

2012 Company Performance **SURVEY**

The last *Company Performance Survey* PIA conducted hinted that a change in market conditions might be upon us, but a one-year divergence was not enough for anyone to identify a trend with confidence. This year, however, signs of a hardening market are less disputable.

In 2012, as in the last survey; claims, service and underwriting (in that order) were the top-three highest scoring categories. It seems that the categories that “touch” the insured have risen in importance for agents. It’s easy to speculate that this is an indicator of a hardening market (at least in certain segments), as agents indicate being able to properly place a risk with the help of the underwriter is most important to them. Agents who complimented their carriers mentioned underwriters by name, and cited their knowledge, flexibility and overall underwriting simplicity.

With an overall average of 7.9, “underwriting knowledge” was the top scoring question in three of the states where the survey was conducted (i.e., New Hampshire, New Jersey and New York). The top question in Connecticut was “pays claims promptly,” another indicator of the importance of keeping insureds happy (so retention after a claim is not a challenge).

Agents’ comments with regard to these sections reflect the numbers, with calls for shorter applications; less focus on certain underwriting criteria, such as credit; and faster turnaround time for quotes.

(Continued on page 31.)

Top 10 performers—Connecticut

Company	Rating
Great American (21)*	170.3
Chubb personal (33)	164.7
Vermont Mutual (14)	160.2
CNA/Continental (15)	156.7
Tower personal (20)	156.2
Utica First (26)	153.2
Safeco personal (including Peerless) (50) - tie	152.4
Travelers personal (55) - tie	152.4
MiddleOak (51)	151.3
State Auto/Patrons (24)	150.8

Ratings are total of company’s average scores for all 20 performance items.

Points available for each of 20 items: 10
Total available points: 200

*Number of agents who rated the companies

Best performers on PIA *Benchmark Survey* priorities—Connecticut

These companies scored best on the 10 performance items of highest importance to agents:

- | | |
|---|---|
| 1. Adjusts claims fairly: Chubb personal | 6. Listens, responds to agents: Great American |
| 2. Pays promptly: Chubb personal | 7. Easy, intuitive technology: Great American, Progressive (tie) |
| 3. Clear, honest communication: Great American | 8. Stable market: Chubb personal, Great American (tie) |
| 4. Resolves issues quickly: Great American | 9. Consistent underwriting: Great American |
| 5. Underwriter knowledge, experience: Great American | 10. Flexible when warranted: Great American |

Product and pricing

Another category indicating a hardening market is the reduction of scores in the product and pricing category. The previous two chronological surveys saw the average score for “superior coverage” decline. This year again, the item “competitive pricing” is at the bottom of the charts, scoring a mere overall average 6.6 for the third survey in a row, ahead only of the marketing question “brand helps sell product.”

New carrier classification. PIA asked carriers to identify themselves as “regionals,” “super-regionals” or “national” carriers for the first time this year. Seven self-identified super-regional companies: MiddleOak and State Auto/Patrons in Connecticut; Concord Group and NGM Insurance/Main Street America in New Hampshire; and Selective personal, Penn National personal and Harleysville in New Jersey—scored in the top 10 for each state, making super-regionals No. 2, behind nationals, for top-10 rankings in any of the states. It will be interesting to watch in the future if, and how, this segregation continues. This base-line year saw about twice as many carriers identify themselves either as regional or national companies than super-regional companies.

Overall, regionals (including super-regionals) continue to dominate the upper scores. In fact, less than 30 percent of the top scores came from national carriers—namely, Chubb, Travelers and Progressive. It is notable that despite regional and super-regional carriers enjoying 70 percent of the top-10 scoring companies in the survey, Chubb, a national carrier, ranked first in “adjusts claims fairly,” the question that agents identified as their first priority in PIA’s 2009 *Benchmark Survey* in every state except New Hampshire, where Mt. Washington took the top rank.

