

2011 Company Performance **SURVEY**

From year to year, PIA Company Performance Surveys have produced extremely consistent data. Therefore, it is notable that agents' 2011 responses on certain performance items depart from their typical patterns—possibly reflecting larger trends in the property/casualty market.

Granite State agents took part in this latest study by the Professional Insurance Agents of New Hampshire Inc. by rating (on average) between five and six companies each (out of 37 insurers included). Agents also commented on companies' strengths and improvement needs. Together, their scores and comments provide the data for this report. Highest-scoring companies for each item appear throughout.

PIA thanks everyone who took part in this year's successful survey.

Top 10 performers—New Hampshire

Company	Rating
Mt. Washington (40)*	172.5
MMG Insurance Co. (41)	169.7
Commerce Group (27)	168.7
Travelers Group (30)	161.7
Progressive (42)	159.7
Vermont Mutual (23)	158.2
Union Mutual of Vermont (13)	158.0
Concord Group (34)	157.4
Peerless (39)	157.1
Andover Cos. (20)	156.9

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

These companies score best on “top 10” performance items agents say are the most important:

- | | |
|--|---|
| 1. Adjusts claims fairly: Union Mutual of Vermont | 6. Listens, responds to agents: Mt. Washington |
| 2. Pays promptly: Mt. Washington | 7. Easy, intuitive technology: Progressive |
| 3. Clear, honest communication: Mt. Washington | 8. Stable market: Commerce Group |
| 4. Resolves issues quickly: MMG Insurance Co., Mt. Washington | 9. Consistent underwriting: Andover Cos. |
| 5. Underwriter knowledge, experience: Andover Cos. | 10. Flexible when warranted: Mt. Washington |

Major trends in 2011

A notable upward trend occurs in agents' view of carriers' Real Time capabilities. Companies, on average, win higher scores for enabling Real Time transactions.

On the other hand, agents record less favorable trends in underwriting. Market stability, underwriting consistency, and even underwriters themselves, are viewed less positively than last year (while still earning scores that are well above average).

How companies score on agents' top-priority items

A decline in how agents view a company's underwriting can affect the relationship. Agents count the three underwriting items cited above among the 10 most important factors that determine their overall opinion of a company and its value for their agency. To view agents' other "top 10" priority items and the average scores companies earn on them, see the charts at the top of pages 4 and 5.

For the alert company executive, the chart on page 4 identifies competitive opportunities. It points out the biggest gaps between agents' expectations and their companies' average execution. On five of agents' priority items, scores languish at or below the survey average. The chart on page 5 balances the picture, with companies scoring comfortably above average on agents' remaining "top 10" items. (To derive the "top 10," PIA tested 35 ingredients that make up an agency-company relationship.)

Performance score trends

Agents rate companies on each of 20 different performance items. Performance is scored on a scale of 1 to 10, so the survey yields a maximum possible score of 200. This year's results, which are compared to New Hampshire figures for 2010 (in parentheses), show that overall average scores stayed pretty consistent:

2.

- Average per-item score 7.35 (7.45); and
- Average total company score 147 (149).

However, several individual performance items showed distinct changes. Of these, only one item recorded a higher average score this year:

- Enables Real Time 7.5 (6.6).

Competitive compensation

Company	Average score
Mt. Washington	8.4
Commerce Group	8.3
MMG Insurance Co.	8.2
Acadia/W.R. Berkeley	7.8*
Union Mutual of Vermont	7.8*

Enables Real Time

Company	Average score
Mt. Washington	9.2
Commerce Group	9.0*
MetLife Auto & Home	9.0*
Progressive	8.8
Hanover Insurance Group	8.7*
Safeco	8.7*

Dedicated to agency system

Company	Average score
Mt. Washington	8.8
MMG Insurance Co.	8.7
Commerce Group	8.6
Acadia/W.R. Berkeley	8.4
Merchants Group	8.2

*indicates a tie



The other items showing notable changes all received lower average scores:

- Underwriting knowledge, experience 8.0 (8.4);
- Consistent underwriting 7.7 (8.1);
- Stable market 7.7 (8.1);
- Superior coverage 7.3 (7.8); and
- Dedicated to independent agency system 7.2 (7.9).

To put the underwriting items in perspective, these items still score well above the survey average of 7.35. “Underwriting knowledge, experience” remains the top-scoring item, as it was last year. So, agents don’t register major dissatisfaction with company underwriting—just a somewhat less rosy view.

Still, it’s tempting to speculate: Is this downturn a straw in the wind that presages market changes? And, is the lower score for company loyalty related to specific marketing strategies and trends?

