks</b>	0.00%	0.00%	0.00%	1.52%	19.70%	51.52%	19.70%	6.06%	0.00%	0.00%	1.52%
<b>Cyber</b>	0.00%	0.00%	0.00%	0.00%	0.00%	8.70%	21.74%	34.78%	24.64%	10.14%	0.00%
<b>D&amp;O</b>	0.00%	0.00%	0.00%	0.00%	7.35%	27.94%	36.76%	19.12%	7.35%	0.00%	1.47%
<b>Flood</b>	0.00%	0.00%	0.00%	0.00%	35.39%	25.00%	20.59%	11.76%	0.00%	0.00%	7.35%
<b>Employment practices</b>	0.00%	0.00%	0.00%	0.00%	14.71%	47.06%	16.18%	13.24%	7.35%	0.00%	1.47%
<b>General liability</b>	0.00%	0.00%	1.43%	1.43%	18.57%	57.14%	14.29%	7.14%	0.00%	0.00%	0.00%
<b>Marine</b>	0.00%	0.00%	0.00%	2.90%	30.43%	42.03%	13.04%	4.35%	1.45%	0.00%	5.80%
<b>Medical malpractice</b>	0.00%	0.00%	0.00%	0.00%	38.46%	21.54%	15.38%	4.62%	3.08%	0.00%	16.92%
<b>Surety bonds</b>	0.00%	0.00%	0.00%	0.00%	65.15%	10.61%	7.58%	1.52%	0.00%	0.00%	15.15%
<b>Terrorism</b>	0.00%	0.00%	0.00%	1.52%	69.70%	16.67%	3.03%	1.52%	0.00%	0.00%	7.58%
<b>Umbrella</b>	0.00%	0.00%	0.00%	0.00%	10.00%	15.71%	38.57%	24.29%	10.00%	1.43%	0.00%
<b>Workers' compensation</b>	0.00%	0.00%	1.41%	38.03%	42.25%	11.27%	5.63%	1.41%	0.00%	0.00%	0.00%

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

1. During the third quarter of 2021 (July 1 – September 30), on average, did premiums go up or down for each of the following account sizes, compared to the second quarter of 2021 (April 1 – June 30)? (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
<b>Small Account (Less than \$25k in commission and fees)</b>	0.00%	0.00%	0.00%	6.25%	18.75%	50.00%	18.75%	6.25%	0.00%	0.00%	0.00%
<b>Medium Account (Between \$25k to \$100k in commission and fees)</b>	0.00%	0.00%	0.00%	0.00%	12.50%	56.25%	25.00%	6.25%	0.00%	0.00%	0.00%
<b>Large Account (More than \$100k in commission and fees)</b>	0.00%	0.00%	0.00%	0.00%	12.50%	43.75%	25.00%	6.25%	0.00%	0.00%	12.50%

