

2016 Company Performance **SURVEY**

The PIA Company Performance Survey is the largest and most consistently conducted survey of agent-company relations in the industry. The survey began in 2002 in Connecticut and expanded as PIA affiliates in New Hampshire, New Jersey and New York adopted it. The last affiliate (New Hampshire) adopted it in 2007.

More than 700 agents participated in the survey this year, rating 74 companies (about half were rated by agents in more than one state). This resulted in 2,477 individual comments. However, many comments discussed several issues to totaled 3,238 categorized comments. Fifty-four percent of all the comments were categorized as a company's strength. The two most common categories men-

tioned were products (18 percent) and pricing (17 percent).

The majority of respondents identified themselves as an agency principle (39 percent). This differs from the survey conducted in 2014 when the majority of respondents identified themselves as customer services representatives (22 percent).

JIM PITTZ, CIC, CPIA
PIA's business issues director

Agents have spoken

The results of the 2016 PIA Company Performance Survey

The PIA Company Performance Survey once again indicated that carriers' underwriting is their main strength. This year, the performance item that received the highest average score among all companies in the states in which the survey was conducted was "underwriter has knowledge and experience" with an average score of 8.1 (out of a possible 10). This is the fifth consecutive time it has been the highest-scoring performance item on the survey. "Highly accurate, few errors" (regarding service and processing) and "consistent underwriting" tied for the second spot at 8.0. These results are similar to the last Company Performance Survey conducted in 2014.

Overall results

In each of the four states where agents participated in this year’s survey (Connecticut, New Hampshire, New Jersey and New York), “underwriter knowledge, experience” and “highly accurate, few errors” are among the top-three ranking performance items in each state; “consistent underwriting” ranked in the top three items in every state except for New Hampshire.

Connecticut

- #1 “Underwriter knowledge, experience” (8.0) tied with “Highly accurate, few errors”
- #2 “Pays claims promptly” (7.9)
- #3 “Consistent underwriting” (7.8)

New Hampshire

- #1 “Underwriter knowledge, experience” (7.9)
- #2 “Highly accurate, few errors” (7.7)
- #3 “Clear, honest communication” (7.4) tied with “Dedicated to agency system,” “Adjusts claims fairly,” “Pays claims promptly,” “Easy, intuitive technology,” and “Stable market”

New Jersey

- #1 “Underwriter knowledge, experience” (8.1)
- #2 “Pays claims promptly” (8.0) tied with “Highly accurate, few errors”
- #3 “Consistent underwriting” (7.9)

New York

- #1 “Underwriter knowledge, experience” (8.3)
- #2 “Highly accurate, few errors” (8.1) tied with “Consistent underwriting”
- #3 “Pays claims promptly” (8.0) tied with “Stable market”

As part of the survey, agents were asked to highlight a company’s

Top 10 performers

... in New York

Company (No. of ratings) Avg. score

Otsego Mutual Fire Insurance Co. (35) 175.2

Wayne Cooperative Insurance Co. (48) 168.7

Great American (34) 168.6

Andover Cos. (26) 168.3

New York Central Mutual (93) 167.5

Travelers personal (135) 167.0

Sterling (68) 164.0

Chubb commercial (23) 162.9

Central Insurance Cos. (12) 162.4

Selective (25) 162.0

strength and areas where a company needs to make improvements. This resulted in 2,477 individual comments. Those comments were categorized into 18 categories. However, many comments discussed several issues to total 3,238 categorized comments. Fifty-four percent of all the comments were categorized as a company’s strength. The two most common categories mentioned were

Ratings are the total of a company’s average scores for all 20 performance items. Ten points are possible for each of the 20 items (200 points total). Note: Some of the companies and their scores on the original survey have been omitted due to lack of ratings.

Italic type indicates a regional or super-regional carrier. † indicates a tie.

... on Benchmark Survey priorities

1 Adjusts claims fairly Central Insurance Cos. • Chubb commercial†

2 Pays claims promptly Chubb commercial • Chubb personal • Otsego Mutual Fire Insurance Co.†

3 Resolves issues quickly Wayne Cooperative Insurance Co.

4 Clear, honest communication Wayne Cooperative Insurance Co.

5 Underwriter knowledge, experience Otsego Mutual Fire Insurance Co. • Wayne Cooperative Insurance Co.†

6 Listens, responds to agents Wayne Cooperative Insurance Co.

7 Consistent underwriting Otsego Mutual Fire Insurance Co.

8 Easy, intuitive technology Progressive

9 Stable market Otsego Mutual Fire Insurance Co.

10 Flexible when warranted Wayne Cooperative Insurance Co.

products (18 percent) and pricing (17 percent).

