



Industry Index

Executive Summary

The IIABNY Report on Carrier Performance

Winter 2012

The IIABNY Index

A Carrier Evaluation Program

Overview

Welcome to the eighth edition of the IIABNY Industry Index. To support the collective interests of its membership and the industry at large, IIABNY regularly makes the vast wealth of its members' combined experience with carriers available to all its members, their carriers and the public through the IIABNY Index. While data is collected from members, non-members and all job titles from the independent agency force, only those with responsibility for the relationship with carriers are included in the index. Other data is available on request. More than 281 respondents from 256 different agencies participated in the Winter 2012 Industry Index survey. Agency owners, principals and senior management responsible for agency relations totaled 261 respondents with 191 from IIABNY. At a 95% confidence interval, this issue of the Index is projected to have a margin of error of +/- 6.2%.

Index Score Results for Winter 2012

The Personal Lines Index declined marginally to 74.6, a .06 point loss over the prior rating. Regional carriers with an Index score of 79.1 had the highest personal lines scores. The Commercial Lines Index increased to 75.8, a 1.0 point gain over the prior rating. Super regional carriers with an Index score of 78.7 had the highest commercial lines scores.

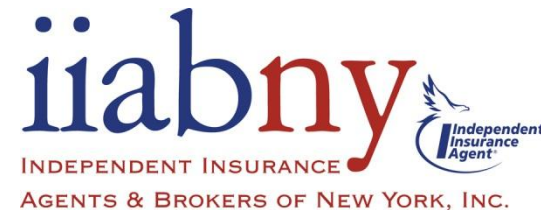
Comments or Questions

If you have any questions on the IIABNY Index, please contact Jean Vincent at Vincent McCabe, Inc., the program administrators, at 1-800-685-7227 (vincentjg@vincentmccabe.com) or Kathy Weinheimer, Senior Vice President of Industry Relations and Education at IIABNY at 1-800-962-7950 (kweinheimer@iiabny.org).

"Thanks to our members and friends who completed the survey for the eighth IIABNY Index, we are able to bring this information to you. In this Winter 2012 edition, scores for personal lines were very close to last year's scores. Commercial lines scores improved by 1 point."

"There are many differences among the carriers and we invite all carriers to review their individual scores for the six key factors of the IIABNY Index model in order to better understand how they can strengthen the all important bond between themselves and their independent agents."

*– Richard A. Poppa, CAE / AAI
President and CEO of IIABNY*



The Process

Research Design

The research team worked carefully to build the system that would reflect the concerns and priorities of IIABNY members, fairly evaluate services provided to members and members' customers and be easy to execute and understand. More than simply a tally of survey results, the IIABNY Index uses a scientifically designed model, which weights by relative importance the individual question ratings, to create the IIABNY Index scores.

Methodology

- **Preliminary investigation.** The research team studied index methodologies from other institutions in order to determine best practices.
- **In-depth interviews with members.** In order to determine factors of importance, in-depth telephone interviews were conducted with a broad spectrum of agency principals from the IIABNY roster.
- **Quantitative analysis to develop the model.** An extensive questionnaire was developed that included all the factors from the in-depth interviews. Using the results from the questionnaire, the independent researchers used a type of multivariate analysis to reduce the number of factors for inclusion in the final survey instrument. Only the critical and representative areas for reliably evaluating carriers would remain. Six key areas of importance, representing all the factors studied, were generated. The researchers also used statistical analysis to determine the relative importance measure by which each of these six key factors would be weighted.
- **Data collection for the Winter 2012 IIABNY Index.** More than 281 respondents from 256 different agencies participated in the Winter 2012 Industry Index survey. Agency owners, principals and senior management responsible for agency relations totaled 261 respondents with 191 from IIABNY. At a 95% confidence interval, this issue of the Index is projected to have a margin of error of +/- 6.2%. Confidence intervals will vary for the individual carrier scores.

The IIABNY Index is composed entirely of ratings from agency principals or leaders responsible for carrier relations in New York State. Other agency personnel are also invited to participate in the survey and their accumulated responses are available to individual carriers; however, the index only includes ratings from agency principals or leaders as the most important evaluator of the agency carrier relationships. Each respondent answered 6 questions for each line of business of the carriers they rated. Respondents only rated carriers with which they had done business in the last twenty-four months. 48 different insurance carriers were included in the questionnaire and respondents were allowed to add and score carriers not included in the defined listing.

The Model

Six Master Factors Determined

From the analysis of all factors uncovered in the initial Index research, six key factors of importance were determined using advanced statistical analysis techniques. To evaluate a carrier, members were asked, "How does your experience with this carrier rate with respect to each of the following ideals? Please use a scale of 1 to 10, where 1 means poor and 10 means excellent." The key factors, or ideals, they rated are listed below.

Underwriters are empowered, responsive and consistent.



Technology and documentation are easy to use.



Keeps its promises, treats me, my agency and my customers with honesty and fairness.



Treats our relationship as a real partnership.



Field and office personnel have a relationship with me and my customers, and they are very responsive.



Profit sharing and commission arrangements are fair.



Winter 2012 Results

Winter 2012 IIABNY Industry Index Results Overview

The Personal Lines Index declined marginally to 74.6, a .06 point loss over the prior rating.

National carriers: 2012 Index Score of 71.8, a marginal decline of .01 from the prior index score.

This is the lowest overall score.

Super regional carriers: 2012 Index Score of 76.8, a decline of 2.5 from the prior index score.

Regional carriers: 2012 Index Score of 79.1, a marginal increase of 0.1 from the prior index score.

The regional carrier score of 79.1 is the highest for the personal lines section.

The Commercial Lines Index increased to 75.8, a 1.0 point gain over the prior rating.

National carriers: 2012 Index Score of 73.4, an increase of 2.1 over the prior index score.

Super regional carriers: 2012 Index Score of 78.7, a marginal decline of 0.1 from the prior index score.

Regional carriers: 2012 Index Score of 77.2, a marginal increase of 0.3 from the prior index score.

The super regional carrier score of 78.7 is the highest for the commercial lines section.

Winter 2012 IIABNY Industry Index Component Factor Results Overview

Of the six component factors of the Index, “Keeps its promises, treats me and my customers with honesty and fairness” received the highest scores for both personal and commercial lines (75.7 and 76.4 respectively).

Of the six component factors of the Index, “Profit sharing and commission arrangements are fair” received the lowest scores for both personal and commercial lines (69.1 and 70.9 respectively).

“Treats our relationship as a real partnership” showed the most improvement in personal lines but only by 0.6 points. “Field and office personnel have a relationship with me and my customers, and they are responsive” saw the most improvement in commercial lines moving up by 2.3 points.

Winter 2012 Results - Continued

Individual Factor Scores – Underwriters are empowered, responsive and consistent.

Personal Lines

This factor in personal lines showed little overall change from prior scores. (-.20)

With a score of 80.3, regional carriers had the highest personal lines score in this category.

Regional carriers had the greatest increase in personal line scores (+.50) in this category reaching 80.30.

Commercial Lines

This factor in commercial lines showed little overall change from prior scores. (0.0)

With a score of 78.9, the regional carriers had the highest commercial lines score in this category.

Regional carriers had the greatest increase in commercial lines score (+1.38) in this category.

Individual Factor Scores – Technology and documentation are easy to use.

Personal Lines

This factor score declined .60 points for a new score of 73.40.

With a score of 74.80, national carriers had the highest personal lines score in this category.

None of the carriers had any increases in personal lines in this category.

Commercial Lines

This factor in personal lines showed no change from prior scores.

With a score of 76.8, national carriers had the highest commercial lines score in this category.

