

NEWS RELEASE – Tuesday, July 21, 2009

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For Immediate Release

THE COUNCIL’S P/C SURVEY: NO HARD MARKET IN SIGHT

WASHINGTON, D.C., July 21, 2009 - Rates for commercial property-casualty premiums idled during the second quarter of the year, according to The Council of Insurance Agents & Brokers’ quarterly Commercial P/C Market Index Survey.

“We saw no significant change in pricing trends from the first quarter to the second quarter,” Council President Ken A. Crerar said. “If a hard market is coming, it’s up the road a bit. The pricing appears to be more a result of the weak economy than capacity.”

One broker noted, “Most carriers have realized that the market is not hardening as expected. We are reverting back to 2008 underwriting practices.”

“No change – competition remains fierce,” a broker from the Northeast said. Still, some carriers are trying to raise prices on renewals while aggressively competing for new business, the survey showed.

Other brokers echoed that view. “Carriers are more aggressive on new business since it appears all carriers’ new business numbers are down.”

“New business pricing [is] much different than renewal. [Insurers are] attempting to gain rate increase on renewals and more aggressively pursue new business.”

While the market generally remains competitive, the brokers surveyed reported some coverage problems in the market.

According to a broker in the Southwest, “The only problem areas continue to be the CAT zones (CA quake and coastal wind).”

A broker from the Southeast is seeing a tight market in East coast property and D&O for financial institutions. “No problems other than Cat and financial industry D&O.”

Another said, “Workers’ comp has been affected tremendously – appetite has tightened and more companies are declining to write the coverage.”

Overall rate declines for small, medium and large accounts were fairly consistent with decreases in the first quarter of the year. Average rates declined 4.9 percent in the second quarter compared with a 5.1 percent decline in the first quarter.

On average, large accounts declined 6.7 percent compared with the first quarter decline of 6.4 percent. Midsize accounts dropped on average 5.7 percent, about the same decline as in the first quarter. The rate of decline for small accounts was 2.5 percent compared with 3.3 percent in the first part of the year.

Average Rate Declined 5% in 2Q09				
	Small	Mid	Large	Avg
2Q09	-2.5%	-5.7%	-6.7%	-4.9%
1Q09	-3.3%	-5.6%	-6.4%	-5.1%
4Q08	-4.2%	-7.1%	-8.0%	-6.4%
3Q08	-7.8%	-12.1%	-13.2%	-11.0%
2Q08	-9.7%	-14.1%	-14.8%	-12.9%
High (4Q01)	20.8%	31.7%	33.0%	28.5%
Low (3Q07)	-10.0%	-15.0%	-15.9%	-13.3%

Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.

When asked if they saw any improvement in the market or the economy impacting their business in a positive way, an overwhelming 84 percent of brokers said “no.” The economy remained at the top of the list of the most critical political issues facing the U.S. today, followed closely by health insurance reform.

*Founded in 1913, **The Council** is the premier association for commercial insurance and employee benefits intermediaries. The Council represents the leading commercial brokers and agents in the United States and abroad. Council members annually place 80 percent of all commercial property/casualty premiums in the United States and administer billions of dollars in employee benefits accounts. www.ciab.com*

Commercial Property - Casualty Market Survey

Second Quarter 2009 Released: July 2009

Below are the survey results for: ALL REGIONS

1. On average, how have premium rates changed over the last three months (April 1 - June 30) for the following accounts? Please check N/A if you don't know or don't handle the type of account.

	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10-20%	8 Up 20-30%	9 Up 30-50%	10 Up 50- 100%	N/A
Small (<\$25K Comm. & Fees)	0%	0%	5%	41%	42%	8%	1%	0%	0%	0%	3%
Medium (\$25K – \$100K)	1%	1%	16%	51%	23%	8%	1%	0%	0%	0%	0%
Large (>\$100K)	0%	5%	24%	37%	17%	7%	3%	0%	0%	0%	7%

2. How much have premium rates changed over the last three months (April 1 - June 30) for the following lines? Please check N/A if you don't know or don't handle the line.

	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10- 20%	8 Up 20- 30%	9 Up 30- 50%	10 Up 50- 100%	N/A
Business Interruption	0%	0%	3%	29%	42%	10%	0%	0%	0%	0%	17%
Broker E & O	0%	0%	0%	11%	31%	11%	0%	0%	0%	0%	46%
Commercial Auto	0%	1%	12%	38%	35%	9%	0%	0%	0%	0%	5%
Commercial Property	0%	1%	13%	37%	25%	16%	3%	0%	0%	0%	6%
Construction Risks	0%	2%	12%	30%	24%	8%	1%	1%	0%	0%	23%
D & O	0%	0%	2%	15%	36%	23%	3%	0%	1%	0%	21%
Flood Insurance	0%	1%	1%	3%	54%	9%	3%	0%	0%	0%	30%
Employment Practices	1%	0%	1%	27%	47%	8%	0%	0%	0%	0%	17%
General Liability	0%	1%	17%	45%	29%	3%	1%	0%	0%	0%	5%
Marine	0%	0%	13%	29%	32%	4%	0%	0%	0%	0%	22%
Medical Malpractice	0%	1%	2%	17%	17%	6%	1%	0%	0%	0%	57%
Surety Bonds	0%	0%	0%	3%	48%	3%	3%	0%	0%	0%	44%
Terrorism	0%	0%	2%	7%	58%	4%	0%	0%	0%	0%	29%
Umbrella	1%	0%	14%	43%	26%	10%	0%	0%	0%	0%	6%
Workers' Compensation	1%	0%	12%	43%	24%	11%	2%	0%	0%	0%	7%

Commercial Property - Casualty Market Survey

Second Quarter 2009 Released: July 2009

Below are the survey results for: **NORTHEAST**
(CT, DE, DC, MA, ME, MD, NH, NJ, NY, PA, RI)

1. On average, how have premium rates changed over the last three months (April 1 - June 30) for the following accounts? Please check N/A if you don't know or don't handle the type of account

	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10-20%	8 Up 20-30%	9 Up 30-50%	10 Up 50- 100%	N/A
Small (<\$25K Comm. & Fees)	0%	0%	7%	48%	41%	4%	0%	0%	0%	0%	
Medium (\$25K – \$100K)	0%	0%	19%	63%	15%	4%	0%	0%	0%	0%	
Large (>\$100K)	0%	4%	30%	44%	7%	7%	0%	0%	0%	7%	

2. How much have premium rates changed over the last three months (April 1 - June 30) for the following lines? Please check N/A if you don't know or don't handle the line.