Agent comments about underwriting include: “[strength] The knowledge of each underwriter” and “[strength] Underwriting contacts and understanding of their markets” and “[strength] Their willingness to think outside the box and to underwrite according to the exposure.” Underwriters have the most interac-

tion with agents, so it would be in the carriers’ best interest to ensure that this group perform optimally.

Additionally, all states except New Hampshire rated “pays claims promptly,” with an average score of 7.8 in their top-three rankings.

Overall scores for the survey are on the rise. The average four-state score, per answer for this year’s survey increased to 7.4 (compared to 7.2 in 2014). This halts a trend of decreasing scores that started in 2010. This indicates that professional, independent insurance agents feel better about the overall performance from their carriers compared to two years ago.

Claims

The Company Performance Survey asked agents about several areas of their relationships with their carriers, including: products and pricing; treatment of agents; marketing; claims; technology; service and processing; and underwriting.

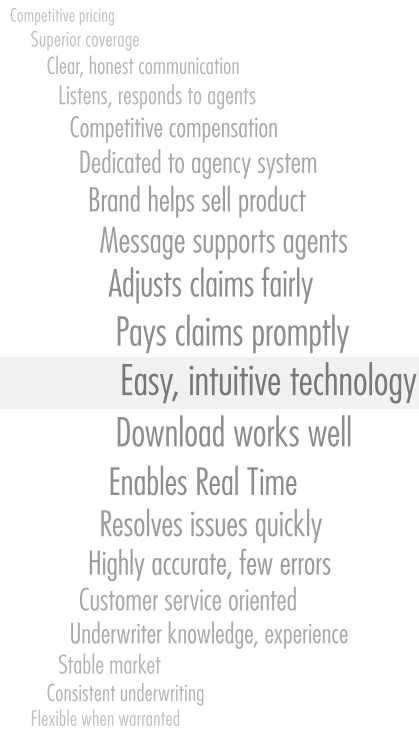
Of these categories, agents were most pleased with how carriers handle claims, with an average score of 7.8 in all four states. The 2015 PIA Benchmark Survey identified the Company Performance Survey performance items that are most important to members. The Benchmark Survey found that “adjusts claims fairly” and “pays claims promptly” ranked first and second, respectively in order of importance to agents. Agents also valued “claims handling” on last year’s Benchmark Survey. The Company Performance Survey seems to indicate that carriers continue to do well in these categories, which are areas of greatest concern to agents.

Some agents’ comments that drove that point have included: “[strength] Claims are handled professionally and quickly” and “[strength] Claims department is second to none” and “[strength] Excellent claims handling recommendations from independent adjusters.”

The other categories ranked (four-state average) as follows: service and processing and underwriting (tied at 7.7); treatment of agents (7.3); products and pricing (7.2); marketing (7.0); and technology (6.9).

Technology

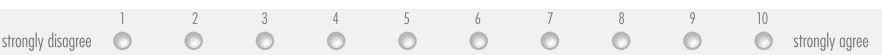
Carrier technology seems to be an issue for many agents as indicated by this year’s Company Performance Survey. The category average for technology by state was Connecticut (7.1); New Hampshire (7.1); New York (7.0); and New Jersey (6.7). Technology was the lowest-rated category across the states, except for New Hampshire (marketing, 6.8). Under the technology category, many agents filled out the “Improve” comment with one word: “Technology.” From the findings of the survey, it would appear that carriers are not embracing the newest technologies (evidenced by comments like: “Their technology is totally outdated and useless” and “Their technology needs massive improve-



Structure of the survey

PIA asked agents to what extent the various characterizations described their carriers, using a scale of 1 to 10. One means “strongly disagree” and 10 means “strongly agree.”

Question categories included: products and pricing, treatment of agents, marketing, claims, technology, service and processing as well as underwriting.