National carriers had the greatest increases in commercial lines score (+1.3) in this category.

Individual Factor Scores – Keeps its promises, treats me, my agency and my customers with honesty and fairness

Personal Lines

This total factor score declined .60 to a score of 75.7. With a score of 79.9, regional carriers had the highest personal lines score in this category.

Regional carriers had the greatest increases in personal lines scores (+.50) in this category.

Commercial Lines

This total factor score increased .30 to a new score of 76.4

With a score of 78.9 super regional carriers had the highest commercial lines score in this category.

National carriers had the greatest increases in commercial lines score (+1.0) in this category.

Individual Factor Scores - Treats our relationship as a real partnership.

Personal Lines

This total factor score increased 0.6 to a new score of 72.9.

With a score of 79.3, regional carriers had the highest personal lines score in this category.

Regional carriers had the greatest increases in personal lines scores (+1.4) in this category.

Commercial Lines

This total factor score increased 1.6 to a new score of 74.3.

With a score of 78.3, super regional carriers had the highest commercial lines score in this category.

National carriers had the greatest increases in commercial lines (+2.57) in this category.

Winter 2012 Results - Continued

Individual Factor Scores - **Field office personnel have a relationship with me and my customers, and they are very responsive.**

Personal Lines

This total factor score declined .50 to a new score of 73.8.

With a score of 78.0, regional carriers had the highest personal lines score in this category.

All carrier type scores declined in this index.

Commercial Lines

This total factor score increased 2.3 to a new score of 75.40.

With a score of 79.03, super regional carriers had the highest commercial lines score in this category.

National carriers had the greatest increases in commercial lines scores (+3.6) in this category.

Individual Factor Scores - **Profit sharing and commission arrangements are fair.**

Personal Lines

This total factor score declined .70 to a new score of 69.1.

With a score of 76.9, regional carriers had the highest personal lines score in this category.

National carriers had the greatest but modest increases in personal lines (+.20) in this category.

Commercial Lines

This total factor score increased 1.7 to a new score of 70.90.

With a score of 75.7, super regional carriers had the highest commercial lines score in this category.

National carriers had the greatest increases in commercial lines (+4.14) in this category.

Overview of the Current Environment

Owners, principals and senior managers were asked to rate the overall support independent agencies receive from their carriers. The majority (76.4%) scored their carriers as either “good” or “excellent.” Additionally, the percentage of “Excellent” scores at 23.11% stayed at 2011 levels..

When asked what carriers can do to assist independent agents, the following items were mentioned most frequently:

- Advertising

- Underwriting flexibility

- Marketing

- No direct writing competition

- Support us - no added work

In this edition of the IIABNY Index, questions on carrier support were included in the study. Respondents were asked to rate the overall support provided by their carriers. The majority (77%) scored their carriers as either “good” or “excellent” – a slight decline over the prior Index. Advertising and underwriting flexibility are the two areas mentioned most frequently, when asked what carriers should be doing to assist agents. The majority of respondents (85%) use the internet to market and a smaller percentage (51%) also use social media to varying degrees. Only a small percentage use these methods aggressively – 11% internet and 5% social media.

Winter 2012 Scores

The IIABNY Carrier Index Recap

Individual carrier performance index scores were statistically accumulated and used to create eight industry scores – an overall carrier index, a national carrier index, a super regional carrier index and a regional carrier index for both commercial and personal lines. The maximum score possible in the Index is 100. The minimum score possible is 10. A recap of IIABNY Index industry scores are as follows:

	Summer 2007 Carrier Combined Score	Winter 2007 Carrier Combined Score	Personal Lines Spring/Summer 2008 Carrier Score	Commercial Lines Spring/Summer 2008 Carrier Score	Personal Lines Winter 2008 Carrier Score	Commercial Lines Winter 2008 Carrier Score	Personal Lines Summer 2009 Carrier Score	Commercial Lines Summer 2009 Carrier Score	Personal Lines Winter 2010 Carrier Score	Commercial Lines Winter 2010 Carrier Score	Personal Lines Winter 2011 Carrier Score	Commercial Lines Winter 2011 Carrier Score	Personal Lines Winter 2012 Carrier Score	Commercial Lines Winter 2012 Carrier Score	CHANGE - Personal Lines Winter 2012 Carrier Score Change from Winter 2011	CHANGE - Commercial Lines Winter 2012 Carrier Score Change from Winter 2011
Overall Carrier Index																
Overall Carrier Index	70.2	70.4	71.0	73.1	72.0	71.7	73.7	75.3	72.8	73.2	75.2	74.8	74.6	75.8	(0.6)	1.00
National Carrier Index	66.5	67.5	67.6	69.0	69.4	69.3	69.3	70.8	68.8	69.9	71.9	71.3	71.8	73.4	(0.1)	2.10
Super Regional Carrier Index	74.7	74.2	75.5	76.5	73.2	72.4	77.5	78.7	77.4	77.5	79.3	78.8	76.8	78.7	(2.5)	(0.10)
Regional Carrier Index	77.8	76.0	77.0	80.5	78.4	78.7	80.7	79.8	77.2	74.5	79.0	76.9	79.1	77.2	0.1	0.30
Factor Scores - Underwriters are empowered, responsive and consistent.																
All Carriers	70.3	71.2	72.2	75.1	73.8	73.7	73.0	75.7	72.0	72.8	74.1	75.1	73.90	75.10	(0.20)	0.00
National Carriers	65.8	67.7	68.5	71.2	71.4	72.2	68.3	71.4	67.1	70.1	70.0	71.8	70.10	71.91	0.10	0.11
Super Regional Carriers	75.9	75.1	76.4	78.1	74.1	72.3	76.1	78.2	77.8	75.5	78.3	78.1	76.70	76.96	(1.60)	(1.14)
Regional Carriers	79.9	78.7	79.9	83.1	80.5	81.4	81.0	80.7	77.4	74.9	79.8	77.6	80.30	78.98	0.50	1.38
Factor Scores - Technology and documentation are easy to use.																
All Carriers	71.2	71.6	72.6	74.3	73.7	74.1	72.6	74.7	71.5	71.5	74.0	73.5	73.40	73.50	(0.60)	0.00
National Carriers	71.7	72.3	72.8	74.2	74.0	74.6	72.4	75.0	71.9	73.9	75.2	75.5	74.80	76.81	(0.40)	1.31
Super Regional Carriers	70.8	70.4	72.1	75.2	70.5	72.8	71.6	76.8	71.7	72.9	72.9	76.1	72.50	74.14	(0.40)	(1.96)
Regional Carriers	69.7	70.7	72.6	71.8	76.2	74.9	73.6	72.2	70.7	66.4	72.2	68.6	70.90	68.36	(1.30)	(0.24)
Factor Scores - Keeps its promises, treats me, my agency and my customers with honesty and fairness.																
All Carriers	73.0	73.2	73.7	75.2	74.7	73.9	75.1	75.7	74.0	74.1	76.3	76.1	75.70	76.40	(0.60)	0.30
National Carriers	69.8	70.7	70.8	72.1	72.8	72.0	71.1	71.8	70.8	70.7	73.6	73.1	73.30	74.10	(0.30)	1.00
Super Regional Carriers	76.5	75.5	77.3	77.4	74.5	74.1	78.6	78.1	76.8	77.9	79.8	79.3	77.30	78.94	(2.50)	(0.36)
Regional Carriers	80.3	79.5	79.2	81.9	80.4	80.4	81.2	80.3	78.3	76.1	79.4	78.1	79.90	77.80	0.50	(0.30)
Factor Scores - Treats our relationship as a real partnership.																
All Carriers	69.7	69.9	70.4	72.7	71.1	70.6	71.8	73.0	71.4	71.8	72.3	72.7	72.90	74.30	0.60	1.60
National Carriers	64.9	65.8	66.1	67.0	67.6	67.1	66.0	67.1	66.1	66.2	69.2	67.7	69.00	70.27	(0.20)	2.57
Super Regional Carriers	75.7	75.5	76.9	77.0	73.9	72.3	77.2	76.9	77.1	77.2	79.8	77.9	73.90	78.33	(5.90)	0.43
Regional Carriers	79.7	77.3	77.3	82.3	78.5	79.1	80.6	79.4	77.8	75.0	77.9	75.9	79.30	77.21	1.40	1.31
Factor Scores - Field and office personnel have a relationship with me and my customers, and they are very responsive.																
All Carriers	70.5	71.2	71.1	73.4	71.2	70.8	72.6	74.2	72.0	72.2	74.3	73.1	73.80	75.40	(0.50)	2.30
National Carriers	66.3	68.0	67.6	69.0	68.2	68.0	68.0	69.3	68.1	68.6	71.1	68.8	71.00	72.35	(0.10)	3.55
Super Regional Carriers	75.7	76.2	76.0	76.7	73.4	71.4	77.1	77.9	77.1	76.6	78.4	76.7	76.50	79.03	(1.90)	2.33
Regional Carriers	79.2	76.3	77.1	83.3	78.0	79.1	79.5	79.4	76.1	74.1	78.2	76.6	78.00	77.02	(0.20)	0.42
Factor Scores - Profit sharing and commission arrangements are fair.																
All Carriers	65.9	64.8	65.2	67.4	66.7	66.6	68.4	69.1	67.0	67.9	69.8	69.2	69.10	70.90	(0.70)	1.70
National Carriers	59.9	59.5	59.0	59.5	61.4	60.8	61.2	61.1	60.4	60.8	63.5	61.4	63.70	65.54	0.20	4.14
Super Regional Carriers	73.7	72.6	74.1	74.3	72.3	71.4	75.4	74.9	75.2	76.1	77.4	75.5	74.70	75.73	(2.70)	0.23
Regional Carriers	77.9	73.0	75.5	80.9	76.6	77.2	79.1	77.5	73.9	71.8	77.4	75.6	76.90	75.05	(0.50)	(0.55)