	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10-20%	8 Up 20-30%	9 Up 30-50%	10 Up 50- 100%	N/A
Business Interruption	0%	0%	4%	26%	52%	4%	0%	0%	0%	0%	15%
Broker E & O	0%	0%	4%		48%	11%	0%	0%	0%	0%	37%
Commercial Auto	0%	0%	7%	56%	22%	4%	0%	0%	0%	0%	11%
Commercial Property	0%	0%	15%	52%	15%	15%	0%	0%	0%	4%	
Construction Risks	0%	0%	15%	26%	22%	15%	0%	0%	0%	0%	22%
D & O	0%	4%	7%		48%	26%	4%	0%	0%	0%	11%
Flood Insurance	0%	4%	0%		67%	11%	4%	0%	0%	0%	15%
Employment Practices	0%	0%	4%	26%	56%	4%	0%	0%	0%	0%	11%
General Liability	0%	0%	26%	37%	30%	0%	0%	0%	0%	0%	7%
Marine	0%	0%	15%	30%	33%	0%	0%	0%	0%	0%	22%
Medical Malpractice	0%	0%	0%	11%	15%	11%	0%	0%	0%	0%	63%
Surety Bonds	0%	0%	0%		52%	4%	4%	0%	0%	0%	41%
Terrorism	0%	0%	4%		59%	7%	0%	0%	0%	0%	30%
Umbrella	0%	0%	11%	37%	37%	7%	0%	0%	0%	0%	7%
Workers' Compensation	0%	0%	11%	52%	30%	0%	0%	0%	0%	0%	7%

Commercial Property - Casualty Market Survey Second Quarter 2009 Released: July 2009

Below are the survey results for: **SOUTHEAST**
(AL, FL, GA, KY, LA, MS, NC, SC, TN, VA, WV)

1. On average, how have premium rates changed over the last three months (April 1 - June 30) for the following accounts? Please check N/A if you don't know or don't handle the type of account

	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10-20%	8 Up 20-30%	9 Up 30-50%	10 Up 50- 100%	N/A
Small (<\$25K Comm. & Fees)	0%	0%	13%	35%	35%	10%	0%	0%	0%	6%	
Medium (\$25K – \$100K)	3%	3%	23%	39%	26%	6%	0%	0%	0%	0%	
Large (>\$100K)	0%	13%	29%	26%	16%	10%	3%	0%	0%	3%	

2. How much have premium rates changed over the last three months (April 1 - June 30) for the following lines? Please check N/A if you don't know or don't handle the line.

	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10- 20%	8 Up 20- 30%	9 Up 30- 50%	10 Up 50- 100%	N/A
Business Interruption	0%	0%	3%	29%	35%	10%	0%	0%	0%	0%	23%
Broker E & O	0%	0%	0%	10%	32%	3%	0%	0%	0%	0%	55%
Commercial Auto	0%	3%	23%	39%	29%	6%	0%	0%	0%	0%	0%
Commercial Property	0%	3%	16%	35%	26%	6%	3%	0%	0%	0%	10%
Construction Risks	0%	6%	19%	29%	16%	3%	0%	0%	0%	0%	26%
D & O	0%	0%	0%	29%	29%	16%	3%	0%	0%	0%	23%
Flood Insurance	0%	3%	0%	10%	52%	6%	0%	0%	0%	0%	29%
Employment Practices	3%	0%	0%	32%	42%	3%	0%	0%	0%	0%	19%
General Liability	0%	3%	23%	39%	32%	0%	0%	0%	0%	0%	3%
Marine	0%	0%	16%	32%	19%	6%	0%	0%	0%	0%	26%
Medical Malpractice	0%	3%	3%	19%	13%	3%	0%	0%	0%	0%	58%
Surety Bonds	0%	0%	6%		32%	3%	3%	0%	0%	0%	55%
Terrorism	0%	0%	6%	10%	48%	3%	0%	0%	0%	0%	32%
Umbrella	3%	0%	23%	45%	19%	6%	0%	0%	0%	0%	3%
Workers' Compensation	3%	0%	19%	48%	19%	6%	0%	0%	0%	0%	3%

Commercial Property - Casualty Market Survey

Second Quarter 2009 Released: July 2009

Below are the survey results for: **MIDWEST**

(AR, IL, IN, IA, KS, MI, MO, MN, NE, ND, SD, OH, WI)

1. On average, how have premium rates changed over the last three months (April 1 - June 30) for the following accounts? Please check N/A if you don't know or don't handle the type of account.

	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10-20%	8 Up 20-30%	9 Up 30-50%	10 Up 50- 100%	N/A
Small (<\$25K Comm. & Fees)	0%	0%	0%	46%	38%	12%	0%	0%	0%	4%	
Medium (\$25K – \$100K)	0%	0%	15%	54%	19%	12%	0%	0%	0%	0%	
Large (>\$100K)	0%	0%	19%	31%	31%	8%	0%	0%	0%		12%

2. How much have premium rates changed over the last three months (April 1 - June 30) for the following lines? Please check N/A if you don't know or don't handle the line.

	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10- 20%	8 Up 20- 30%	9 Up 30- 50%	10 Up 50- 100%	N/A
Business Interruption	0%	0%	8%	31%	38%	12%	0%	0%	0%	0%	12%
Broker E & O	0%	0%	0%	23%	19%	12%	0%	0%	0%	0%	46%
Commercial Auto	0%	0%	12%	35%	42%	8%	0%	0%	0%	0%	4%
Commercial Property	0%	0%	15%	35%	27%	23%	0%	0%	0%	0%	
Construction Risks	0%	0%	12%	31%	31%	12%	0%	0%	0%	0%	15%
D & O	0%	0%	0%	19%	31%	19%	4%	0%	0%	0%	27%
Flood Insurance	0%	0%	4%		50%	12%	4%	0%	0%	0%	31%
Employment Practices	0%	0%	0%	38%	35%	8%	0%	0%	0%	0%	19%
General Liability	0%	0%	15%	46%	27%	8%	0%	0%	0%	0%	4%
Marine	0%	0%	12%	27%	38%	12%	0%	0%	0%	0%	12%
Medical Malpractice	0%	0%	4%	19%	19%	4%	4%	0%	0%	0%	50%
Surety Bonds	0%	0%	4%		50%	0%	0%	0%	0%	0%	46%
Terrorism	0%	0%	8%		69%	4%	0%	0%	0%	0%	19%
Umbrella	0%	0%	15%	46%	27%	8%	0%	0%	0%	0%	4%
Workers' Compensation	0%	0%	12%	38%	23%	19%	0%	0%	0%	0%	8%

Commercial Property - Casualty Market Survey

Second Quarter 2009 Released: July 2009

Below are the survey results for: **SOUTHWEST (So. CA, AZ, NM, OK, TX)**

1. On average, how have premium rates changed over the last three months (April 1 - June 30) for the following accounts? Please check N/A if you don't know or don't handle the type of account.