Agents seem to appreciate the close relationships and support they perceived from regionals, and their satisfaction with regionals was apparent from the qualitative perspective as well. Comments about them reflected a strong comfort level and confidence: “They are consistent with their marketing strengths,” said one agent on a regional that did well in the survey; “Steady as they go, no drastic rate fluctuations.” On a similar carrier: “They’re progressive, flexible and easy to work

with”—a common sentiment among positive comments on regionals.

Higher highs and lower lows

For the first time in the survey’s 10-year history, overall scores have downgraded, albeit slightly. The average score per-question dropped from 7.5 in 2010 to 7.3 this year (Note: PIA of Connecticut, New Jersey and New York conduct the survey biannually, while PIA in New Hampshire has conducted the survey on an annual basis). This year’s results include a lower average score (7.3 compared to 7.4 in 2010), per question; and each carrier received a lower overall average total score (144 vs. 150 in 2010), where the highest score possible is 200. However, when given the opportunity to comment, agents provided more positive feedback than suggestions for improvement.

Technology

Overall, agents seem to be becoming more satisfied with their carriers’ use of technology, as scores in this category have improved. In fact, while overall scores in every other category of the survey went down this year, “enables Real Time,” was the only category that improved. Technology also is the category in which agents were most specific with their criticisms, an indicator to us that while all companies and agencies are becoming more comfortable with rating technology, standards are still an issue in the industry, as illustrated by comments like: “Technology; too many platforms and not user-friendly;” and “Terrible automation system; need to spend money (on it).”

Judging from comments, agents are now comfortable using company websites to communicate with their carriers, as indicated by comments like “Excellent website;” and “Making changes and navigating around the website is easy.” But, when companies have let their websites stagnate, agents let them know, with comments such as: “Website is horribly confusing and convoluted;” “Website is antiquated.”

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 affiliate states of New Hampshire, New Jersey and New York adopted the survey as well (the youngest of the group began six years ago).

Some 849 agents participated in the survey this year, rating a total of 104 companies (84 of which were rated by agents in more than one state).

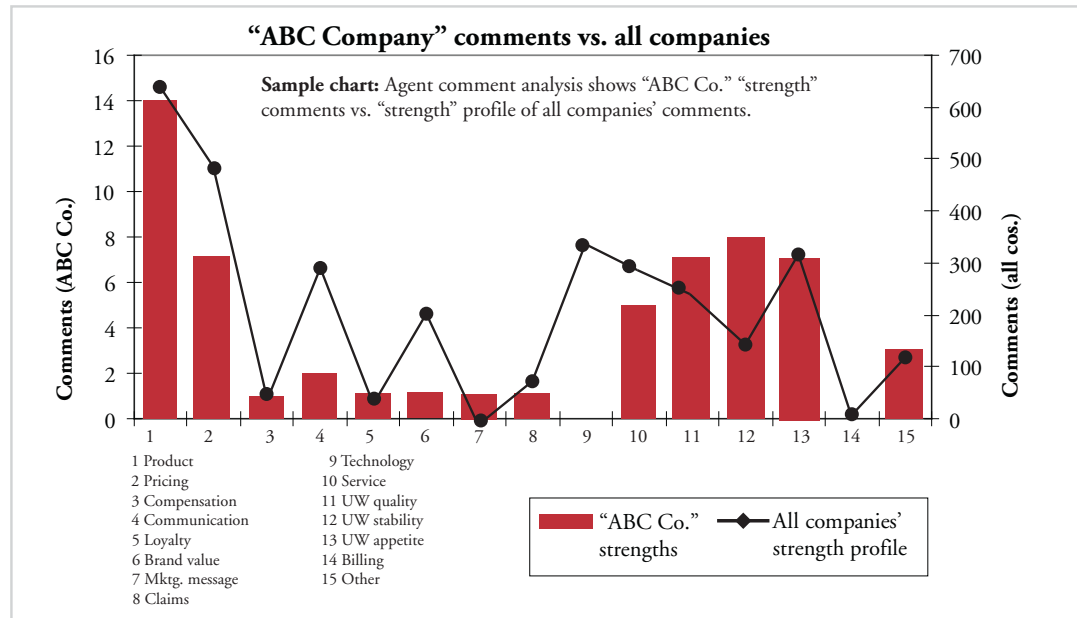
PIA member agents can get results for carriers they represent by contacting their PIA Industry Resource Center at (800) 424-4244 or by email at resourcecenter@pia.org. Individual PIA-member companies can receive a customized report on their performance by emailing jczupryna@pia.org.