Winter 2012 Scores

The IIABNY Carrier Index

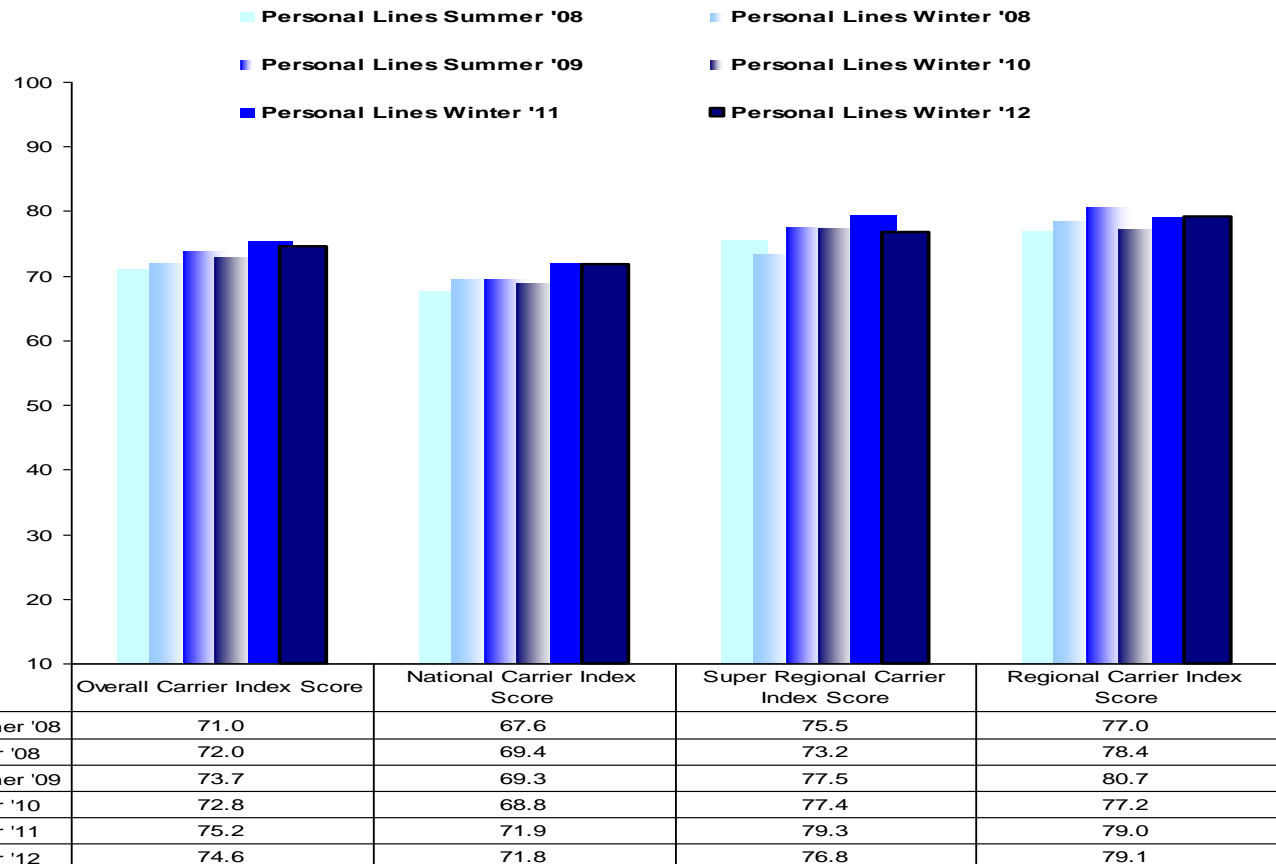
Individual carrier performance index scores were statistically accumulated and used to create eight industry scores – an overall carrier index, a national carrier index, a super regional carrier index and a regional carrier index for both commercial and personal lines. The maximum score possible in the Index is 100. The minimum score possible is 10.

The Winter 2012 IIABNY Index industry scores are as follows:

Overall Personal Lines Scores

Personal Lines - Overall Index Scores	CHANGE Personal Lines Winter 2012 from Winter 2011
All Carriers	(0.6)
National Carriers	(0.1)
Super Regional	(2.5)
Regional	0.1

	Personal Lines Scores Winter 2012
All Carriers	74.6
National Carriers	71.8
Super Regional	76.8
Regional	79.1



