

2014 Company Performance SURVEY

In 2014, professional, independent insurance agents say their carriers perform best in categories that reflect their claims and underwriting departments—and written comments agents provided in this year’s Company Performance Survey indicate agents are happy with their companies in these categories.

The previous two surveys PIA conducted (in 2010 and 2012) indicated carriers were doing well with claims, service and underwriting (in that order). This year, agents indicated their highest appreciation for carriers’ underwriting, claims and accuracy, respectively. This change is obviously slight, but it may indicate that carriers, and particularly their underwriting staff, are doing a good job. While the overall numbers for service did not change (with an overall rating 7.5 in both 2012 and 2014), agents ranked items identifying how customers are treated during a claim as companies’ best performance item, pushing service out of the top-three highest-ranked categories.

In three of the four states where agents participated in this year’s survey (Connecticut, New Hampshire and New York), “underwriter knowledge, experience” had a top score average of 7.8 (out of a possible 10). This was

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Top 10 performers

... in Connecticut

Company (No. of ratings) Avg. score

Chubb personal (22) 173.0

Chubb commercial (14) 162.7

Plymouth Rock/Bunker Hill (20) 160.0

Central Insurance Cos. (21) 158.5

The Hartford commercial (22) 158.3

The Hanover Insurance Group personal (14) 151.3

Safeco personal (31) 151.0

State Auto/Patrons (31) 149.7

NGM Insurance/Main Street America Group (15) 149.2

Travelers commercial (24) 148.2

... on PIA Benchmark Survey priorities

- 1 Adjusts claims fairly
Chubb commercial
- 2 Pays claims promptly
Chubb commercial
- 3 Clear, honest communication
Chubb personal
- 4 Resolves issues quickly
Chubb personal
- 5 Underwriter knowledge, experience
Chubb personal
- 6 Listens, responds to agents
Chubb personal
- 7 Easy, intuitive technology
Safeco personal
- 8 Stable market
Chubb commercial
- 9 Consistent underwriting
Chubb personal
- 10 Flexible when warranted
Chubb personal

Ratings are total of company’s average scores for all 20 performance items. Points available for each of the 20 items: 10 | Total available points: 200
Note: Some of the companies on the original survey have been omitted due to lack of ratings. *Italics* indicate regional or super-regional carrier.

the highest-scored question in all four states with an average of 7.9, which is consistent with the findings from the 2012 survey. In New Jersey, “pays claims promptly” and “highly accurate, few errors” tied for first place with an 8.1. However, “underwriter knowledge, experience,” ranked second in New Jersey with a score of 8.0.

“Underwriter knowledge, experience,” “pays claims promptly” and “highly accurate, few errors” are among the top-three ranking performance items in each state:

Connecticut

- #1 “Underwriter knowledge, experience” (7.8)
- #2 “Pays claims promptly” (7.7)
- #3 “Highly accurate, few errors” (7.6)

New Hampshire

- #1 “Underwriter knowledge, experience” (7.7)
- #2 “Consistent underwriting” (7.4)
- #3 “Pays claims promptly” and “Highly accurate, few errors” (7.3)†

New Jersey

- #1 “Pays claims promptly” and “Highly accurate, few errors” (8.1)†
- #2 “Underwriter knowledge, experience” and “Adjusts claims fairly” (8.0)†
- #3 “Dedicated to the agency system” (7.8)

New York

- #1 “Underwriter knowledge, experience” (8.0)
- #2 “Highly accurate, few errors” (7.9)
- #3 “Pays claims promptly,” “Adjusts claims fairly,” “Stable market” and “Consistent underwriting” (7.7)†

Top 5 by performance item

Competitive pricing

- 1 *Plymouth Rock/Bunker Hill* 7.7
- 2 The Hartford commercial • *State Auto/Patrons* • *Utica First* 7.5†
- 3 *Quincy Mutual* 7.4
- 4
- 5

Superior coverage

- Chubb personal 9.6
- Chubb commercial 9.3
- The Hartford commercial • Philadelphia Insurance Co. 8.4†
- Central Insurance Cos. • The Hanover Insurance Group personal • *MiddleOak* • Travelers commercial 8.0†

Clear, honest communication

- Chubb personal 8.7
- Central Insurance Cos. 8.4
- NGM Insurance/Main Street America Group 8.2
- Chubb commercial 8.1
- Plymouth Rock/Bunker Hill* 8.0

Listens, responds to agents

- Chubb personal 8.7
- Central Insurance Cos. 8.4
- Plymouth Rock/Bunker Hill* 8.1
- Chubb commercial 7.8
- The Hanover Insurance Group commercial • NGM Insurance/Main Street America Group 7.4†

Competitive compensation

- Chubb personal 8.7
- Chubb commercial • *Plymouth Rock/Bunker Hill* 8.0†
- Central Insurance Cos. • The Hartford commercial • *State Auto/Patrons* 7.6†