Insurance is still about relationships

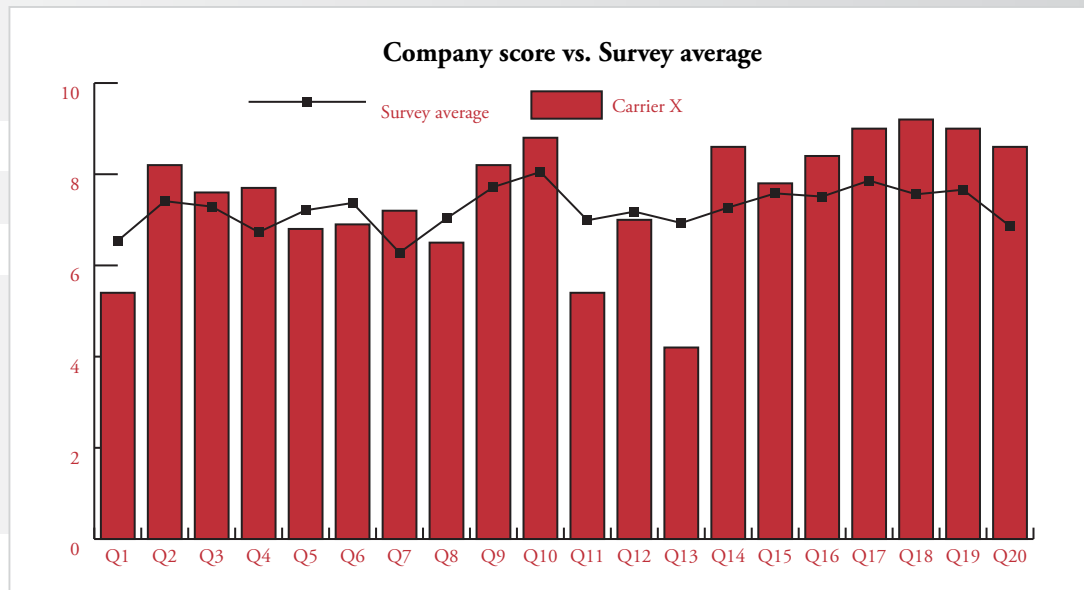
While the top- and bottom-scoring categories of claims and marketing (at 7.7 and 6.8 respectively), demonstrate what agents need from their company partners in a mutable economy, the qualitative input they present in the comments section of the survey proves one thing that is constant: Even if intuitively, agents recognize that human contact is a necessity in our industry. In underwriting, for example, top-10 carriers received comments such as: “One underwriter assigned to an agency is great!” and,

“Underwriting, dedication to their agents, great customer service,” reflect growing appreciation for flexibility and empowered underwriters, but also an appreciation for one-on-one contact.

Conversely, marketing comments included suggestions such as. “Refer clients to make policy changes through the agent, not direct,” demonstrate a concern that carriers should focus on trust and using the independent distribution system is the best way to do that.



Recognizing that participation is key to the success of the *Company Performance Survey*, PIA thanks everyone who took part in the survey, which has gained prestige with each year it has been conducted.