2. During the third quarter of 2021 (July 1 – September 30), on average, did premiums go up or down for each of the following lines of business, compared to the second quarter of 2021 (April 1 – June 30)? (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
<b>Business interruption</b>	0.00%	0.00%	0.00%	6.25%	18.75%	62.50%	12.50%	0.00%	0.00%	0.00%	0.00%
<b>Broker E&amp;O</b>	0.00%	0.00%	0.00%	0.00%	40.00%	26.67%	6.67%	0.00%	6.67%	0.00%	20.00%
<b>Commercial auto</b>	0.00%	0.00%	0.00%	6.25%	12.50%	56.25%	18.75%	6.25%	0.00%	0.00%	0.00%
<b>Commercial property</b>	0.00%	0.00%	0.00%	6.67%	20.00%	40.00%	33.33%	0.00%	0.00%	0.00%	0.00%
<b>Construction risks</b>	0.00%	0.00%	0.00%	0.00%	31.25%	37.50%	18.75%	6.25%	0.00%	0.00%	6.25%
<b>Cyber</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	31.25%	43.75%	25.00%	0.00%	0.00%
<b>D&amp;O</b>	0.00%	0.00%	0.00%	0.00%	12.50%	18.75%	37.50%	31.25%	0.00%	0.00%	0.00%
<b>Flood</b>	0.00%	0.00%	0.00%	0.00%	37.50%	12.50%	25.00%	12.50%	0.00%	0.00%	12.50%
<b>Employment practices</b>	0.00%	0.00%	0.00%	0.00%	13.33%	26.67%	33.33%	26.67%	0.00%	0.00%	0.00%
<b>General liability</b>	0.00%	0.00%	6.25%	6.25%	12.50%	50.00%	18.75%	6.25%	0.00%	0.00%	0.00%
<b>Marine</b>	0.00%	0.00%	0.00%	0.00%	25.00%	37.50%	25.00%	0.00%	0.00%	0.00%	12.50%
<b>Medical malpractice</b>	0.00%	0.00%	0.00%	0.00%	40.00%	13.33%	20.00%	6.67%	0.00%	0.00%	20.00%
<b>Surety bonds</b>	0.00%	0.00%	0.00%	0.00%	62.50%	0.00%	12.50%	0.00%	0.00%	0.00%	25.00%
<b>Terrorism</b>	0.00%	0.00%	0.00%	0.00%	81.25%	0.00%	6.25%	0.00%	0.00%	0.00%	12.50%
<b>Umbrella</b>	0.00%	0.00%	0.00%	0.00%	18.75%	18.75%	0.00%	43.75%	18.75%	0.00%	0.00%
<b>Workers' compensation</b>	0.00%	0.00%	0.00%	56.25%	18.75%	18.75%	6.25%	0.00%	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 third quarter of 2021 (April 1 – June 30), on average, did premiums go up or down for each of the following account sizes, compared to the second quarter of 2021 (January 1 – March 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
<b>Small Account (Less than \$25k in commission and fees)</b>	0.00%	0.00%	0.00%	0.00%	28.57%	64.29%	7.14%	0.00%	0.00%	0.00%	0.00%
<b>Medium Account (Between \$25k to \$100k in commission and fees)</b>	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%	50.00%	0.00%	0.00%	0.00%	0.00%
<b>Large Account (More than \$100k in commission and fees)</b>	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%	35.71%	14.29%	0.00%	0.00%	0.00%

2. During the third quarter of 2021 (April 1 – June 30), on average, did premiums go up or down for each of the following lines of business, compared to the second quarter of 2021 (January 1 – March 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
<b>Business interruption</b>	0.00%	0.00%	0.00%	0.00%	35.71%	35.71%	28.57%	0.00%	0.00%	0.00%	0.00%
<b>Broker E&amp;O</b>	0.00%	0.00%	0.00%	0.00%	42.86%	42.86%	0.00%	14.29%	0.00%	0.00%	0.00%
<b>Commercial auto</b>	0.00%	0.00%	0.00%	0.00%	14.29%	64.29%	21.43%	0.00%	0.00%	0.00%	0.00%
<b>Commercial property</b>	0.00%	0.00%	0.00%	0.00%	14.29%	28.57%	42.86%	0.00%	14.29%	0.00%	0.00%
<b>Construction risks</b>	0.00%	0.00%	0.00%	0.00%	28.57%	42.86%	21.43%	7.14%	0.00%	0.00%	0.00%
<b>Cyber</b>	0.00%	0.00%	0.00%	0.00%	0.00%	21.43%	21.43%	28.57%	21.43%	7.14%	0.00%
<b>D&amp;O</b>	0.00%	0.00%	0.00%	0.00%	21.43%	21.43%	21.43%	21.43%	14.29%	0.00%	0.00%
<b>Flood</b>	0.00%	0.00%	0.00%	0.00%	42.86%	21.43%	28.57%	7.14%	0.00%	0.00%	0.00%
<b>Employment practices</b>	0.00%	0.00%	0.00%	0.00%	14.29%	57.14%	14.29%	7.14%	7.14%	0.00%	0.00%
<b>General liability</b>	0.00%	0.00%	0.00%	0.00%	35.71%	50.00%	7.14%	7.14%	0.00%	0.00%	0.00%
<b>Marine</b>	0.00%	0.00%	0.00%	7.14%	42.86%	50.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Medical malpractice</b>	0.00%	0.00%	0.00%	0.00%	42.86%	28.57%	14.29%	7.14%	0.00%	0.00%	7.14%
<b>Surety bonds</b>	0.00%	0.00%	0.00%	0.00%	71.43%	21.43%	0.00%	0.00%	0.00%	0.00%	7.14%
<b>Terrorism</b>	0.00%	0.00%	0.00%	0.00%	69.23%	23.08%	0.00%	0.00%	0.00%	0.00%	7.69%
<b>Umbrella</b>	0.00%	0.00%	0.00%	0.00%	7.14%	21.43%	42.86%	7.14%	14.29%	7.14%	0.00%
<b>Workers' compensation</b>	0.00%	0.00%	0.00%	42.86%	50.00%	7.14%	0.00%	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 third quarter of 2021 (July 1 – September 30), on average, did premiums go up or down for each of the following account sizes, compared to the second quarter of 2021 (April 1 – June 30)? (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
<b>Small Account (Less than \$25k in commission and fees)</b>	0.00%	0.00%	0.00%	0.00%	0.00%	61.54%	23.08%	15.38%	0.00%	0.00%	0.00%
<b>Medium Account (Between \$25k to \$100k in commission and fees)</b>	0.00%	0.00%	0.00%	0.00%	0.00%	40.00%	46.67%	13.33%	0.00%	0.00%	0.00%
<b>Large Account (More than \$100k in commission and fees)</b>	0.00%	0.00%	0.00%	0.00%	0.00%	33.33%	46.67%	20.00%	0.00%	0.00%	0.00%