Dedicated to agency system

- 1 Chubb commercial • Chubb personal 8.8†
- 2 *Central Insurance Cos.* • *Plymouth Rock/Bunker Hill* 8.5†
- 3 *MiddleOak* 8.2
- 4
- 5

Brand helps sell product

- Chubb personal 9.2
- The Hartford commercial 8.6
- Chubb commercial 8.4
- Travelers commercial 8.3
- Liberty Mutual Insurance* 8.1

Message supports agents

- Chubb commercial 9.2
- Chubb personal 8.8
- The Hartford commercial 8.2
- Central Insurance Cos. 8.0
- NGM Insurance/Main Street America Group • *Plymouth Rock/Bunker Hill* 7.8†

Adjusts claims fairly

- Chubb commercial 9.3
- Chubb personal 9.1
- Plymouth Rock/Bunker Hill* 8.6
- MiddleOak* • Travelers commercial 8.2†

Pays claims promptly

- Chubb commercial 9.2
- Chubb personal 9.1
- Plymouth Rock/Bunker Hill* 8.3
- The Hartford commercial • *MiddleOak* 8.1†

† Indicates ties.

Top 5 by performance item

Praising various companies, agents commented positively on their underwriters:

“Solid underwriting. Once they write it, they don’t often lose it.”

“Has competitive pricing, superior coverage options, user-friendly online rating and processing, friendly helpful customer service. Our agency’s underwriter, [NAME], is knowledgeable, efficient and responsive.”

“Response time to agent—underwriter gets back to you within seconds!”

“Our underwriter is always available whenever we need him, even if it’s after hours.”

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Methodology

The PIA 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 2009, PIA asked agents to identify the Company Performance Survey performance items that they put the most value in when they consider whether to partner with a company. These 10 items (e.g., adjusts claims fairly; pays promptly; clear, honest communication; resolves issues quickly; underwriter knowledge, experience; listens, responds to agents; easy, intuitive technology; stable market; consistent underwriting; and flexible when warranted), became the Benchmark Index.

And, 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

Easy, intuitive technology

Safeco personal **8.8**

Download works well

Plymouth Rock/Bunker Hill **8.6**

Enables Real Time

State Auto/Patrons **7.9**

Resolves issues quickly

Chubb personal **8.9**

Highly accurate, few errors

Chubb personal **9.1**

The Hartford commercial **8.6**

Chubb personal **8.4**

Central Insurance Cos. • The Hartford commercial • Progressive **7.7†**

Plymouth Rock/Bunker Hill **8.3**

Chubb commercial **8.6**

Progressive **8.4**

Progressive • Safeco personal **8.3†**

Chubb personal • Travelers personal **7.6†**

Central Insurance Cos. • Chubb commercial **8.2†**

Travelers commercial **8.4**

Travelers personal **8.2**

The Hanover Insurance Group personal • Kemper Preferred • Travelers personal **8.1†**

Safeco personal **8.0**

Central Insurance Cos. **8.3**

Central Insurance Cos. **8.1**

The Hartford comm. • *Liberty Mutual Insurance* • *Plymouth Rock/Bunker Hill* • Progressive • Safeco pers. **8.1†**

Customer service oriented

Chubb personal **9.2**

Underwriter knowledge, experience

Chubb personal **9.1**

Stable market

Chubb commercial **9.2**

Consistent underwriting

Chubb personal **9.2**

Flexible when warranted

Chubb personal **8.5**

The Hanover Insurance Group personal **8.6†**

Chubb commercial **8.9**

Chubb personal **8.7**

Chubb commercial • The Hanover Insurance Group personal **8.6†**

Chubb commercial **8.4**

Plymouth Rock/Bunker Hill **8.6†**

The Hartford commercial • *Plymouth Rock/Bunker Hill* **8.5†**

The Hartford commercial **8.3**

Plymouth Rock/Bunker Hill **8.4**

Plymouth Rock/Bunker Hill **8.2**

Chubb commercial **8.5**

MiddleOak **8.4**

The Hanover Insurance Group personal **8.2**

The Hanover Insurance Group commercial • Progressive **8.1†**

Central Insurance Cos. **8.0**

Central Insurance Cos. **8.4**

NGM Insurance/Main Street America Group • *Plymouth Rock/Bunker Hill* **8.1†**

NGM Insurance/Main Street America Group **7.7**

Differences among benchmark priorities, cos.