Winter 2012 Scores

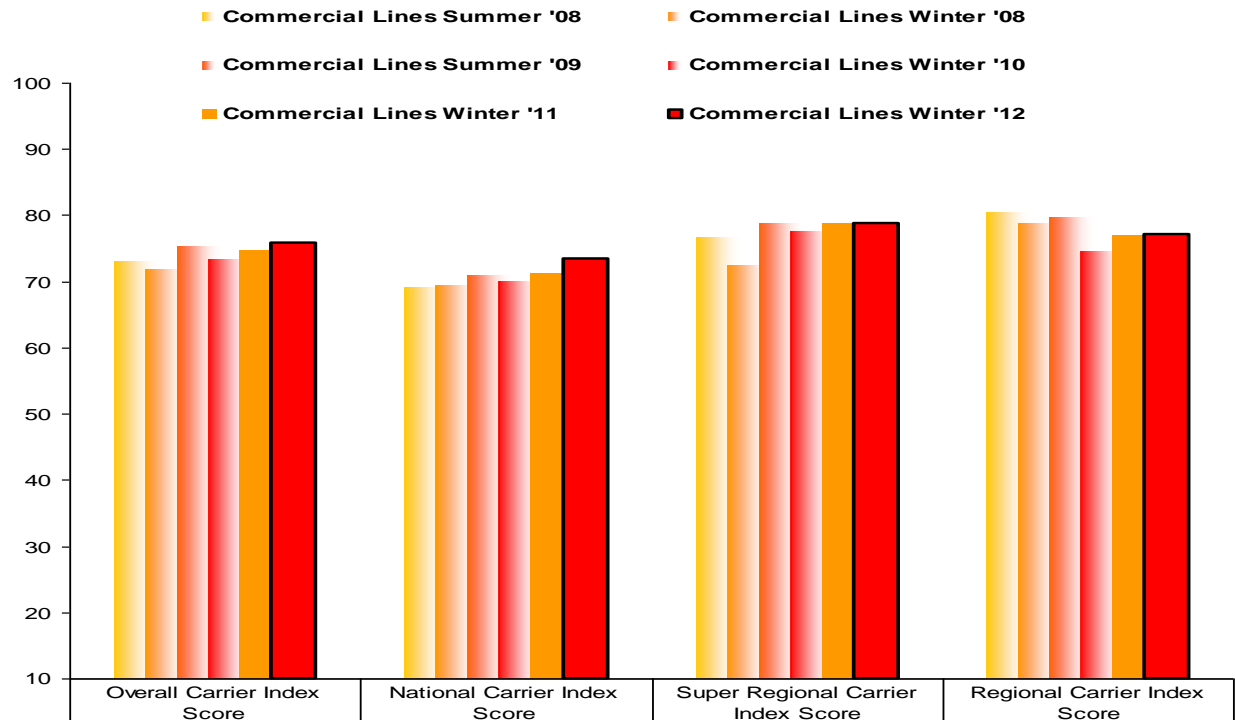
The IIABNY Carrier Index

Individual carrier performance index scores were statistically accumulated and used to create eight industry scores – an overall carrier index, a national carrier index, a super regional carrier index and a regional carrier index for both commercial and personal lines. The maximum score possible in the Index is 100. The minimum score possible is 10.

Overall Commercial Lines Scores

	CHANGE Commercial Lines Winter 2012 from Winter 2011
Commercial Lines - Overall Index Scores	
All Carriers	1.0
National Carriers	2.1
Super Regional Carriers	(0.1)
Regional Carriers	0.3

	Commercial Lines Scores Winter 2012
Commercial Lines - Overall Index Scores	
All Carriers	75.8
National Carriers	73.4
Super Regional	78.7
Regional	77.2



	Overall Carrier Index Score	National Carrier Index Score	Super Regional Carrier Index Score	Regional Carrier Index Score
Commercial Lines Summer '08	73.1	69.0	76.5	80.5
Commercial Lines Winter '08	71.7	69.3	72.4	78.7
Commercial Lines Summer '09	75.3	70.8	78.7	79.8
Commercial Lines Winter '10	73.2	69.9	77.5	74.5
Commercial Lines Winter '11	74.8	71.3	78.8	76.9
Commercial Lines Winter '12	75.8	73.4	78.7	77.2

In-depth Factor Scores 2012

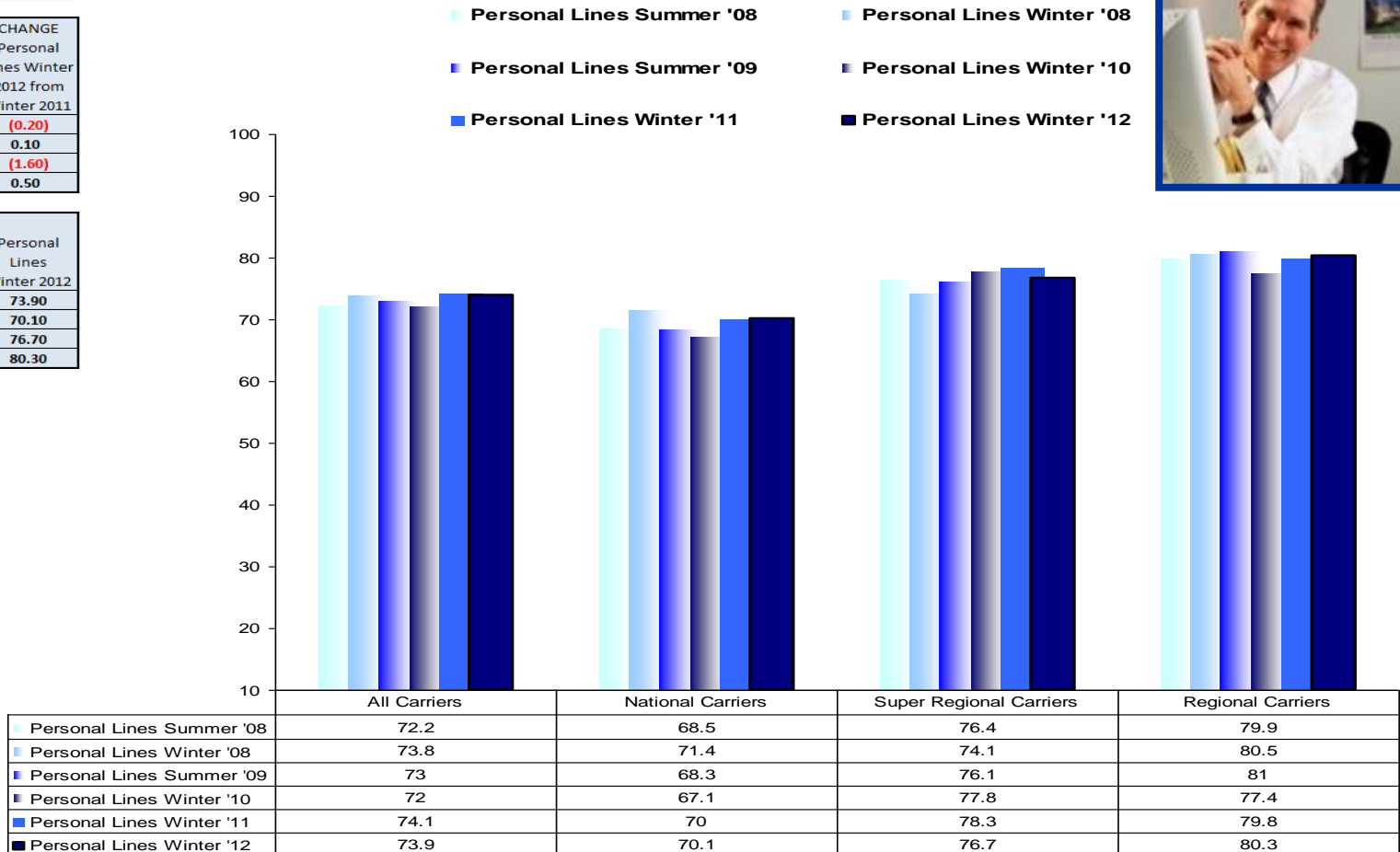
The IIABNY Index model combines the scores for six key factors, weighted by relative importance, to create a performance index score.

However, the individual key factor scores also provided significant information. Scores for the individual factors are:

Underwriters are empowered, responsive and consistent.

Factor Scores - Underwriters are empowered, responsive and consistent.	CHANGE Personal Lines Winter 2012 from Winter 2011
All Carriers	(0.20)
National Carriers	0.10
Super Regional Carriers	(1.60)
Regional Carriers	0.50

	Personal Lines Winter 2012
All Carriers	73.90
National Carriers	70.10
Super Regional Carriers	76.70
Regional Carriers	80.30



In-depth Factor Scores 2012

The IIABNY Index model combines the scores for six key factors, weighted by relative importance, to create a performance index score.