Those surveyed also indicated their positions within the agency: owner/principal, sales staff, service staff, underwriting staff or information technology staff.

ment”). Moreover, for the companies that have made updates, agents question their capability or ease of use (“Technology. Their new system is horrible to use” and “The website/technology are not exactly user friendly”).

Carrier classification

Regional carriers continue to make their presence known on the top-10 carrier lists in each state, which has been the case since the surveys first were launched. At least five carriers are identified as regional or super-regional carriers on the top-10 carrier lists for each state in Connecticut (5); in New Hampshire (9); in New Jersey (7); and New York (7). Every state (except Connecticut) had a regional carrier at the top spot on the surveys.

As mentioned earlier, carriers across all classifications (regional, super regional and national) all scored well in the “underwriter has knowledge and experience” and “highly accurate, few errors” performance items, this reiterates the earlier assertion that carriers do well when they focus on underwriting. While many agents lamented their carriers’ technology, national carriers score at the top in the technology categories. Progressive ranked in the top five in all states for “easy, intuitive function” and it took the top spot in Connecticut (8.8) and New York (8.6). Regional MMG Insurance took first place in New Hampshire (8.7) and national carrier Travelers NJ personal took the first spot in that state (8.7).

Top five by performance item (N.Y.)

	Competitive pricing	Superior coverage	Clear, honest communication	Listens, responds to agents	Competitive compensation
1	Wayne Cooperative Insurance Co. 8.7	Chubb commercial 9.4	Wayne Cooperative Insurance Co. 9.2	Wayne Cooperative Insurance Co. 9.3	Otsego Mutual Fire Insurance Co. 9.2
2	Otsego Mutual Fire Insurance Co. 8.6	AIG private client 9.3	Great American 9.0	Otsego Mutual Fire Insurance Co. 8.9	Andover Cos. 8.9
3	Narragansett Bay Insurance Co. 8.2	ACE private clients • Chubb commercial • Travelers personal 8.8†	Otsego Mutual Fire Insurance Co. 8.8	Great American 8.8	Great American 8.6
4	Associated Mutual • Kingstone Insurance Co. 8.0†		Andover Cos. 8.7	Central Insurance Cos. 8.6	New York Central Mutual 8.4
5			Dryden Mutual • New York Central Mutual 8.6†	Security Mutual • Sterling 8.5†	Kingstone Insurance Co. • Security Mutual 8.3†
	Dedicated to agency system	Brand helps sell product	Message supports agents	Adjusts claims fairly	Pays claims promptly
1	Andover Cos. 9.0	Chubb commercial 9.0	Andover Cos. 8.8	Central Insurance Cos. • Chubb commercial 9.2†	Chubb commercial • Chubb personal • Otsego Mutual Fire Insurance Co. 9.1†
2	New York Central Mutual • Otsego Mutual Fire Insurance Co. 8.6†	Travelers commercial • Travelers personal 8.7†	Great American • Otsego Mutual Fire Insurance Co. 8.5†	Chubb personal 9.1	Andover Cos. • Great American • Travelers personal 8.8†
3	NGM Insurance/Main Street America Group personal • Selective • Sterling 8.5†	Chubb personal 8.6	Wayne Cooperative Insurance Co. 8.4	Otsego Mutual Fire Insurance Co. 9.0	
4		AIG private client 8.5	Chubb commercial • New York Central Mutual • Selective 8.3†	Travelers personal 8.9	
5					

Ups and downs

Reversing a trend, overall carrier scores have increased for the first time since 2010. In a sign that the carriers value what the agents are saying, each state’s score was either equal to, or greater than, the score from the previous survey in 2014. This indi-

cates that agents who took the survey are noticing measured improvement with their carriers compared to past performances. In the survey this year, the average score per-question was 7.4, which increases from 7.2 since the survey was last conducted in 2014. This year, carriers received an average score of 149.6 (the highest

possible score is 200), compared to 144.9 in 2014. Additionally, the carriers that increased their overall score this year outnumbered those that didn’t increase their overall score by a 2:1 margin. Similar to 2014, the highest-scoring category was claims with an average score of 7.8 (vs. 7.7 in 2014). The

average carrier score by state was: New Jersey (7.9); New York (7.8); Connecticut (7.8); and New Hampshire (7.4). The lowest-ranking performance item was “enables Real Time,” with an average score of 6.7. The average carrier score by state was: New Jersey (6.4); Connecticut (6.7); New York