2. During the third quarter of 2021 (July 1 – September 30), on average, did premiums go up or down for each of the following lines of business, compared to the second quarter of 2021 (April 1 – June 30)? (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
<b>Business interruption</b>	0.00%	0.00%	0.00%	0.00%	7.14%	57.14%	28.57%	7.14%	0.00%	0.00%	0.00%
<b>Broker E&amp;O</b>	0.00%	0.00%	0.00%	0.00%	25.00%	33.33%	0.00%	16.67%	0.00%	0.00%	25.00%
<b>Commercial auto</b>	0.00%	0.00%	0.00%	7.14%	7.14%	42.86%	35.71%	0.00%	7.14%	0.00%	0.00%
<b>Commercial property</b>	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%	35.71%	7.14%	7.14%	0.00%	0.00%
<b>Construction risks</b>	0.00%	0.00%	0.00%	0.00%	16.67%	50.00%	25.00%	8.33%	0.00%	0.00%	0.00%
<b>Cyber</b>	0.00%	0.00%	0.00%	0.00%	0.00%	14.29%	21.43%	28.57%	35.71%	0.00%	0.00%
<b>D&amp;O</b>	0.00%	0.00%	0.00%	0.00%	0.00%	21.43%	50.00%	14.29%	14.29%	0.00%	0.00%
<b>Flood</b>	0.00%	0.00%	0.00%	0.00%	23.08%	23.08%	38.46%	7.69%	0.00%	0.00%	7.69%
<b>Employment practices</b>	0.00%	0.00%	0.00%	0.00%	7.14%	50.00%	14.29%	7.14%	21.43%	0.00%	0.00%
<b>General liability</b>	0.00%	0.00%	0.00%	0.00%	14.29%	42.86%	35.71%	7.14%	0.00%	0.00%	0.00%
<b>Marine</b>	0.00%	0.00%	0.00%	0.00%	35.71%	28.57%	21.43%	7.14%	0.00%	0.00%	7.14%
<b>Medical malpractice</b>	0.00%	0.00%	0.00%	0.00%	33.33%	16.67%	8.33%	8.33%	8.33%	0.00%	25.00%
<b>Surety bonds</b>	0.00%	0.00%	0.00%	0.00%	58.33%	8.33%	16.67%	8.33%	0.00%	0.00%	8.33%
<b>Terrorism</b>	0.00%	0.00%	0.00%	0.00%	53.85%	23.08%	7.69%	7.69%	0.00%	0.00%	7.69%
<b>Umbrella</b>	0.00%	0.00%	0.00%	0.00%	7.14%	7.14%	50.00%	28.57%	7.14%	0.00%	0.00%
<b>Workers' compensation</b>	0.00%	0.00%	7.14%	21.43%	50.00%	0.00%	14.29%	7.14%	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 third quarter of 2021 (July 1 – September 30), on average, did premiums go up or down for each of the following account sizes, compared to the second quarter of 2021 (April 1 – June 30)? (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
<b>Small Account (Less than \$25k in commission and fees)</b>	0.00%	0.00%	0.00%	4.35%	13.04%	73.91%	4.35%	0.00%	0.00%	0.00%	4.35%
<b>Medium Account (Between \$25k to \$100k in commission and fees)</b>	0.00%	0.00%	0.00%	4.35%	0.00%	65.22%	26.09%	0.00%	0.00%	0.00%	4.35%
<b>Large Account (More than \$100k in commission and fees)</b>	0.00%	0.00%	4.35%	0.00%	0.00%	56.52%	30.43%	4.35%	0.00%	0.00%	4.35%