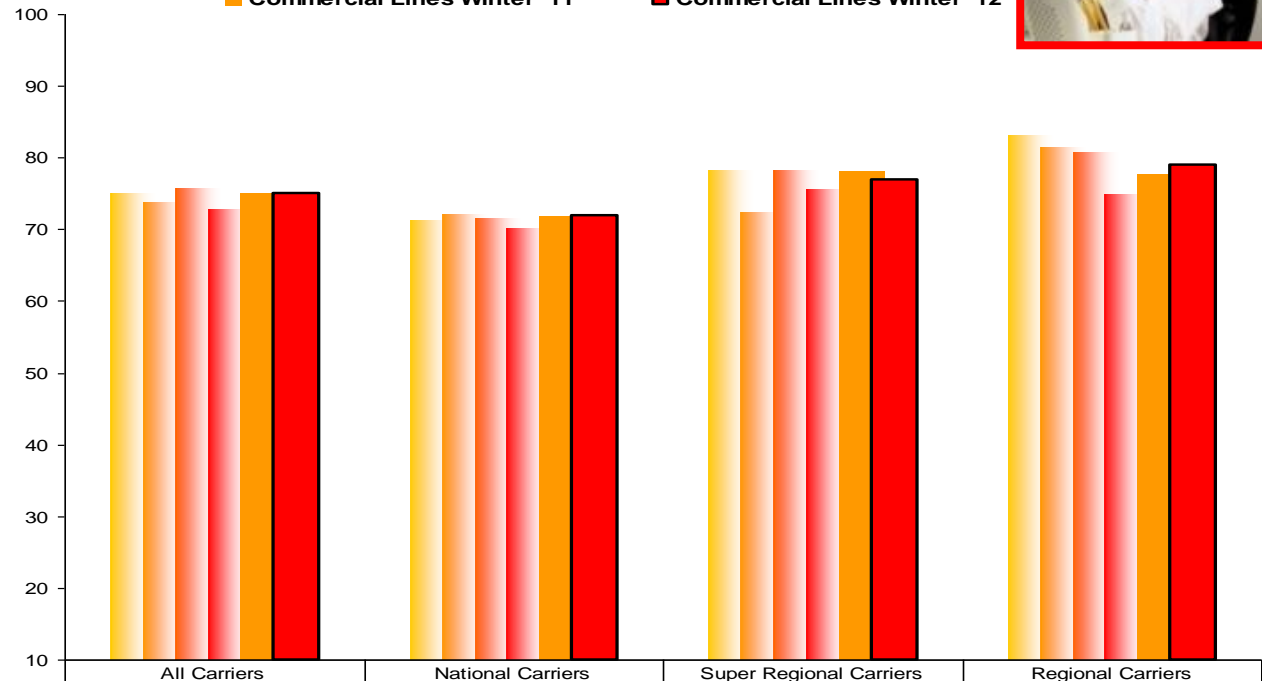
However, the individual key factor scores also provided significant information. Scores for the individual factors are:

Underwriters are empowered, responsive and consistent.

Factor Scores - Underwriters are empowered, responsive and consistent.	CHANGE Commercial Lines Winter 2012 from Winter 2011
All Carriers	0.00
National Carriers	0.11
Super Regional Carriers	(1.14)
Regional Carriers	1.38

Factor Scores - Underwriters are empowered, responsive and consistent.	Commercial Lines Winter 2012
All Carriers	75.10
National Carriers	71.91
Super Regional Carriers	76.96
Regional Carriers	78.98

- Commercial Lines Summer '08
- Commercial Lines Winter '08
- Commercial Lines Summer '09
- Commercial Lines Winter '10
- Commercial Lines Winter '11
- Commercial Lines Winter '12



	All Carriers	National Carriers	Super Regional Carriers	Regional Carriers
Commercial Lines Summer '08	75.1	71.2	78.1	83.1
Commercial Lines Winter '08	73.7	72.2	72.3	81.4
Commercial Lines Summer '09	75.7	71.4	78.2	80.7
Commercial Lines Winter '10	72.8	70.1	75.5	74.9
Commercial Lines Winter '11	75.1	71.8	78.1	77.6
Commercial Lines Winter '12	75.1	71.91	76.96	78.98



In-depth Factor Scores 2012

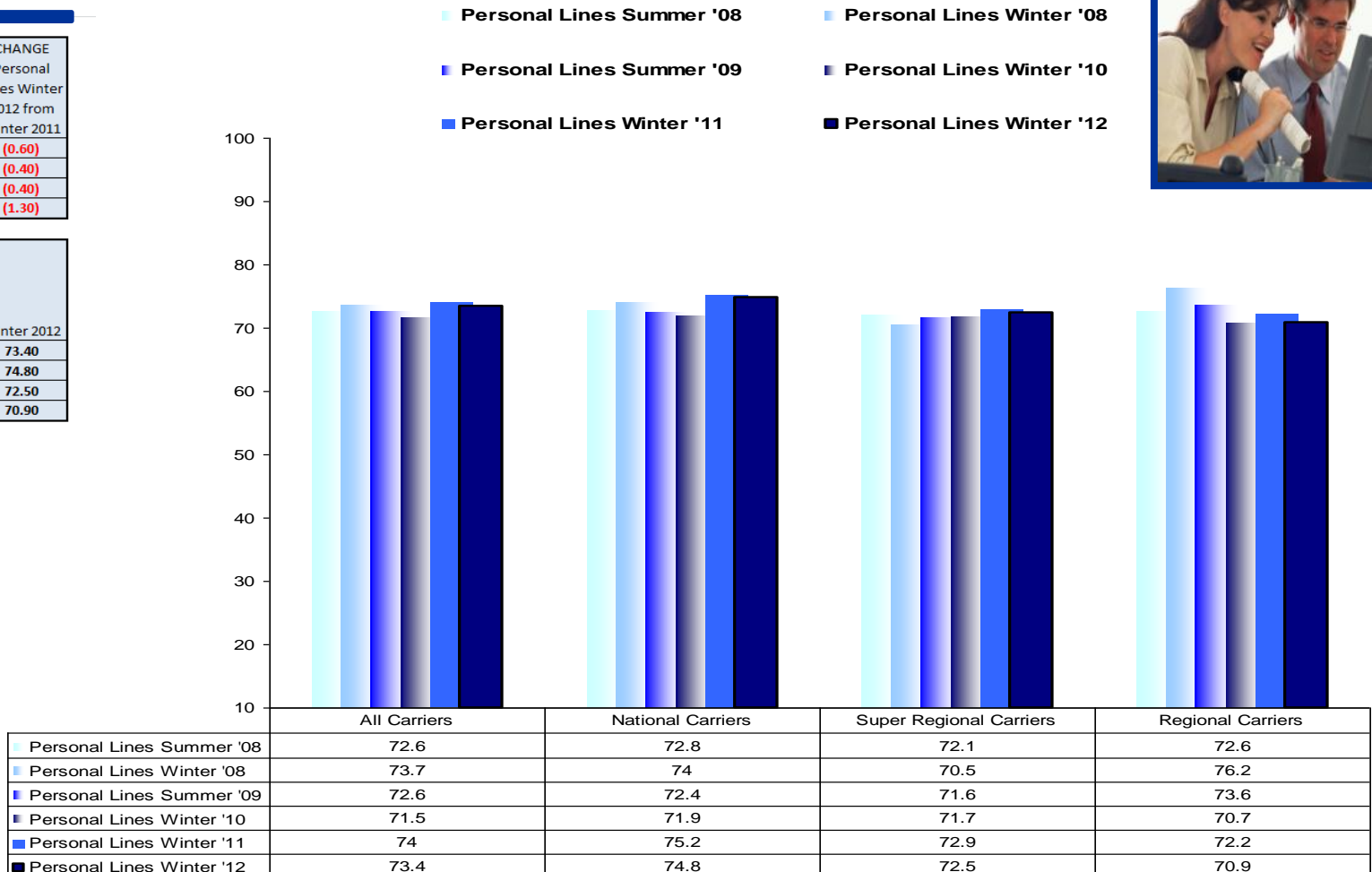
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However, the individual key factor scores also provided significant information. Scores for the individual factors are:

Technology and documentation are easy to use.