	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10-20%	8 Up 20-30%	9 Up 30-50%	10 Up 50- 100%	N/A
Small (<\$25K Comm. & Fees)	0%	0%	0%	31%	69%	0%	0%	0%	0%	0%	
Medium (\$25K – \$100K)	0%	0%	8%	77%	15%	0%	0%	0%	0%	0%	
Large (>\$100K)	0%	0%	31%	54%	8%	0%	0%	0%	0%	8%	

2. How much have premium rates changed over the last three months (April 1 - June 30) for the following lines? Please check N/A if you don't know or don't handle the line.

	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10- 20%	8 Up 20- 30%	9 Up 30- 50%	10 Up 50- 100%	N/A
Business Interruption	0%	0%	0%	38%	38%	15%	0%	0%	0%	0%	8%
Broker E & O	0%	0%	8%		31%	15%	0%	0%	0%	0%	46%
Commercial Auto	0%	0%	0%	54%	46%	0%	0%	0%	0%	0%	0%
Commercial Property	0%	0%	15%	38%	31%	8%	8%	0%	0%	0%	0%
Construction Risks	0%	0%	0%	69%	15%	8%	0%	0%	0%	0%	8%
D & O	0%	0%	0%		54%	31%	0%	0%	0%	0%	15%
Flood Insurance	0%	0%	0%		62%	8%	0%	0%	0%	0%	31%
Employment Practices	0%	0%	0%	15%	62%	15%	0%	0%	0%	0%	8%
General Liability	0%	0%	0%	85%	15%	0%	0%	0%	0%	0%	0%
Marine	0%	0%	0%	46%	38%	0%	0%	0%	0%	0%	15%
Medical Malpractice	0%	0%	0%	31%	23%	0%	0%	0%	0%	0%	46%
Surety Bonds	0%	0%	0%		69%	8%	8%	0%	0%	0%	15%
Terrorism	0%	0%	8%		62%	0%	0%	0%	0%	0%	31%
Umbrella	0%	0%	0%	54%	46%	0%	0%	0%	0%	0%	0%
Workers' Compensation	0%	0%	0%	38%	54%	8%	0%	0%	0%	0%	0%

Commercial Property - Casualty Market Survey Second Quarter 2009 Released: July 2009

Below are the survey results for: **PACIFIC NW**
(No. CA, AK, CO, HI, ID, MT, NV, OR, UT, WA, WY)

1. On average, how have premium rates changed over the last three months (April 1 - June 30) for the following accounts? Please check N/A if you don't know or don't handle the type of account.

	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10-20%	8 Up 20-30%	9 Up 30-50%	10 Up 50- 100%	N/A
Small (<\$25K Comm. & Fees)	0% 0%		0%	39%	39%	11%	6%	0% 0%	0% 6%		
Medium (\$25K – \$100K)	0% 0%		6%	33%	39%	17%	6%	0% 0%	0% 0%		
Large (>\$100K)	0% 6%		11%	39%	22%	6%	11%	0% 0%	0% 6%		

2. How much have premium rates changed over the last three months (April 1 - June 30) for the following lines? Please check N/A if you don't know or don't handle the line.

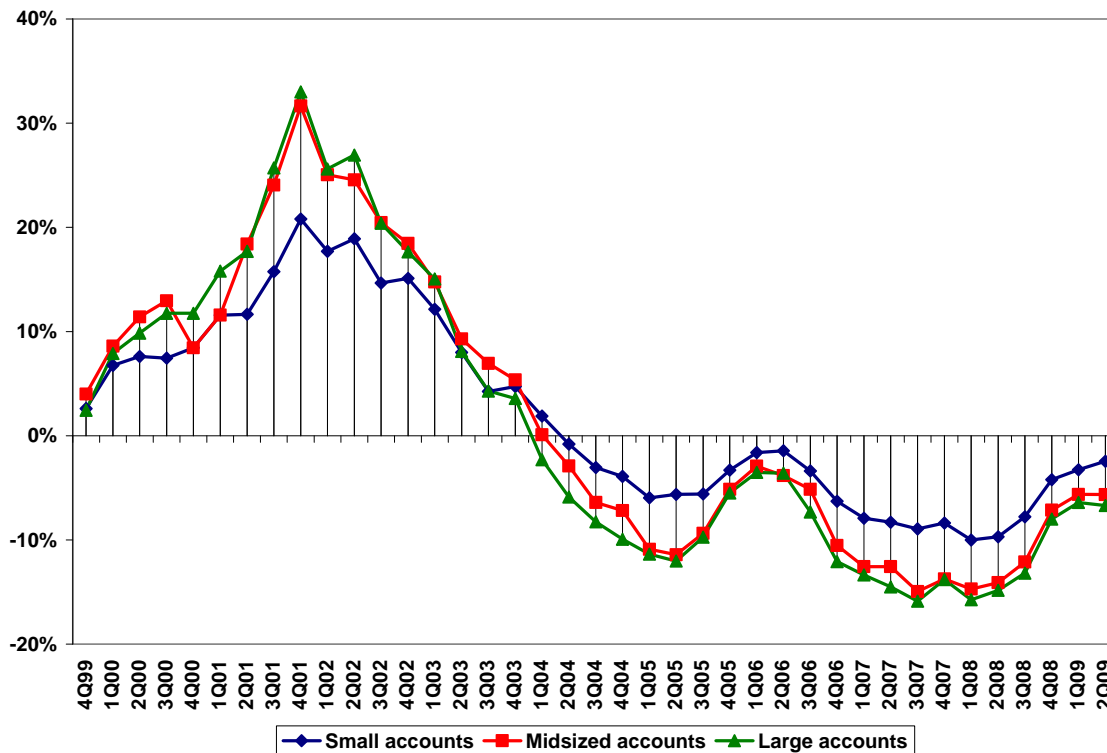
	1 Down 30-40%	2 Down 20-30%	3 Down 10-20%	4 Down 1-10%	5 No Change	6 Up 1-10%	7 Up 10- 20%	8 Up 20- 30%	9 Up 30- 50%	10 Up 50- 100%	N/A
Business Interruption	0% 0%		0%	22%	44%	11% 0%		0%	0%	0% 22%	
Broker E & O	0% 0%		0%	11%	22%	22% 0%		0%	0%	0% 44%	
Commercial Auto	0%	0%	11% 6%	44%		28% 0%		0%	0%	0% 11%	
Commercial Property	0% 0%		0%	17%	33%	28% 6%		0%	0%	0% 17%	
Construction Risks	0%	0% 6%	6%		39%	0% 6%		6% 0%		0%	39%
D & O	0%	0% 6%	6%		22%	28% 6%		0%	6%	0% 28%	
Flood Insurance	0%	0% 0%	0%		39%	6% 6%		0% 0%		0%	50%
Employment Practices	0% 0%		0%	11%	50%	17% 0%		0%	0%	0% 22%	
General Liability	0% 0%		6%	39%	33%	6% 6%		0% 0%		0%	11%
Marine	0% 0%		17%	11%	39%	0% 0%		0% 0%		0%	33%
Medical Malpractice	0% 0%		0%	11%	17%	11% 0%		0%	0%	0% 61%	
Surety Bonds	0%	0% 0%	0%		50%	0% 0%		0% 0%		0%	50%
Terrorism	0%	0% 0%	6%		56%	6% 0%		0% 0%		0%	33%
Umbrella	0% 0%		11%	33%	6%	33% 0%		0%	0%	0% 17%	
Workers' Compensation	0% 0%		11%	28%	6%	28% 11%		0%	0%	0%	17%