Biggest gaps between agent “top 10” priorities, company performance

Performance item	2012 <i>Company Performance</i> Survey average score	“Importance” rank: <i>Benchmark Survey</i> (of 35 items tested)
Flexible when warranted	6.9 (below survey average)	10
Listens, responds to agents	7.0 (below survey average)	6
Easy, intuitive technology	7.1 (below survey average)	7
Resolves issues quickly	7.3 (survey average)	4

Companies scored best on these top priority items

Performance item	2012 <i>Company Performance</i> Survey average score	“Importance” rank: <i>Benchmark Survey</i> (of 35 items tested)
Underwriter knowledge, experience	8.0	5
Pays promptly	7.8	2
Adjusts claims fairly	7.7	1
Stable market	7.6	8
Consistent underwriting	7.6	9
Clear, honest communication	7.3	3



PIA Company Performance Survey

Strongly DISAGREE Strongly AGREE

① ○ ○ ○ ○ ⑤ ○ ○ ○ ○ ⑩

For each statement, please fill-in a circle 1 to 10, where 10 means “strongly AGREE” and 1 means “strongly DISAGREE” with the statement as describing this company.

➔ I am: owner/principal sales staff service staff underwriter staff information technology staff

	Company A	Company B	Company C
	○ Commercial ○ Personal	○ Commercial ○ Personal	○ Commercial ○ Personal
Products & Pricing	Write out company name	Write out company name	Write out company name
Competitive pricing	1 ○ ○ ○ ○ 5 ○ ○ ○ ○ 10	1 ○ ○ ○ ○ 5 ○ ○ ○ ○ 10	1 ○ ○ ○ ○ 5 ○ ○ ○ ○ 10
Superior coverage	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○
Treatment of agents	1 ○ ○ ○ ○ 5 ○ ○ ○ ○ 10	1 ○ ○ ○ ○ 5 ○ ○ ○ ○ 10	1 ○ ○ ○ ○ 5 ○ ○ ○ ○ 10
Clear, honest communication	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○
Listens and responds	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○
Competitive compensation	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○
Dedicated to agency system	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○
Marketing	1 ○ ○ ○ ○ 5 ○ ○ ○ ○ 10	1 ○ ○ ○ ○ 5 ○ ○ ○ ○ 10	1 ○ ○ ○ ○ 5 ○ ○ ○ ○ 10
Brand helps sell product	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○
Message supports agents	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○
Claims	1 ○ ○ ○ ○ 5 ○ ○ ○ ○ 10	1 ○ ○ ○ ○ 5 ○ ○ ○ ○ 10	1 ○ ○ ○ ○ 5 ○ ○ ○ ○ 10
Adjusts claims fairly	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○
Pays promptly	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○
Technology	1 ○ ○ ○ ○ 5 ○ ○ ○ ○ 10	1 ○ ○ ○ ○ 5 ○ ○ ○ ○ 10	1 ○ ○ ○ ○ 5 ○ ○ ○ ○ 10
Easy, intuitive function	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○
Download works well	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○
Enables Real Time	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○
Service & Processing	1 ○ ○ ○ ○ 5 ○ ○ ○ ○ 10	1 ○ ○ ○ ○ 5 ○ ○ ○ ○ 10	1 ○ ○ ○ ○ 5 ○ ○ ○ ○ 10
Resolves issues quickly	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○
Highly accurate, few errors	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○
Customer service oriented	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○
Underwriting	1 ○ ○ ○ ○ 5 ○ ○ ○ ○ 10	1 ○ ○ ○ ○ 5 ○ ○ ○ ○ 10	1 ○ ○ ○ ○ 5 ○ ○ ○ ○ 10
Has knowledge & experience	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○
Stable market	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○
Consistent underwriting	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○
Flexible when warranted	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○

—Please provide comments on an additional page—

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Expanded survey findings, including state-specific, top-five rankings of each of the survey’s 20 performance items, and archives of prior surveys are available at www.pia.org/GIA/cps/cpsjump.php.