2. During the third quarter of 2021 (July 1 – September 30), on average, did premiums go up or down for each of the following lines of business, compared to the second quarter of 2021 (April 1 – June 30)? (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
<b>Business interruption</b>	0.00%	0.00%	0.00%	0.00%	5.00%	90.00%	5.00%	0.00%	0.00%	0.00%	0.00%
<b>Broker E&amp;O</b>	0.00%	0.00%	0.00%	0.00%	30.00%	50.00%	5.00%	0.00%	0.00%	0.00%	15.00%
<b>Commercial auto</b>	0.00%	0.00%	0.00%	0.00%	0.00%	85.71%	14.29%	0.00%	0.00%	0.00%	0.00%
<b>Commercial property</b>	0.00%	0.00%	0.00%	0.00%	0.00%	45.00%	50.00%	5.00%	0.00%	0.00%	0.00%
<b>Construction risks</b>	0.00%	0.00%	0.00%	5.00%	10.00%	70.00%	10.00%	5.00%	0.00%	0.00%	0.00%
<b>Cyber</b>	0.00%	0.00%	0.00%	0.00%	0.00%	5.00%	15.00%	40.00%	20.00%	20.00%	0.00%
<b>D&amp;O</b>	0.00%	0.00%	0.00%	0.00%	0.00%	47.37%	42.11%	10.53%	0.00%	0.00%	0.00%
<b>Flood</b>	0.00%	0.00%	0.00%	0.00%	40.00%	35.00%	5.00%	20.00%	0.00%	0.00%	0.00%
<b>Employment practices</b>	0.00%	0.00%	0.00%	0.00%	20.00%	65.00%	10.00%	5.00%	0.00%	0.00%	0.00%
<b>General liability</b>	0.00%	0.00%	0.00%	0.00%	14.29%	80.95%	4.76%	0.00%	0.00%	0.00%	0.00%
<b>Marine</b>	0.00%	0.00%	0.00%	5.00%	25.00%	55.00%	10.00%	0.00%	5.00%	0.00%	20.00%
<b>Medical malpractice</b>	0.00%	0.00%	0.00%	0.00%	40.00%	25.00%	20.00%	0.00%	5.00%	0.00%	10.00%
<b>Surety bonds</b>	0.00%	0.00%	0.00%	0.00%	75.00%	5.00%	5.00%	0.00%	0.00%	0.00%	15.00%
<b>Terrorism</b>	0.00%	0.00%	0.00%	5.00%	80.00%	15.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Umbrella</b>	0.00%	0.00%	0.00%	0.00%	9.52%	14.29%	57.14%	19.05%	0.00%	0.00%	0.00%
<b>Workers' compensation</b>	0.00%	0.00%	0.00%	40.91%	45.45%	13.64%	0.00%	0.00%	0.00%	0.00%	0.00%

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

1. During the third quarter of 2021 (July 1 – September 30), on average, did premiums go up or down for each of the following account sizes, compared to the second quarter of 2021 (April 1 – June 30)? (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
<b>Small Account (Less than \$25k in commission and fees)</b>	0.00%	0.00%	0.00%	0.00%	20.00%	60.00%	0.00%	0.00%	20.00%	0.00%	0.00%
<b>Medium Account (Between \$25k to \$100k in commission and fees)</b>	0.00%	0.00%	0.00%	0.00%	0.00%	40.00%	20.00%	20.00%	0.00%	20.00%	0.00%
<b>Large Account (More than \$100k in commission and fees)</b>	0.00%	0.00%	0.00%	0.00%	0.00%	40.00%	0.00%	40.00%	20.00%	0.00%	0.00%