Average 2Q09 Commercial Rates Decreased 4.9%

Average Rate Declined 5% in 2Q09				
	Small	Mid	Large	Avg
2Q09	-2.5%	-5.7%	-6.7%	-4.9%
1Q09	-3.3%	-5.6%	-6.4%	-5.1%
4Q08	-4.2%	-7.1%	-8.0%	-6.4%
3Q08	-7.8%	-12.1%	-13.2%	-11.0%
2Q08	-9.7%	-14.1%	-14.8%	-12.9%
High (4Q01)	20.8%	31.7%	33.0%	28.5%
Low (3Q07)	-10.0%	-15.0%	-15.9%	-13.3%

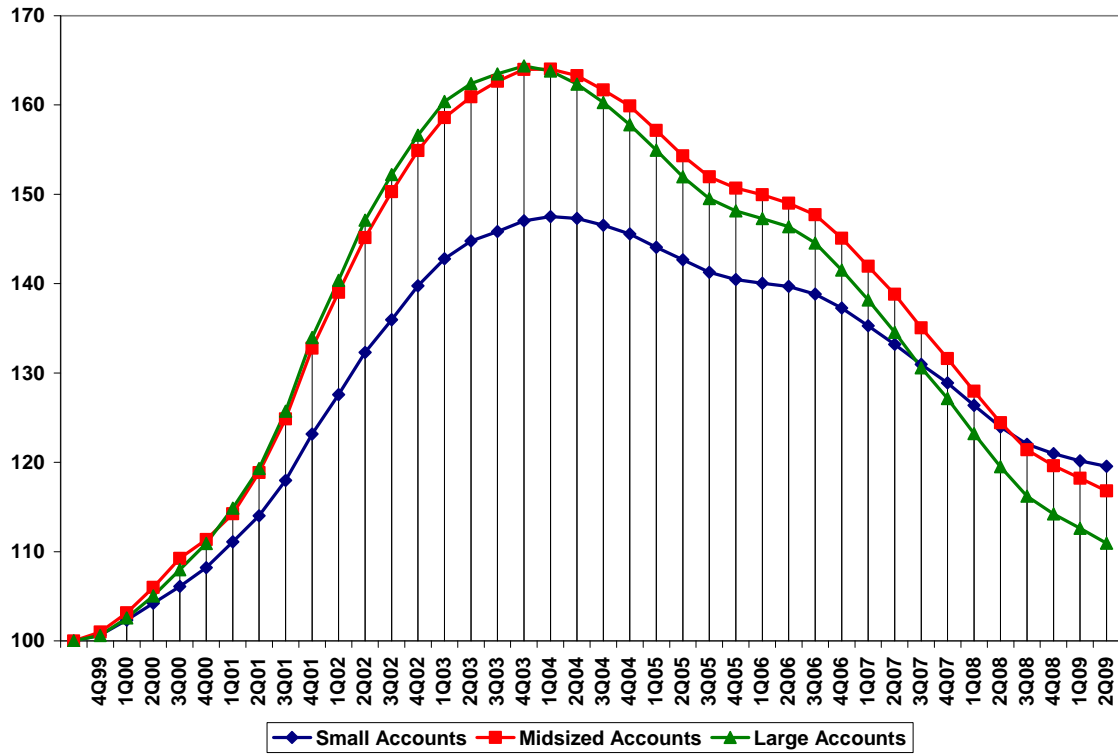
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.

Average Commercial Premium Rate Changes by Account Size



Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.

Cumulative Quarterly Rate Increases by Account Size



Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.

By-Line 2Q09 Rate Changes Ranged From -3.3% to -5.4%

By-Line 2Q09 Rate Changes Ranged From -3.3% to -5.4%						
	Comm'l Auto	Workers' Comp	Comm'l Property	Gen'l Liability	Umbrella	Average
2Q09	-4.1%	-4.0%	-3.3%	-5.4%	-4.9%	-4.3%
1Q09	-5.2%	-4.6%	-3.5%	-4.6%	-4.0%	-4.4%
4Q08	-5.5%	-5.5%	-5.4%	-6.4%	-4.9%	-5.6%
3Q08	-9.8%	-9.9%	-11.4%	-11.3%	-10.3%	-10.5%
2Q08	-11.6%	-12.3%	-12.6%	-13.0%	-11.9%	-12.3%
High	28.6%	24.9%	45.4%	26.0%	51.9%	35.3%
Low	-11.6%	-12.3%	-15.0%	-13.6%	-13.5%	-13.2%