Factor Scores - Technology and documentation are easy to use.	CHANGE Personal Lines Winter 2012 from Winter 2011
All Carriers	(0.60)
National Carriers	(0.40)
Super Regional Carriers	(0.40)
Regional Carriers	(1.30)

Factor Scores - Technology and documentation are easy to use.	Winter 2012
All Carriers	73.40
National Carriers	74.80
Super Regional Carriers	72.50
Regional Carriers	70.90



In-depth Factor Scores 2012

The IIABNY Index model combines the scores for six key factors, weighted by relative importance, to create a performance index score.

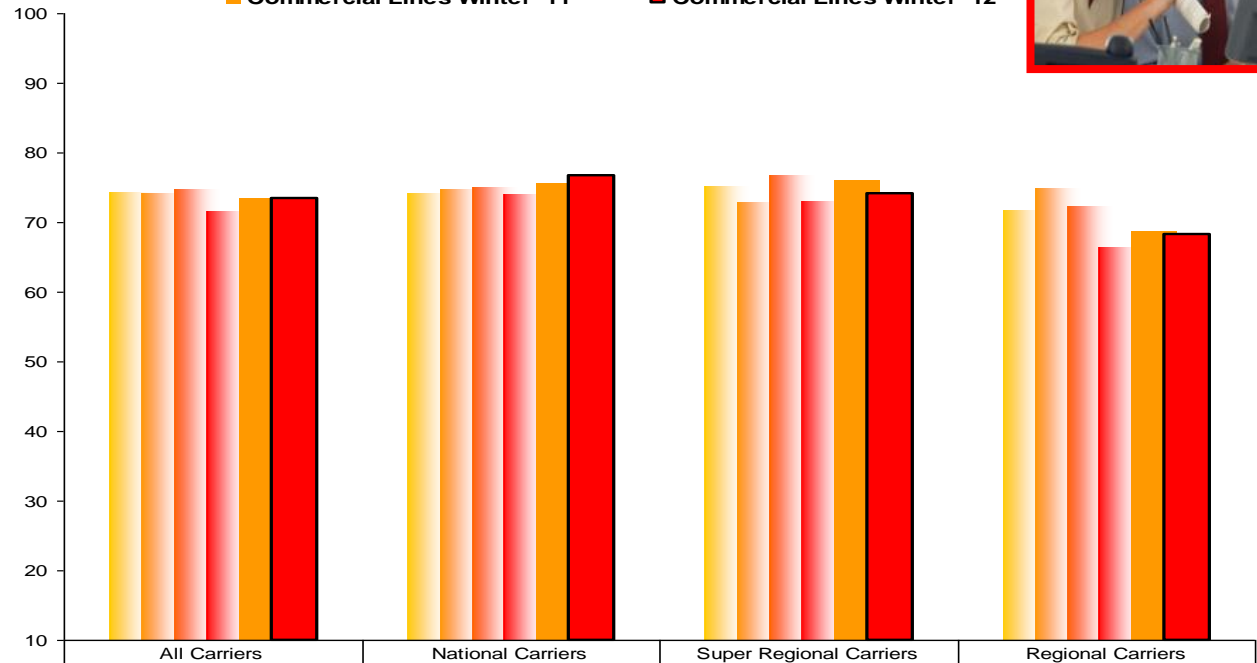
However, the individual key factor scores also provided significant information. Scores for the individual factors are:

Technology and documentation are easy to use.

Factor Scores - Technology and documentation are easy to use.	CHANGE Commercial Lines Winter 2012 from Winter 2011
All Carriers	0.00
National Carriers	1.31
Super Regional Carriers	(1.96)
Regional Carriers	(0.24)

Factor Scores - Technology and documentation are easy to use.	CHANGE Commercial Lines Winter 2012 from Winter 2011
All Carriers	73.50
National Carriers	76.81
Super Regional Carriers	74.14
Regional Carriers	68.36

- Commercial Lines Summer '08
- Commercial Lines Summer '09
- Commercial Lines Winter '11
- Commercial Lines Winter '08
- Commercial Lines Winter '10
- Commercial Lines Winter '12



	All Carriers	National Carriers	Super Regional Carriers	Regional Carriers
Commercial Lines Summer '08	74.3	74.2	75.2	71.8
Commercial Lines Winter '08	74.1	74.6	72.8	74.9
Commercial Lines Summer '09	74.7	75	76.8	72.2
Commercial Lines Winter '10	71.5	73.9	72.9	66.4
Commercial Lines Winter '11	73.5	75.5	76.1	68.6
Commercial Lines Winter '12	73.5	76.81	74.14	68.36

In-depth Factor Scores 2012

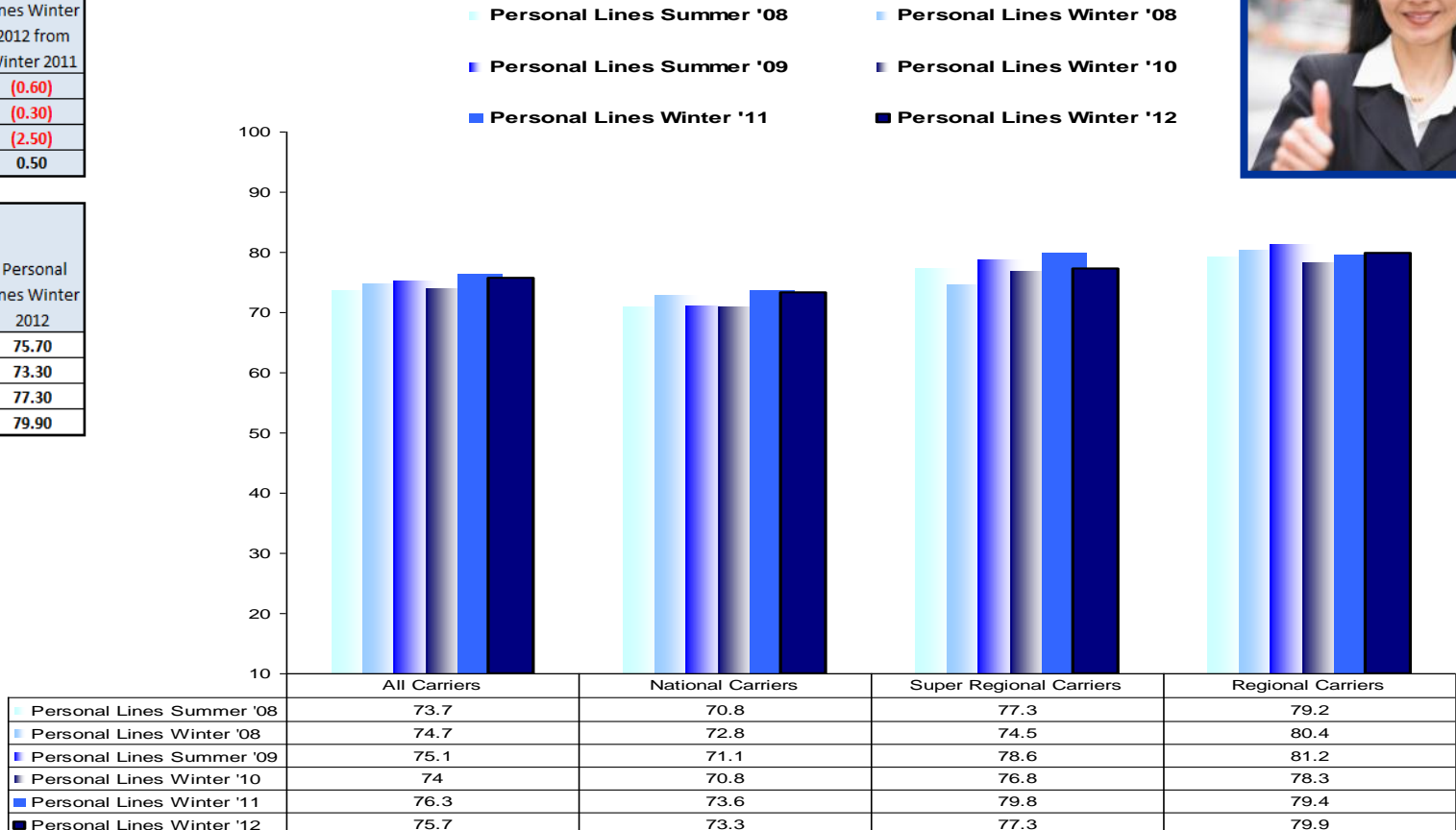
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However, the individual key factor scores also provided significant information. Scores for the individual factors are:

Keeps its promises, treats me, my agency and my customers with honesty and fairness.

Factor Scores - Keeps its promises, treats me, my agency and my customers with honesty and fairness.	CHANGE Personal Lines Winter 2012 from Winter 2011
All Carriers	(0.60)
National Carriers	(0.30)
Super Regional Carriers	(2.50)
Regional Carriers	0.50

Factor Scores - Keeps its promises, treats me, my agency and my customers with honesty and fairness.	Personal Lines Winter 2012
All Carriers	75.70
National Carriers	73.30
Super Regional Carriers	77.30
Regional Carriers	79.90



In-depth Factor Scores 2012

The IIABNY Index model combines the scores for six key factors, weighted by relative importance, to create a performance index score.

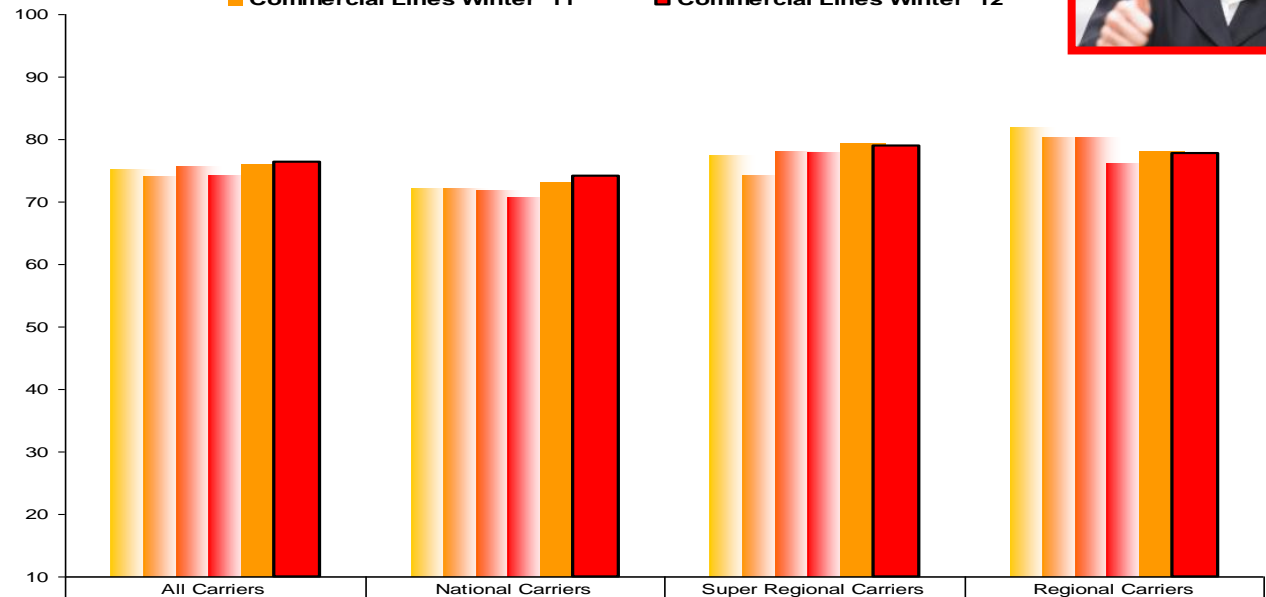
However, the individual key factor scores also provided significant information. Scores for the individual factors are:

Keeps its promises, treats me, my agency and my customers with honesty and fairness.

Factor Scores - Keeps its promises, treats me, my agency and my customers with honesty and fairness.	CHANGE Commercial Lines Winter 2012 from Winter 2011
All Carriers	0.30
National Carriers	1.00
Super Regional Carriers	(0.36)
Regional Carriers	(0.30)

Factor Scores - Keeps its promises, treats me, my agency and my customers with honesty and fairness.	CHANGE Commercial Lines Winter 2012 from Winter 2011
All Carriers	76.40
National Carriers	74.10
Super Regional Carriers	78.94
Regional Carriers	77.80

■ Commercial Lines Summer '08
■ Commercial Lines Winter '08
■ Commercial Lines Summer '09
■ Commercial Lines Winter '10
■ Commercial Lines Winter '11
■ Commercial Lines Winter '12



	All Carriers	National Carriers	Super Regional Carriers	Regional Carriers
Commercial Lines Summer '08	75.2	72.1	77.4	81.9
Commercial Lines Winter '08	73.9	72	74.1	80.4
Commercial Lines Summer '09	75.7	71.8	78.1	80.3
Commercial Lines Winter '10	74.1	70.7	77.9	76.1
Commercial Lines Winter '11	76.1	73.1	79.3	78.1
Commercial Lines Winter '12	76.4	74.1	78.94	77.8