Performance item	2014 CPS average score	"Importance" rank (PIA Benchmark Survey)
Flexible when warranted	6.8 (below survey average)	10
Listens, responds to agents	7.0 (below survey average)	6
Easy, intuitive technology	7.0 (below survey average)	7
Resolves issues quickly	7.2 (survey average)	4

Best company scores on priority items

Performance item	2014 CPS average score	"Importance" rank (PIA Benchmark Survey)
Underwriter knowledge, experience	7.9	5
Pays claims promptly	7.8	2
Adjusts claims fairly	7.7	1
Consistent underwriting	7.6	9
Stable market	7.5	8
Clear, honest communication	7.3	3

super regional—there are nine companies in New Hampshire; five in New Jersey; and seven for New York (see the chart on page 1).

Carrier classification

Beginning with the last survey conducted in 2012, PIA asked carriers to

identify themselves as “regional” “super-regional” or “national” companies. Similar to the previous survey in 2012, more than 70 percent of the top 10 carriers for all the states identified themselves as either a regional or a super-regional carrier. Regionals or super-regional carriers ranked as the top

scorers throughout the survey an average of 62 percent of the time, with the most in New York (70 percent) and the least in New Jersey (50 percent). Connecticut and New Hampshire were both 65 percent.

National carriers continue to rank well regarding technology overall (the highest-scored category)—Progressive

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 the survey. The last affiliate to adopt the survey did so in 2007.

Eight hundred agents participated in the survey this year, rating a total of 92 companies (about half were rated by agents in more than one state). This resulted in 3,983 individual comments, which resulted in 5,358 comments on specific performance items. Fifty-nine percent of all the comments were categorized as a company’s strength.

The people who work with the companies the most are taking the survey. The majority of respondents identified themselves as customer services representatives (22 percent).

ranked in the top spot for “easy, intuitive function” in the technology section of the survey in New Hampshire (8.6) and New York (8.7) as did Safeco personal (8.8) in Connecticut. Penn National commercial, a super-regional carrier, took first place in New Jersey (8.9).

Some comments on technology about national and super-regional carriers include the following:

“Broad appetite and easy-to-use technology.” “Easy to work with and great website.” “Automation is excellent ... Just keep doing what you’re doing.”

“They’ve done some advertising. [Have] name recognition. Quoting system is easier than most.”

“Responsive, great underwriting, wide appetite, great web ratings. They are awesome all the way around the block.”

Regional and super-regional carriers continue to dominate the treatment of agents section of the survey, too. This section includes the following performance items: “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 the five in New York.

Ups and downs

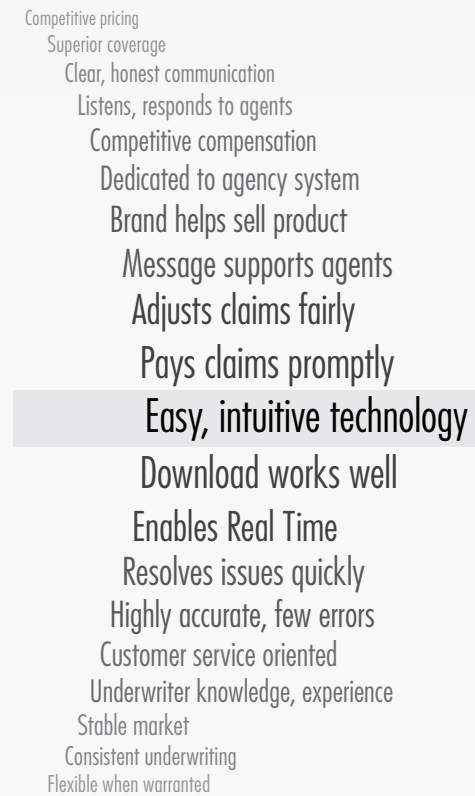
Despite positive commentary and generally high scores in underwriting and claims treatment, carriers’ overall scores have downgraded for the second consecutive time. The average score per question dropped from 7.3 to 7.2 this year (continuing a trend from 2010 when the average score was 7.5 per question).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

The highest-scoring category was claims, with an average score of 7.7. The average carrier score by state is: 8.0 in New Jersey; 7.7 in Connecticut and New York; and 7.2, which tied with underwriting, in New Hampshire.

For the most part, agents report positively about their companies’ treatment of them, as every performance item in that category has either improved

or seen little movement year over year. 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 among all states of 7.7. This year, it was 7.5.

The lowest scoring category was marketing with an average score of 6.7. By state, the rankings are: 6.8 in Connecticut, New Jersey and New York; and 6.5 in New Hampshire. On average, the lowest-ranking performance items were “competitive pricing” and “brand helps sell product” (tied at 6.5). Sorted by state, the lowest performance item for each survey is “competitive pricing” in Connecticut and New Hampshire (6.4 and 6.3, respectively); “enables Real Time” in New Jersey (6.3); and “brand helps sell product” in New York (6.5).



Structure of the survey

PIA asked agents to what extent the characterizations to the left 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.



**PIA's Company Performance
Survey will return in 2016.**