

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

PIA-member agents can get results for the carriers they represent by contacting their PIA Industry Resource Center at (800) 424-4244 or resourcecenter@pia.org. Individual PIA-member companies can receive a customized report on their performance by emailing jczupryna@pia.org.

www.pia.org

Top 10 performers

... in New Hampshire

Company (No. of ratings) Avg. score

MMG Insurance Co. (57) 162.4

Mt. Washington (22) 152.4

Vermont Mutual (33) 152.3

Union Mutual of Vermont (34) 148.9

Safeco personal (28) 148.2

Acadia/W.R. Berkley (17) 147.5

Andover Cos. (20) 146.3

Liberty Mutual Insurance (22) 144.7

Central Insurance Cos. (27) 144.3

Travelers Group (37) 141.3

... on PIA Benchmark Survey priorities

- 1** Adjusts claims fairly
Acadia/W.R. Berkley
- 2** Pays claims promptly
Acadia/W.R. Berkley
- 3** Clear, honest communication
MMG Insurance Co.
- 4** Resolves issues quickly
MMG Insurance Co.
- 5** Underwriter knowledge, experience
MMG Insurance Co.
- 6** Listens, responds to agents
MMG Insurance Co.
- 7** Easy, intuitive technology
Progressive
- 8** Stable market
MMG Insurance Co.
- 9** Consistent underwriting
Mt. Washington
- 10** Flexible when warranted
MMG Insurance Co.

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 MMG Insurance Co. 7.8

2 Liberty Mutual Insurance • Vermont Mutual 6.9†

3 MAPFRE | Commerce Insurance • Mt. Washington 6.8†

4

5

Superior coverage

Liberty Mutual Insurance 8.0

Acadia/W.R. Berkley 7.9

The Hanover Insurance Group 7.8

Central Insurance Cos. 7.7

MMG Insurance Co. 7.6

Clear, honest communication

MMG Insurance Co. 8.5

Mt. Washington 8.2

Vermont Mutual 8.1

Acadia/W.R. Berkley • Safeco personal 7.8†

Listens, responds to agents

MMG Insurance Co. 8.3

Mt. Washington • Vermont Mutual 7.9†

Union Mutual of Vermont 7.6

Central Insurance Cos. 7.4

Competitive compensation

Andover Cos. 7.8†

MMG Insurance Co. 7.8†

Mt. Washington 7.7

Union Mutual of Vermont 7.6

Vermont Mutual 7.5

Dedicated to agency system

1 MMG Insurance Co. 8.5

2 Vermont Mutual 8.4

3 Central Insurance Cos. 8.3

4 Mt. Washington 8.2

5 Union Mutual of Vermont 8.1

Brand helps sell product

Progressive 8.3

Travelers Group 7.9

Liberty Mutual Insurance 7.8

The Hartford 7.2

MMG Insurance Co. 7.1

Message supports agents

MMG Insurance Co. 8.3

Vermont Mutual 7.9

Acadia/W.R. Berkley 7.6

Union Mutual of Vermont 7.5

NGM Insurance/Main Street America Group 7.3

Adjusts claims fairly

Acadia/W.R. Berkley 8.3

MMG Insurance Co. 8.1

Andover Cos. 8.0

Vermont Mutual 7.8

Mt. Washington 7.7

Pays claims promptly

Acadia/W.R. Berkley 8.3

MMG Insurance Co. 8.1

Andover Cos. 7.8

Safeco personal 7.7

Vermont Mutual 7.5

† Indicates ties.

Top 5 by performance item

Easy, intuitive technology

Progressive 8.6

MMG Insurance Co. •
Safeco personal 8.0†

Mt. Washington 7.5

Central Insurance Cos. •
Travelers Group 7.3†

Download works well

Safeco personal 8.1

MMG Insurance Co. • Union Mutual
of Vermont 7.9†

MAPFRE | Commerce Insurance •
Mt. Washington • Progressive 7.8†

Liberty Mutual Insurance •
Safeco personal • Union Mutual
of Vermont 8.2†

Enables Real Time

Progressive 8.0

Liberty Mutual Insurance 7.7

Central Insurance Cos. •
Mt. Washington • Safeco personal 7.6†

Resolves issues quickly

MMG Insurance Co. 8.3

Vermont Mutual 7.6

Union Mutual of Vermont 7.5

Mt. Washington • Progressive •
Safeco personal 7.4†

Highly accurate, few errors

MMG Insurance Co. 8.5

Vermont Mutual 8.3

Progressive 8.2

Union Mutual of Vermont 8.1

Acadia/W.R. Berkley •
Andover Cos. 8.0†

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."

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

Customer service oriented

MMG Insurance Co. 8.8

Vermont Mutual 8.1

Progressive • Safeco personal 7.8†

Mt. Washington • Union Mutual
of Vermont 7.7†

Underwriter knowledge, experience

MMG Insurance Co. 8.7

Andover Cos. 8.5

Acadia/W.R. Berkley 8.4

Vermont Mutual 8.3

Stable market

MMG Insurance Co. 8.3

Acadia/W.R. Berkley 8.2

Andover Cos. • Mt. Washington •
Union Mutual of Vermont •
Vermont Mutual 7.8†

Consistent underwriting

Mt. Washington 8.4

Andover Cos. • MMG Insurance Co. 8.3†

Ohio Mutual Insurance Group •
Union Mutual of Vermont •
Vermont Mutual 7.9†

Flexible when warranted

MMG Insurance Co. 8.0

Mt. Washington 7.8

Acadia/W.R. Berkley 7.6

Liberty Mutual Insurance 7.4

Andover Cos. • Safeco personal 7.3†

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). **PIA**

Easy, intuitive technology
Superior coverage
Clear, honest communication
Listens, responds to agents
Competitive compensation
Dedicated to agency system
Brand helps sell product
Message supports agents
Adjusts claims fairly
Pays claims promptly
Easy, intuitive technology
Download works well
Enables Real Time
Resolves issues quickly
Highly accurate, few errors
Customer service oriented
Underwriter knowledge, experience
Stable market
Consistent underwriting
Flexible when warranted

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.

strongly disagree 1 2 3 4 5 6 7 8 9 10 strongly agree