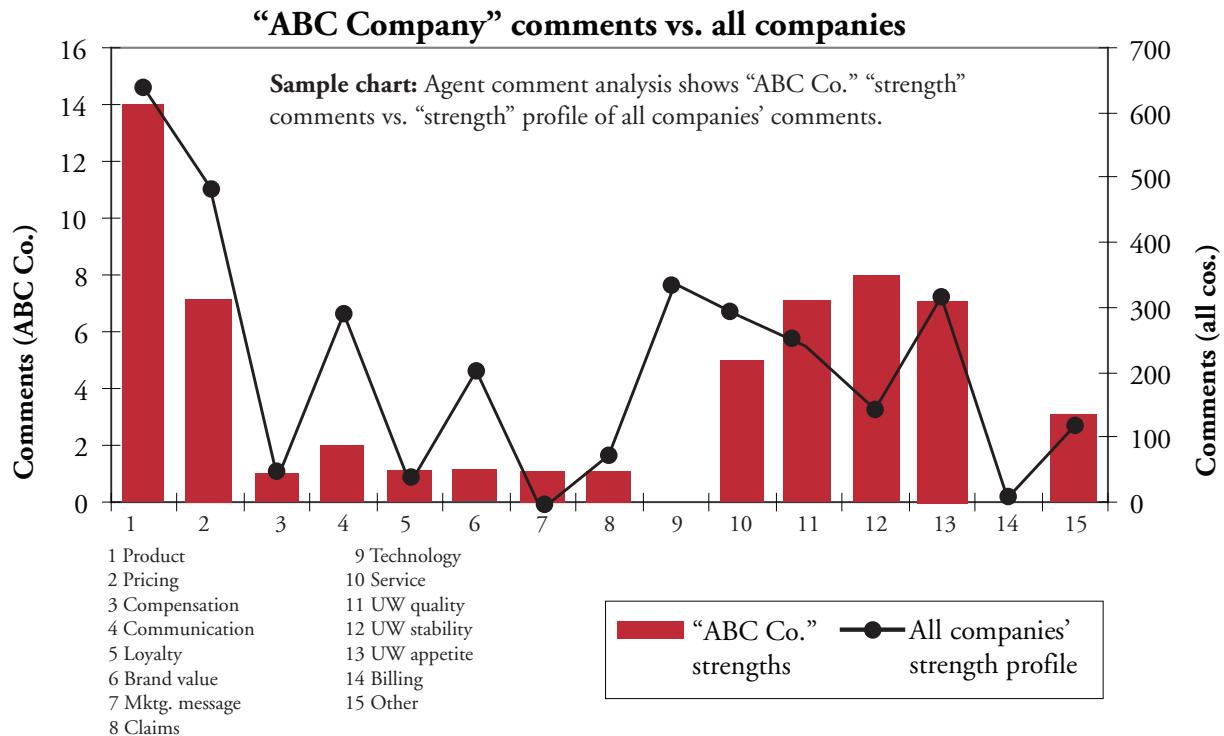
(continued on p. 6)

Highly accurate, few errors

Company	Average score
MMG Insurance Co.	8.9
MetLife Auto & Home	8.8*
Mt. Washington	8.8*
Union Mutual of Vermont	8.8*
Progressive	8.7

Customer service oriented

Company	Average score
MMG Insurance Co.	9.0
Mt. Washington	8.9
Progressive	8.8
Acadia/W.R. Berkeley	8.6*
Commerce Group	8.6*



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

Performance item	2011 <i>Company Performance</i> Survey average score	“Importance” rank: <i>Benchmark Survey</i> (of 35 items tested)
Listens, responds to agents	6.9 (below survey average)	6
Clear, honest communication	7.1 (below survey average)	4
Easy, intuitive technology	7.1 (below survey average)	8
Flexible when warranted	7.3 (below survey average)	10
Resolves issues quickly	7.4 (survey average)	3

Easy, intuitive technology

Company	Average score
Progressive	9.0
MMG Insurance Co.	8.7
Mt. Washington	8.6
Peerless	8.1
Travelers Group	8.0

Resolves issues quickly

Company	Average score
MMG Insurance Co.	8.7*
Mt. Washington	8.7*
Commerce Group	8.6
Andover Cos.	8.4*
Merchants Group	8.4*
Travelers Group	8.4*
Union Mutual of Vermont	8.4*

Listens, responds to agents

Company	Average score
Mt. Washington	8.8
Commerce Group	8.7
MMG Insurance Co.	8.6
Andover Cos.	8.2
Travelers Group	7.9

Clear, honest communication

Company	Average score
Mt. Washington	9.0
Commerce Group	8.6*
MMG Insurance Co.	8.6*
Andover Cos.	8.2*
Concord Group	8.2*

Companies score best on these “top 10” priority items

Performance item	2011 <i>Company Performance Survey</i> average score	“Importance” rank: <i>Benchmark Survey</i> (of 35 items tested)
Underwriter knowledge, experience	8.0	5
Pays claims promptly	7.8	2
Adjusts claims fairly	7.8	1
Consistent underwriting	7.7	7
Stable market	7.7	9