Competitive pricing[†]

Company	Average score
State Auto/Patrons	8.2
Great American - tie	8.0
Vermont Mutual - tie	8.0
Utica First	7.8
Safeco personal (including Peerless)	7.4

Clear, honest communication

Company	Average score
Great American	8.7
Chubb personal	8.4
Central Insurance Cos.	8.0
Utica First - tie	7.9
Vermont Mutual - tie	7.9

Superior coverage

Company	Average score
Chubb personal	9.3
Tower personal	8.3
Great American	8.2
The Hartford commercial - tie	8.1
MiddleOak - tie	8.1

Listens, responds to agents

Company	Average score
Great American	8.6
Chubb personal	7.8
Central Insurance Cos. - tie	7.6
Vermont Mutual - tie	7.6
Utica First	7.4

Competitive compensation

Company	Average score
Great American	8.8
NLC commercial	8.2
Vermont Mutual	8.1
Chubb personal	8.0
MiddleOak - tie	7.7
Utica First - tie	7.7

[†]The information in each performance item's top-five chart indicates the results of the *Company Performance Survey* in Connecticut.

Dedicated to agency system

Company	Average score
Vermont Mutual	8.7
State Auto/Patrons - tie	8.5
Utica First - tie	8.5
Chubb personal	8.4
Great American	8.3

Message supports agents

Company	Average score
Chubb personal	8.5
Tower personal	8.1
State Auto/Patrons	7.9
Great American	7.8
Central Insurance Cos.	7.7

Brand helps sell product

Company	Average score
Chubb personal	8.5
MetLife Auto & Home - tie	8.1
Travelers personal - tie	8.1
Travelers commercial	7.9
Progressive	7.7

Adjusts claims fairly

Company	Average score
Chubb personal	9.2
MiddleOak	8.6
Great American	8.4
Utica First	8.2
CNA/Continental - tie	8.1
Tower personal - tie	8.1
Travelers commercial - tie	8.1
Vermont Mutual - tie	8.1

Pays claims promptly

Company	Average score
Chubb personal	9.2
MiddleOak	8.8
Great American	8.6
Kemper Preferred - tie	8.4
Tower personal - tie	8.4
Travelers commercial - tie	8.4

Easy, intuitive technology

Company	Average score
Great American - tie	8.6
Progressive - tie	8.6
Vermont Mutual	8.5
Travelers commercial	8.3
CNA/Continental - tie	8.2
Safeco personal (including Peerless) - tie	8.2
Travelers personal - tie	8.2

Enables Real Time

Company	Average score
Kemper Preferred	8.6
Travelers personal	8.5
CNA/Continental - tie	8.1
The Hartford personal - tie	8.1
Progressive - tie	8.1

Download works well

Company	Average score
Tower personal	8.8
Safeco personal (including Peerless) - tie	8.5
Travelers personal - tie	8.5
Progressive	8.4
CNA/Continental - tie	8.2
Great American - tie	8.2

Resolves issues quickly

Company	Average score
Great American	8.8
Chubb personal	8.3
CNA/Continental	8.1
Tower personal - tie	7.9
Vermont Mutual - tie	7.9

Highly accurate, few errors

Company	Average score
Chubb personal - tie	8.7
Great American - tie	8.7
Vermont Mutual	8.6
Utica First	8.4
Progressive - tie	8.1
Safeco personal (including Peerless) - tie	8.1
Tower personal - tie	8.1

Customer service oriented

Company	Average score
Great American	8.9
Chubb personal	8.6
Progressive - tie	8.3
Vermont Mutual - tie	8.3
MiddleOak	8.1

Stable market

Company	Average score
Chubb personal - tie	9.1
Great American - tie	9.1
Vermont Mutual	9.0
Utica First	8.9
Progressive	8.5

Underwriter knowledge, experience

Company	Average score
Great American	9.2
Chubb personal	9.0
Vermont Mutual	8.9
CNA/Continental	8.8
MiddleOak - tie	8.2
Travelers commercial - tie	8.2

Consistent underwriting

Company	Average score
Great American	9.2
Chubb personal	8.8
Tower personal	8.5
Utica First - tie	8.4
Vermont Mutual - tie	8.4

Flexible when warranted

Company	Average score
Great American	8.8
CNA/Continental	8.1
Chubb personal	8.0
Vermont Mutual	7.8
Central Insurance Cos.	7.6