2. During the third quarter of 2021 (July 1 – September 30), on average, did premiums go up or down for each of the following lines of business, compared to the second quarter of 2021 (April 1 – June 30)? (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
<b>Business interruption</b>	0.00%	0.00%	0.00%	0.00%	20.00%	40.00%	20.00%	20.00%	0.00%	0.00%	0.00%
<b>Broker E&amp;O</b>	0.00%	0.00%	0.00%	0.00%	25.00%	50.00%	0.00%	0.00%	0.00%	0.00%	25.00%
<b>Commercial auto</b>	0.00%	0.00%	0.00%	0.00%	0.00%	40.00%	40.00%	20.00%	0.00%	0.00%	0.00%
<b>Commercial property</b>	0.00%	0.00%	0.00%	0.00%	0.00%	40.00%	20.00%	40.00%	0.00%	0.00%	0.00%
<b>Construction risks</b>	0.00%	0.00%	0.00%	0.00%	50.00%	50.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Cyber</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	20.00%	20.00%	20.00%	40.00%	0.00%
<b>D&amp;O</b>	0.00%	0.00%	0.00%	0.00%	0.00%	20.00	20.00%	20.00%	20.00%	0.00%	20.00%
<b>Flood</b>	0.00%	0.00%	0.00%	0.00%	20.00%	40.00%	0.00%	0.00%	0.00%	0.00%	40.00%
<b>Employment practices</b>	0.00%	0.00%	0.00%	0.00%	20.00%	0.00%	0.00%	40.00%	20.00%	0.00%	20.00%
<b>General liability</b>	0.00%	0.00%	0.00%	0.00%	20.00%	40.00%	0.00%	40.00%	0.00%	0.00%	0.00%
<b>Marine</b>	0.00%	0.00%	0.00%	0.00%	20.00%	20.00%	0.00%	40.00%	0.00%	0.00%	20.00%
<b>Medical malpractice</b>	0.00%	0.00%	0.00%	0.00%	25.00%	25.00%	0.00%	0.00%	0.00%	0.00%	50.00%
<b>Surety bonds</b>	0.00%	0.00%	0.00%	0.00%	25.00%	50.00%	0.00%	0.00%	0.00%	0.00%	25.00%
<b>Terrorism</b>	0.00%	0.00%	0.00%	0.00%	25.00%	50.00%	0.00%	0.00%	0.00%	0.00%	25.00%
<b>Umbrella</b>	0.00%	0.00%	0.00%	0.00%	20.00%	40.00%	20.00%	20.00%	0.00%	0.00%	0.00%
<b>Workers' compensation</b>	0.00%	0.00%	0.00%	0.00%	60.00%	20.00%	20.00%	0.00%	0.00%	0.00%	0.00%

## AVERAGE COMMERCIAL PRICING INCREASES

	By Account Size SMALL	MEDIUM	LARGE	AVERAGE
Third Quarter 2021	6.2%	10.1%	10.4%	8.9%
Second Quarter 2021	6.2%	9.4%	9.3%	8.3%
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%
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 SECOND QUARTER 2021 RATE CHANGES RANGED FROM 0.3% TO +17.4%**

	COMM'L AUTO	WORKERS' COMP	COMM'L PROPERTY	GEN'L LIABILITY	UMBRELLA	AVERAGE
Third Quarter 2021	7.4%	-0.3%	10.3%	6.3%	16.9%	8.1%
Second Quarter 2021	6.8%	0.3%	9.9%	6.0%	17.4%	8.1%
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%
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

	3Q21	High	Low
Broker E&O	4.2%	15.4%	-4.5%
Business Interruption	5.9%	28.8%	-10.2%
Construction	6.3%	38.7%	-10.7%
Cyber	27.6%	27.6%	-1.5%
D&O Liability	13.6%	32.4%	-8.7%
Employment Practices	10.3%	21.9%	-8.1%
Flood	6.8%	8.6%	-2.7%
Marine	5.3%	5.3%	-10.6%
Medical Malpractice	5.0%	32.5%	-4.1%
Surety Bonds	1.9%	11.2%	-2.3%
Terrorism	1.5%	10.4%	-3.6%

**Source:**

The Council of Insurance Agents & Brokers