Pays claims promptly

Company	Average score
Mt. Washington	8.9
MMG Insurance Co.	8.7
Acadia/W.R. Berkeley	8.6
Andover Cos.	8.5*
MetLife Auto & Home	8.5*
Progressive	8.5*
Vermont Mutual	8.5*

Underwriter knowledge, experience

Company	Average score
Andover Cos.	9.2
Acadia/W.R. Berkeley	9.0
Commerce Group	8.9*
MMG Insurance Co.	8.9*
Mt. Washington	8.9*

Adjusts claims fairly

Company	Average score
Union Mutual of Vermont	9.1
Mt. Washington	8.9
Acadia/W.R. Berkeley	8.8*
Andover Cos.	8.8*
MMG Insurance Co.	8.8*

Stable market

Company	Average score
Commerce Group	9.0
Mt. Washington	8.9
Union Mutual of Vermont	8.8
Acadia/W.R. Berkeley	8.7*
Progressive	8.7*

Consistent underwriting

Company	Average score
Andover Cos.	9.0
Commerce Group	8.9*
Mt. Washington	8.9*
Union Mutual of Vermont	8.7
Progressive	8.5*
Travelers Group	8.5*

Product and pricing

The performance category called “product and pricing” draws agents’ critical scrutiny, as this combination represents the chief value proposition companies provide. This year, the survey’s lowest average score (6.6) goes to “competitive pricing.” Along with a marked fall (from 7.8 to 7.3) in ratings for “superior coverage,” this basement score—unchanged from 2010—indicates concern that companies’ offerings remain competitive.

Agents’ 2011 comments reinforce their focus on coverage and cost.

After performance-rating the company on all 20 items, agents voice free-form “comment” responses in their own words. PIA believes their comments reflect agents’ primary likes and concerns about a particular company.

When asked to name a given company’s “main strength” or something they want it to improve, agents are likely to mention some aspect of its rates or product line. About one-third of all comments mention either products (18 percent) or pricing (16 percent). Products are more likely to be named as a carrier’s principle strength—81 percent of product-oriented comments, versus 47 percent of comments about rates. (Remaining comments ask for some sort of improvement.)

Technology

PIA especially is pleased to see a sharp uptick (from 6.6 to 7.5) in this year’s average score for “enables Real Time.” PIA supports the all-industry Get Real Time campaign, due to Real Time’s significant benefits for agencies in terms of time and labor saved, increased accuracy and enhanced customer service capabilities.

As a comment topic, technology ties in second place with pricing (at 16 percent of all comments) as a subject agents most frequently choose to mention. For the past two years, only 39 percent of technology comments have named a company’s strength; this year that proportion inches up to 42 percent.

Company reports offered on request

All companies included in the Company Performance Survey automatically receive their performance-score analysis. In addition, PIA members can see more robust individual company reports, but only by request. Carriers included in the 2011 survey, plus agents that represent them, may request a full report from resourcecenter@pia.org.

A company sees how its own “comments” feedback compares to an aggregate profile. Example: In the sample graph on page 3, the absence of any positive feedback for ABC Company’s “technology” could be a red flag. PIA also shows how well a company meets agents’ needs on the 10 performance items agents value most, as shown in the sample chart on page 7. Here, “XYZ Company”

Superior coverage

Company	Average score
Hanover Group	8.5
Commerce Group	8.4
Peerless	8.3
Mt. Washington	8.2
Andover Cos.	8.1*
MMG Insurance Co.	8.1*
Travelers Group	8.1*

Competitive pricing

Company	Average score
Commerce Group	8.2
MMG Insurance Co.	7.7*
Safeco	7.7*
Progressive	7.6
Merchants Group	7.4*
Travelers Group	7.4*

exceeds agent expectations in all but one top-priority area (“consistent underwriting”).

Use 2011 data to plan for success

PIA believes the autumn provides an ideal time for carriers and their agents to study its 2011 survey output and plan for the coming year. Goals for the PIA Company Performance Survey project, now in its fifth year in New Hampshire (the Company Performance Survey originally launched in Connecticut in 2002; in New York in 2003; and in New Jersey in 2005), 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.

Archives of prior survey results are available at www.pia.org/GIA/cps/cpsjump.php.

Flexible when warranted

Company	Average score
Mt. Washington	8.7
Acadia/W.R. Berkeley	8.5
Commerce Group	8.4
MMG Insurance Co.	8.3
Andover Cos.	8.1

Download works well

Company	Average score
Mt. Washington	9.1
MetLife Auto & Home	9.0
Andover Cos.	8.5
MMG Insurance Co.	8.4
Casco Indemnity Co.	8.3*
Commerce Group	8.3*
Travelers Group	8.3*

How “XYZ Company” performs on agents’ highest priorities

■ XYZ Insurance Co.

— Benchmark “importance” ratings

Sample chart: Benchmark Index analysis shows company’s *weighted* scores on agents’ “top 10” priorities. (Ideally, company scores will equal or exceed solid black line)