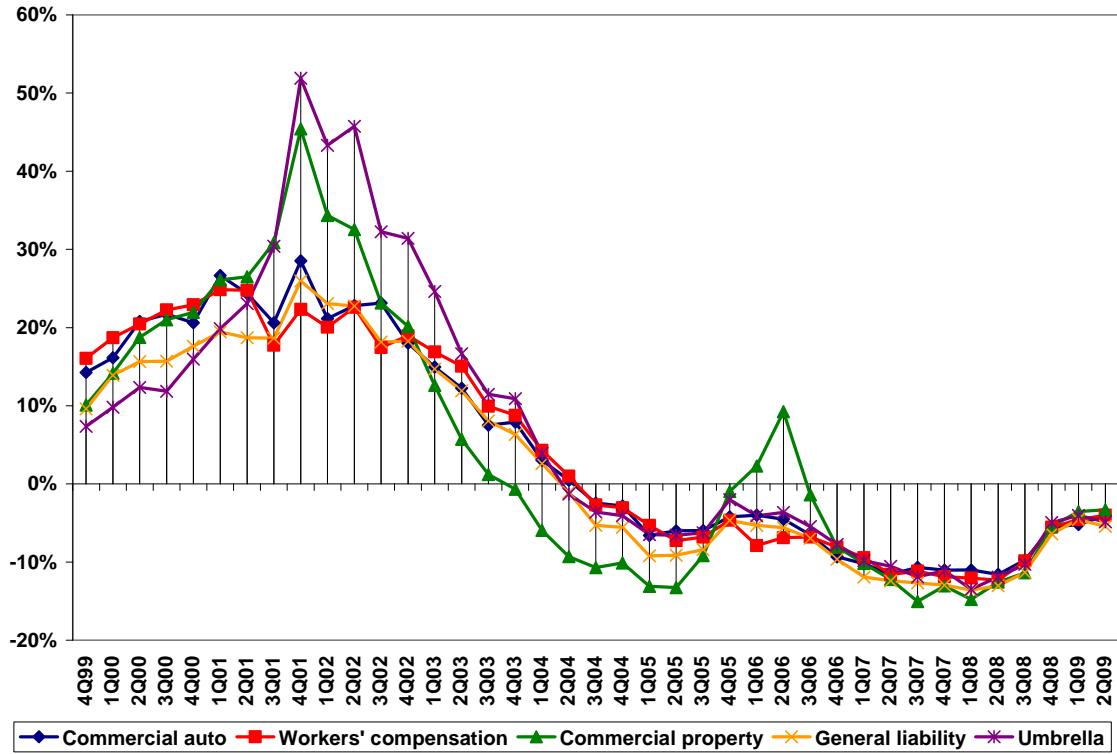
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.

Rate Changes in Other Lines

2Q09 Rate Changes in Other Lines			
	2Q09	High	Low
Business interruption	-1.7%	28.8%	-10.2%
Construction	-3.5%	38.7%	-10.7%
D&O liability	1.1%	32.4%	-8.7%
Employment practices	-1.5%	21.9%	-8.1%
Medical malpractice	-0.9%	32.5%	-4.1%
Surety bonds	0.5%	11.2%	-2.3%

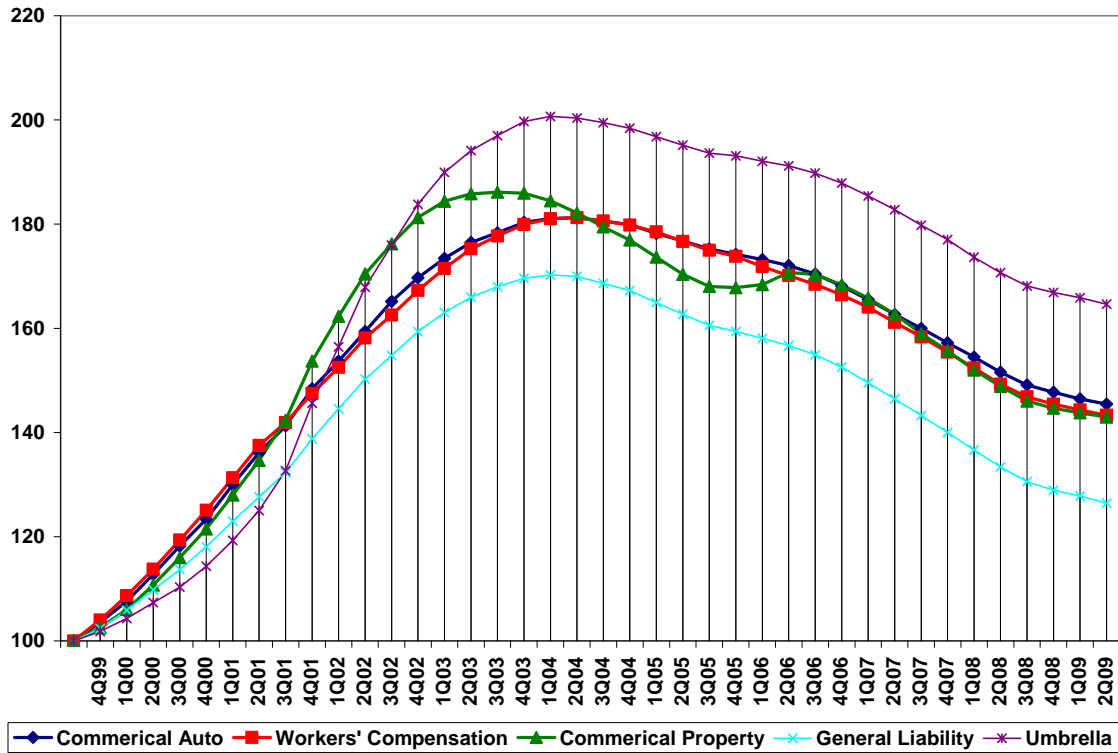
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.

Average Commercial Rate Increases by Line



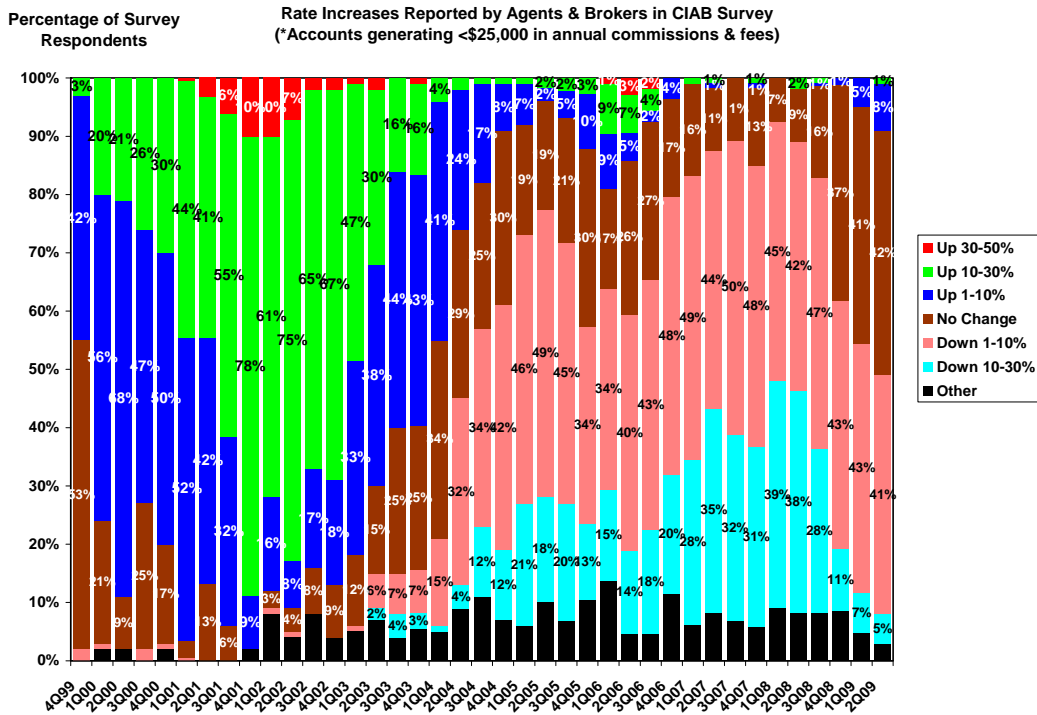
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.