(6.8); and New Hampshire (7.1). In New Hampshire, the lowest-ranking performance item was “brand helps sell product” (6.7). In New York, “enables Real Time” tied with “competitive pricing” and “brand helps sell product.” While the majority of the performance items on this year’s survey in-

Top five by performance item (N.Y.)					1 2 3 4 5
Easy, intuitive technology	Download works well	Enables Real Time	Resolves issues quickly	Highly accurate, few errors	
Progressive 8.6	Central Insurance Co. 8.8	Progressive 8.6	Wayne Cooperative Insurance Co. 9.2	Central Insurance Cos. 9.3	
Travelers personal 8.5	Travelers personal 8.7	Travelers personal 8.5	Otsego Mutual Fire Insurance Co. 9.0	Otsego Mutual Fire Insurance Co. 9.2	
Otsego Mutual Fire Insurance Co. 8.4	Safeco personal 8.6	NGM Insurance/Main Street America Group personal 8.3	Andover Cos. • Great American • New York Central Mutual 8.6†	Wayne Cooperative Insurance Co. 9.1	
The Hartford commercial • New York Central Mutual 8.2†	ACE private risk services 8.4	Safeco personal 8.2		Andover Cos. 8.9	1 2 3 4 5
	Allstate (not Encompass) • Progressive • Travelers commercial 8.3†	Encompass • Kemper Preferred • National General Insurance • Otsego Mutual Fire Insurance Co. • Preferred Mutual Insurance 7.9†		NGM Insurance/Main Street America Group commercial • NGM Insurance/Main Street America Group personal • Travelers personal 8.8†	
Customer service oriented	Underwriter knowledge, experience	Stable market	Consistent underwriting	Flexible when warranted	
Otsego Mutual Fire Insurance Co. 9.3	Otsego Mutual Fire Insurance Co. • Wayne Cooperative Insurance Co. 9.5†	Otsego Mutual Fire Insurance Co. 9.3	Otsego Mutual Fire Insurance Co. 9.5	Wayne Cooperative Insurance Co. 9.1	
Wayne Cooperative Insurance Co. 9.1	Andover Cos. 9.2	Andover Cos. • Wayne Cooperative Insurance Co. 9.2†	Wayne Cooperative Insurance Co. 9.4	Otsego Mutual Fire Insurance Co. 8.9	
Great American 8.8	Great American • New York Central Mutual • Security Mutual 9.1†	Great American • Selective 9.1†	Andover Cos. 9.2	ACE private risk services • Security Mutual • Selective 8.5†	1 2 3 4 5
Sterling 8.7			Great American • Selective • Security Mutual 8.9†		
Andover Cos. • Chubb commercial • New York Central Mutual 8.6†					

Want more information?

PIA-member agents can get results for the carriers they represent by contacting their PIA Industry Resource Center at (800) 424-4244 or resourcecenter@pia.org.

PIA-member companies can receive a customized report on their performance by emailing jczupryna@pia.org.

PIA’s Company Performance Survey will return in 2018.

creased over their scores from 2014, one performance item “download works well” continues to decline. This year, it scored 7.1, compared to 7.2 in 2014; and 7.3 in 2012. Technology replaced marketing as the lowest-ranking category, which averaged 6.6 in 2014 (compared to 7.0 this year).

Methodology

The Company Performance Survey asks independent insurance agents to rate the companies with which they do business on 20 performance items, including: claims handling, products and pricing, underwriting, technology and marketing support

to gauge their relationship with the carriers.

In 2015, PIA asked agents to identify the Company Performance Survey performance items that are the most important items to them. These items (i.e., adjusts claims fairly; pays promptly; resolves issues quickly; clear, honest communication; un-

derwriter knowledge, experience; listens, responds to agents; consistent underwriting; easy, intuitive technology; stable market; and flexible when warranted), became the Benchmark Index by which carriers were ranked.

With the exception of Connecticut, at least half of the companies that took the top spot on each state’s

Benchmark Index performance items are categorized as regional or super regional—there are 12 companies in New Hampshire; 10 in New York; and seven in New Jersey.