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***News Release***

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**FOR RELEASE:** Oct. 2, 2012

## **Agents' concerns in the *PIA Company Performance Survey* mark a hardening market**

**GLENMONT, N.Y.**—The 2012 *PIA Company Performance Survey*, conducted by the Professional Insurance Agents of Connecticut, New Hampshire, New Jersey and New York State Inc., confirms what has been widely speculated recently in the insurance industry market—claims, service and underwriting now rule the agency-carrier relationship. Mirroring the previous survey conducted in 2010 (and 2011 in New Hampshire), the surveyors say they now are comfortable calling the market “hardening,” as these categories indicate a trend towards placing new business and customer retention.

The associations in Connecticut, New Hampshire, New Jersey and New York surveyed some 849 agents across the four states this year, rating a total of 104 companies (84 of which were rated by agents in more than one state). In addition to rating their top issues, agents also commented on the companies' major strengths and improvement needs.

“It’s easy to speculate that increased concern over categories such as service and underwriting in the survey indicates a hardening market (at least in certain segments), as agents indicate being able to properly place a risk with the help of an underwriter is important to them,” said PIANY President Michael J. Skeele, CIC, CPIA. This observation is supported by the highest-rated survey response, “Underwriter has knowledge and experience.”

Adding to this certitude is the fact that agents gave their carrier partners slightly lower performance scores in nearly every area, the first time in the survey’s 10-year history. The average score per-question dropped from 7.5 in 2010 to 7.3 this year.\* This year’s results include a lower average score (7.3 compared to 7.4 in 2010), per question; and each carrier received a

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lower overall average total score (144 vs. 150 in 2010), where the highest score possible is 200.

“Generally, we have seen a trend toward closer carrier-agent partnerships, and we attribute this slight downturn to frustration in underwriting for clients, rather than an indicator of an overall downgrade in the relationships,” said PIANJ President Anthony Bavaro, CIC, CRM. “In fact, when given the opportunity to comment, agents provided more positive feedback than suggestions for improvement about their carrier partners.”

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 categories**

This year, carriers in the survey were asked to identify themselves as “regional,” “super-regional,” or national companies. This base-line year saw about twice as many carriers identify themselves either as regional or national companies than super-regional companies.

“Agents appreciate the close relationships and support they perceived from regionals, and their satisfaction with regionals was apparent from the qualitative perspective as well. Agents’ comments reflected a strong comfort level and confidence about them,” reported PIACT President Timothy Russell, CPIA.

Goals for the PIA *Company Performance Survey* include: publish industry information on agent-company trends; provide companies feedback based on their own agents’ responses; offer PIA members information on their companies’ performance; and recognize company excellence in meeting agents’ business needs.

The **PIANH Fall Education Festival, Thursday, October 4, 2012, at the Marriott Courtyard, in Concord, N.H.**, will include a report of the *Company Performance Survey* in New Hampshire and will recognize companies with awards of excellence based, in part, on their performance on the survey.

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“Companies can ask for more than just their performance scores. They can see graphically how their scores compare to other companies in the same market. They’ll also see their agents’ comments, as well as how the type of comments they receive compare to a profile for all the comments in the survey as a whole,” according to Scott Johnston, president of PIANH. “We also tell them which of our 20 performance items are most important to agents, and show how well their execution aligns with agents’ top priorities.”

In addition to the individual reports available on request to PIA member companies, PIA member agents may request information on performance of companies they represent, and the October editions of the associations’ *PIA magazine* contain state-specific results, including the top-performing companies for each of the survey’s 20 items.

The survey is the largest and most consistently conducted survey of agent-company relations in the industry. It 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).

PIACT, PIANH, PIANJ and PIANY are trade associations representing professional, independent insurance agencies, brokerages and their employees throughout the state.

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\*(Note: PIA of Connecticut, New Jersey and New York conduct the survey bi-annually, while PIA in New Hampshire has conducted the survey on an annual basis. Each of the states conducted a survey in 2012).