Cumulative Quarterly Rate Increases by Line



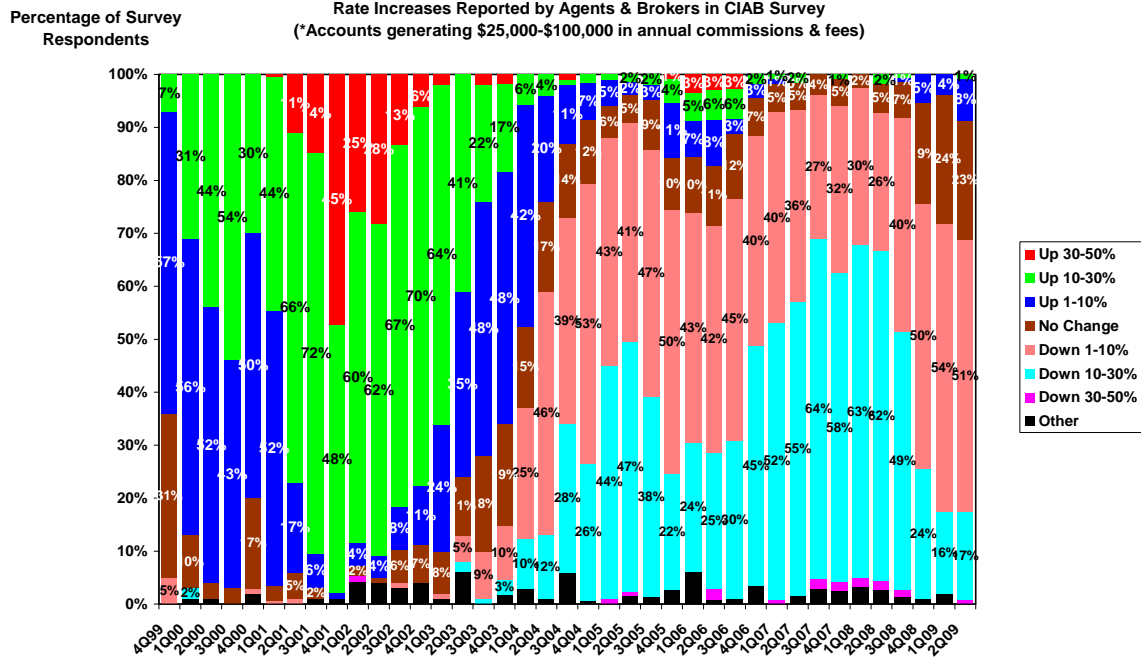
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.

Insurance Rate Changes, Small Commercial Accounts*



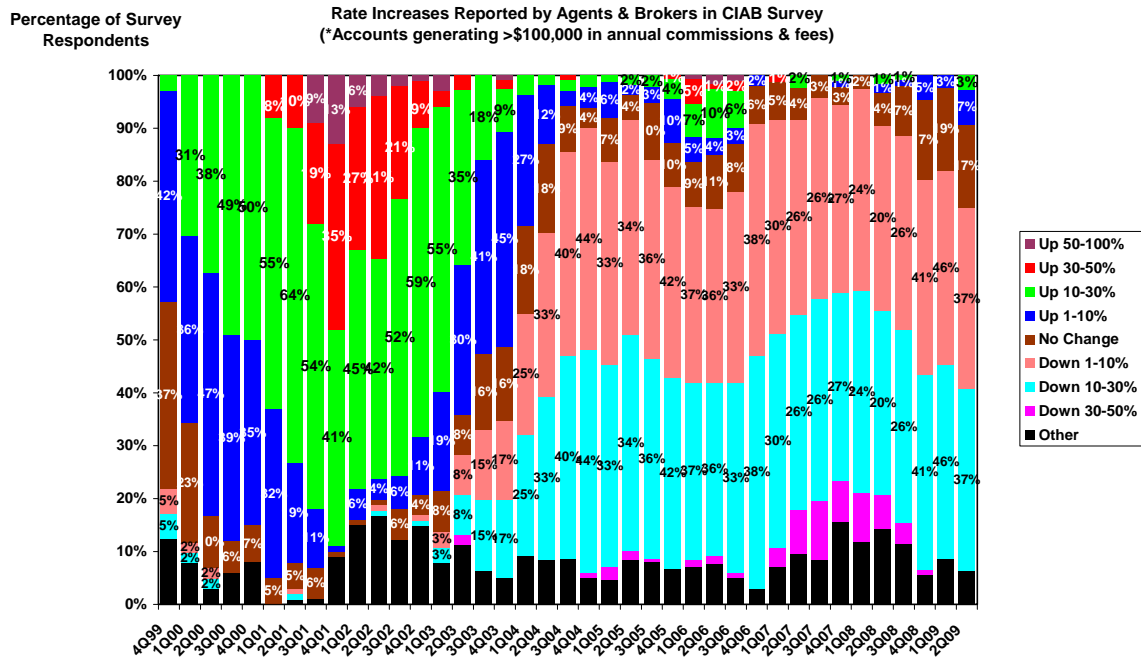
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.

