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News Release

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PIA Company Performance Survey: Agents value their claims experiences, underwriters

GLENMONT, N.Y.—In the 2014 PIA Company Performance Survey, conducted by the Professional Insurance Agents of Connecticut, New Hampshire, New Jersey and New York State Inc., professional, independent insurance agents say their carriers perform best in categories that reflect their claims and underwriting practices.

The PIA associations of Connecticut, New Hampshire, New Jersey and New York surveyed 800 agents across the four states this year, rating a total of 92 companies (about half of which were rated by agents in more than one state). In addition to rating their top issues, agents also provided some 4,000 comments on the companies' major strengths and improvement needs.

In all the states except New Jersey, “underwriter knowledge, experience” performance item had the top score average of 7.8 (out of a possible 10). In New Jersey, “pays claims promptly” and “highly accurate, few errors,” tied for first place with a score of 8.1.

“Many of the written comments from participating agents spoke highly of their underwriters, sometimes mentioning them by name,” said PIACT President Peter Frascarelli, CPIA. “This high regard for their underwriters indicates the significance that agents place on their role in the independent distribution system.”

Carrier categories

Since 2012, PIA has asked carriers to identify themselves as “regional,” “super-regional,” or “national” companies. More than 70 percent of the top 10 carriers for all states identified themselves as either a regional or a super-regional carrier. Regional or super-regional carriers ranked as the top scorers throughout the survey an average of 62 percent of the time, with the

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most in New York (70 percent) and the least in New Jersey (50 percent). Connecticut and New Hampshire were both 65 percent.

“These findings are similar to the results the last time we conducted the survey in 2012,” reported PIANY President Anthony A. Kubera, CIC. “Agents appreciate the support they perceived from their regional carriers and their continued presence in the survey’s top-rankings shows that there is value in these relationships.”

Regional and super-regional carriers continue to dominate the treatment of agents section, too (which includes “clear, honest communication,” “listens and responds to agents,” “competitive compensation” and “dedicated to agency system”). On average, three of the top-five companies in each category were regional or super-regional carriers in Connecticut and New Jersey; five out of five in New Hampshire; and four out of five in New York.

Ups and downs

Despite positive commentary and generally high scores in underwriting and claims, carriers’ overall scores have downgraded for the second consecutive time. The average carrier score per question dropped from 7.3 to 7.2 this year (continuing a trend from 2010 when the average score was 7.5 per question). This year, carriers received an average score of 144.9 (out of a possible 200). However, of the 3,983 overall individual comments—which resulted in 5,358 comments on specific performance items—59 percent of comments were positive.

“The fact that agents continue to speak highly of their carriers when asked about their major strengths and opportunities for improvement emphasizes the strength of agent-carrier relationships,” said PIANH President Scott Johnston. “Even if things aren’t always perfect, agents and carriers rely on each other to do what is the best for the insurance-buying community.”

For the most part, agents report positively about their companies’ treatment of them, as every performance item in the treatment of agents category has either improved or seen little movement each time the survey has been conducted. The one exception indicates a concern for carriers’ commitment to the independent agency distribution system: “Dedicated to agency system” is the only item in the treatment of agents category that has seen a consistent decrease. In 2009, this item had an average score (in all states) of 7.7. This year, it was 7.5.

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“Companies interested in more than their performance scores can request more detailed information from PIA to see how their scores compare to other companies in the same market. They’ll also see their agents’ comments and more,” according to PIANJ President Glenn Tippy, CPCU, CLU.

In addition to the individual reports available on request to PIA-member companies, PIA-member agents may request information on the performance of the companies they represent. Additionally, the October editions of the associations’ *PIA magazine* will contain further results, including which of the 20 performance items are most important to agents and which companies scored the highest for those 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 most recent to join the survey began seven years ago).

The **PIANH Symposium 14, Oct. 2-3, 2014**, at the **100 Club and Hilton Garden Inn** in Portsmouth, N.H., will include a report of the Company Performance Survey in the state and will recognize companies with awards of excellence based, in part, on their performance on the survey.

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