Insurance Rate Changes, Medium Commercial Accounts*



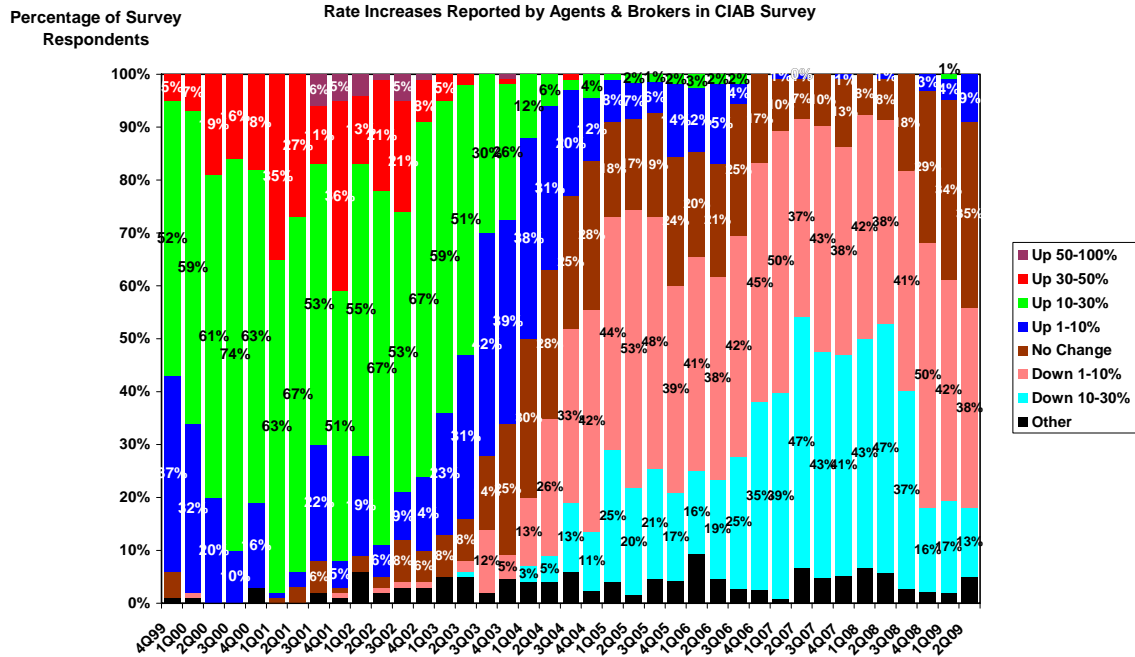
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.

Insurance Rate Changes, Large Commercial Accounts*



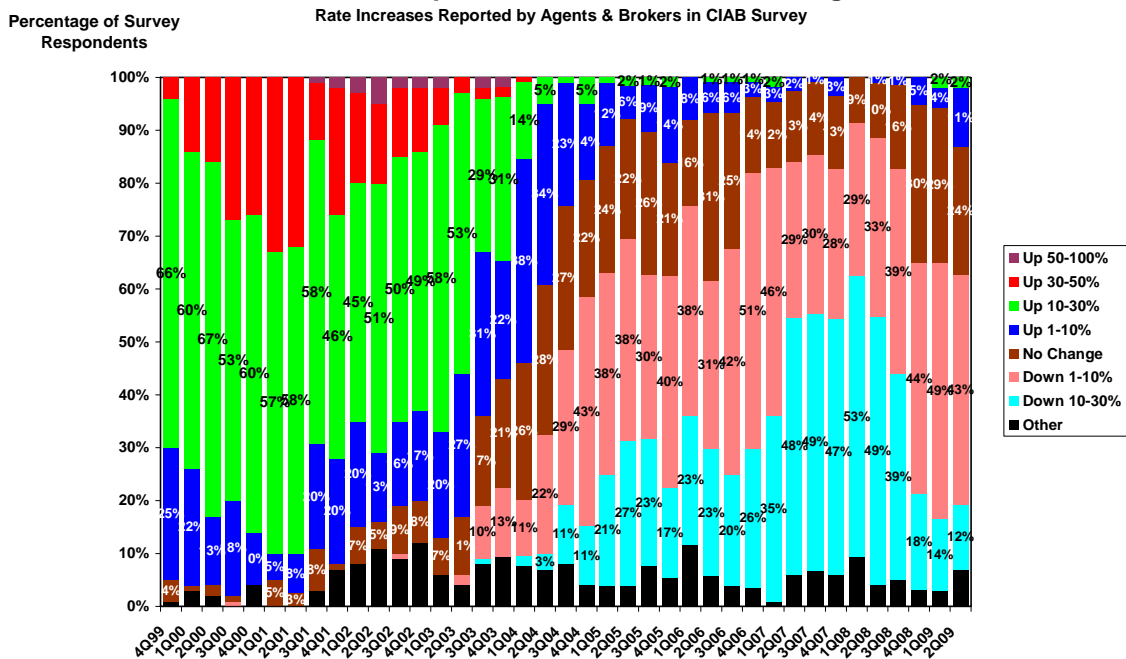
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.

Commercial Auto Insurance Rate Changes



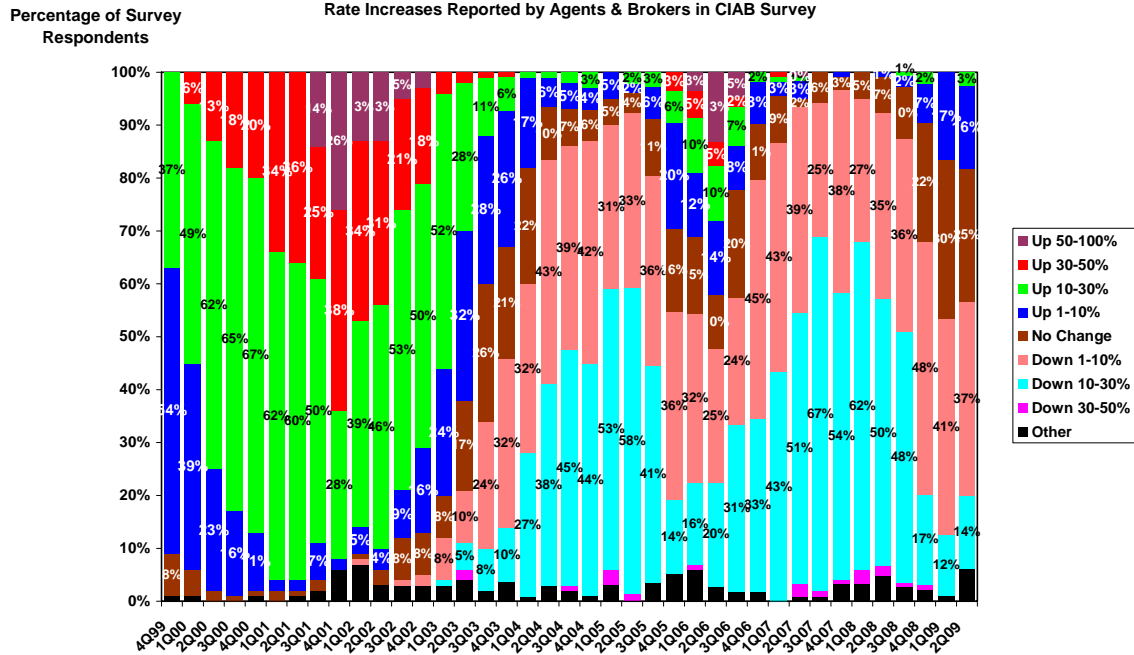
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.

Workers' Compensation Insurance Rate Changes



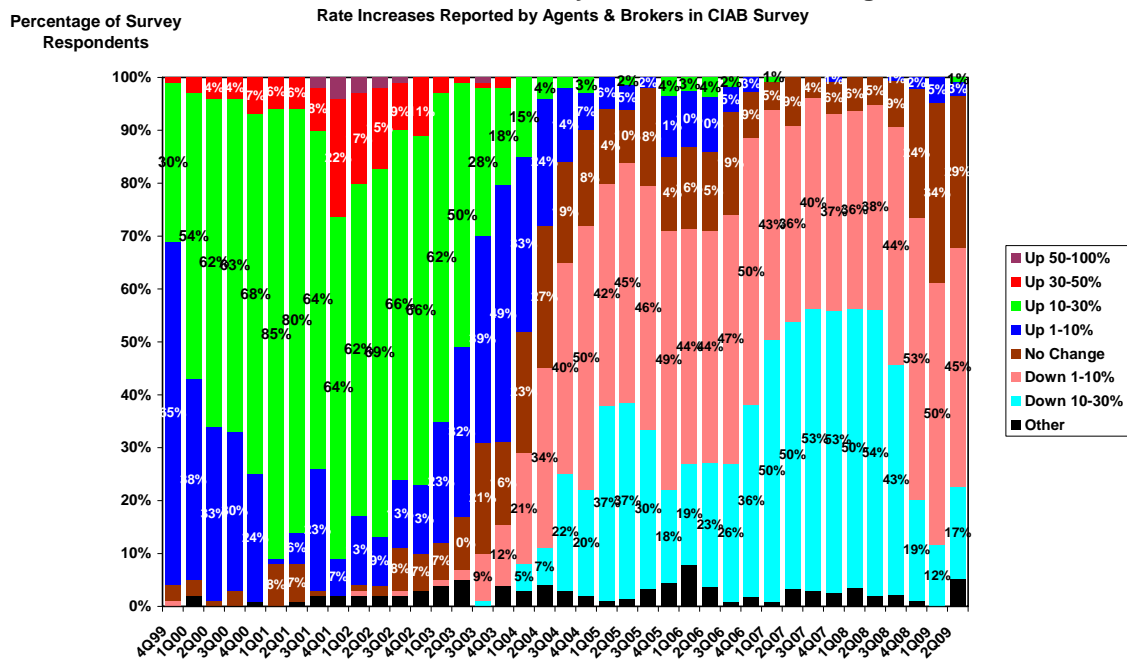
Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.

Commercial Property Insurance Rate Changes



Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.

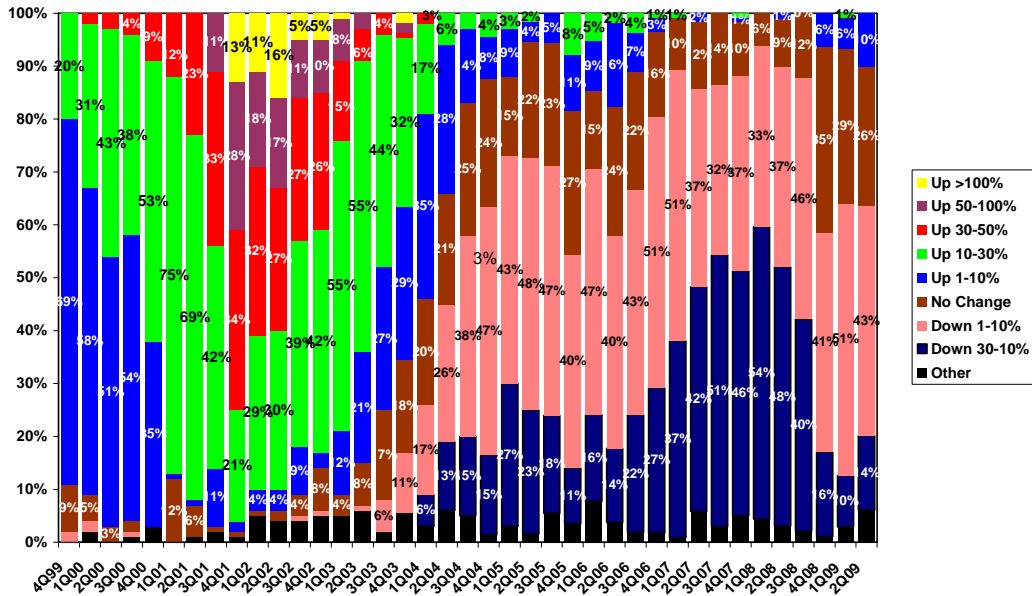
Commercial General Liability Insurance Rate Changes



Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.

Umbrella Insurance Rate Changes

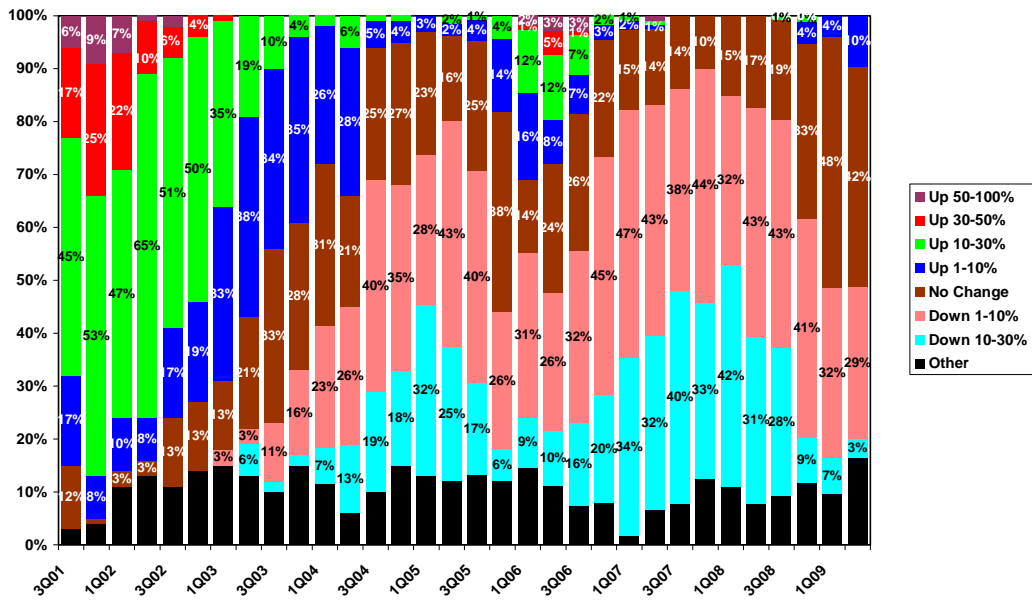
Rate Increases Reported by Agents & Brokers in CIAB Survey
Percentage of Survey Respondents



Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.

Business Interruption Insurance Rate Changes

Rate Increases Reported by Agents & Brokers in CIAB Survey
Percentage of Survey Respondents



Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Capital Equity Research.