In-depth Factor Scores 2012

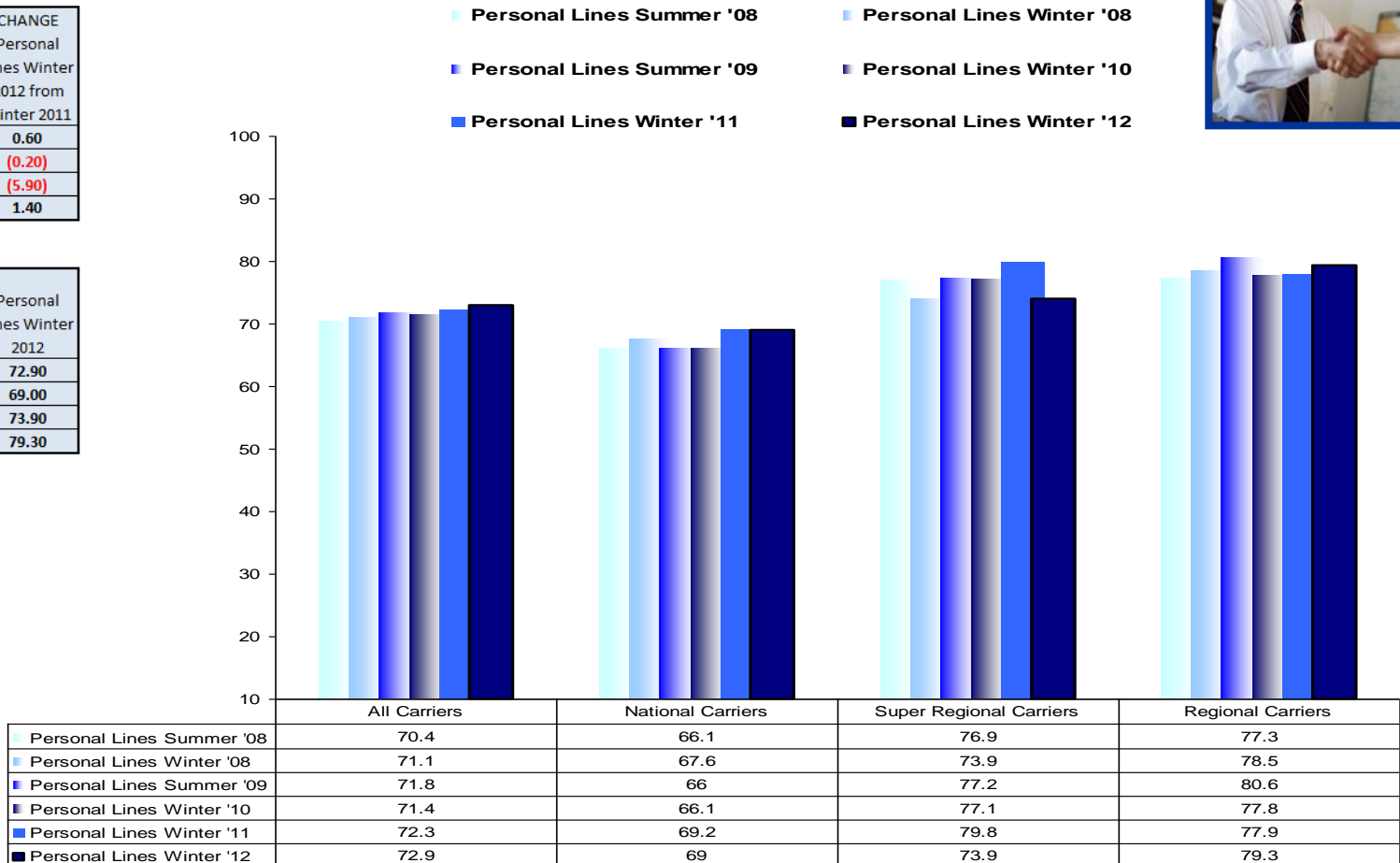
The IIABNY Index model combines the scores for six key factors, weighted by relative importance, to create a performance index score.

However, the individual key factor scores also provided significant information. Scores for the individual factors are:

Treats our relationship as a real partnership.

Factor Scores - Treats our relationship as a real partnership.	CHANGE Personal Lines Winter 2012 from Winter 2011
All Carriers	0.60
National Carriers	(0.20)
Super Regional Carriers	(5.90)
Regional Carriers	1.40

Factor Scores - Treats our relationship as a real partnership.	Personal Lines Winter 2012
All Carriers	72.90
National Carriers	69.00
Super Regional Carriers	73.90
Regional Carriers	79.30



In-depth Factor Scores 2012

The IIABNY Index model combines the scores for six key factors, weighted by relative importance, to create a performance index score.

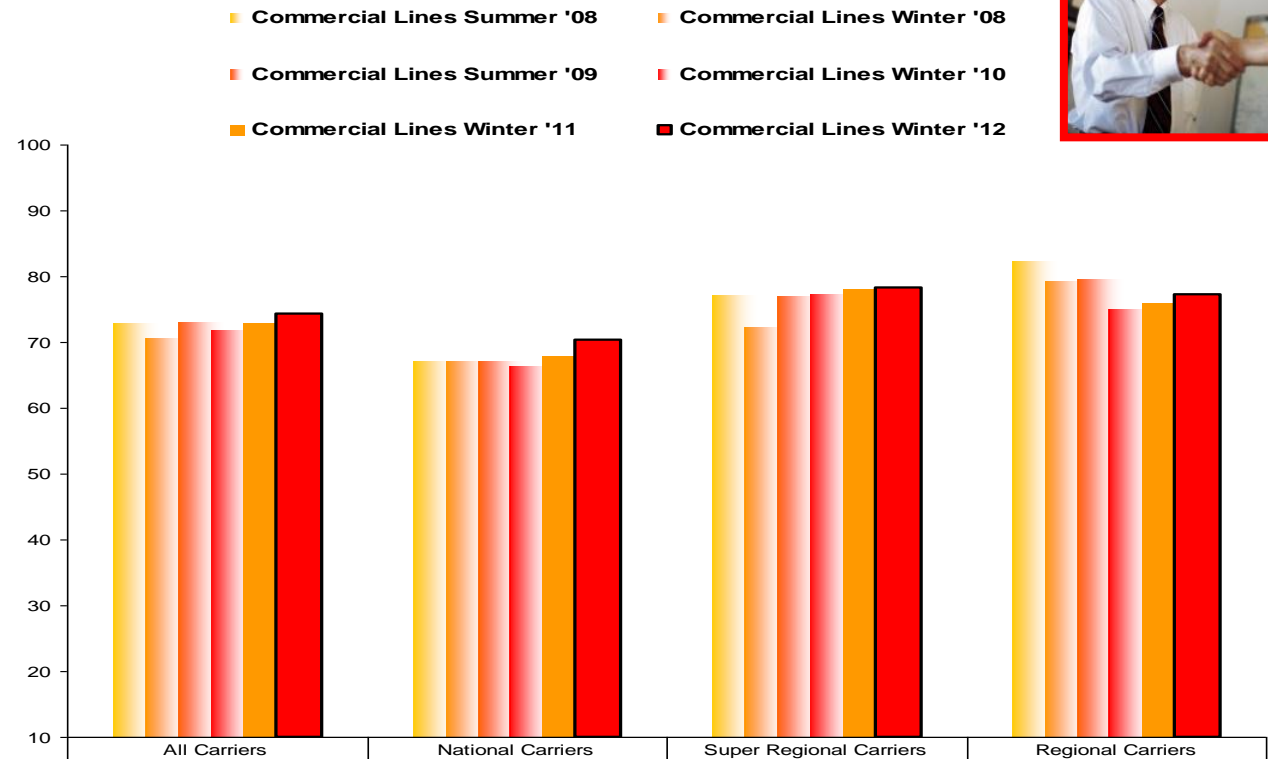
However, the individual key factor scores also provided significant information. Scores for the individual factors are:

Treats our relationship as a real partnership.



Factor Scores - Treats our relationship as a real partnership.	CHANGE Commercial Lines Winter 2012 from Winter 2011
All Carriers	1.60
National Carriers	2.57
Super Regional Carriers	0.43
Regional Carriers	1.31

Factor Scores - Treats our relationship as a real partnership.	Commercial Lines Winter 2012
All Carriers	74.30
National Carriers	70.27
Super Regional Carriers	78.33
Regional Carriers	77.21



	All Carriers	National Carriers	Super Regional Carriers	Regional Carriers
Commercial Lines Summer '08	72.7	67	77	82.3
Commercial Lines Winter '08	70.6	67.1	72.3	79.1
Commercial Lines Summer '09	73	67.1	76.9	79.4
Commercial Lines Winter '10	71.8	66.2	77.2	75
Commercial Lines Winter '11	72.7	67.7	77.9	75.9
Commercial Lines Winter '12	74.3	70.27	78.33	77.21

In-depth Factor Scores 2012

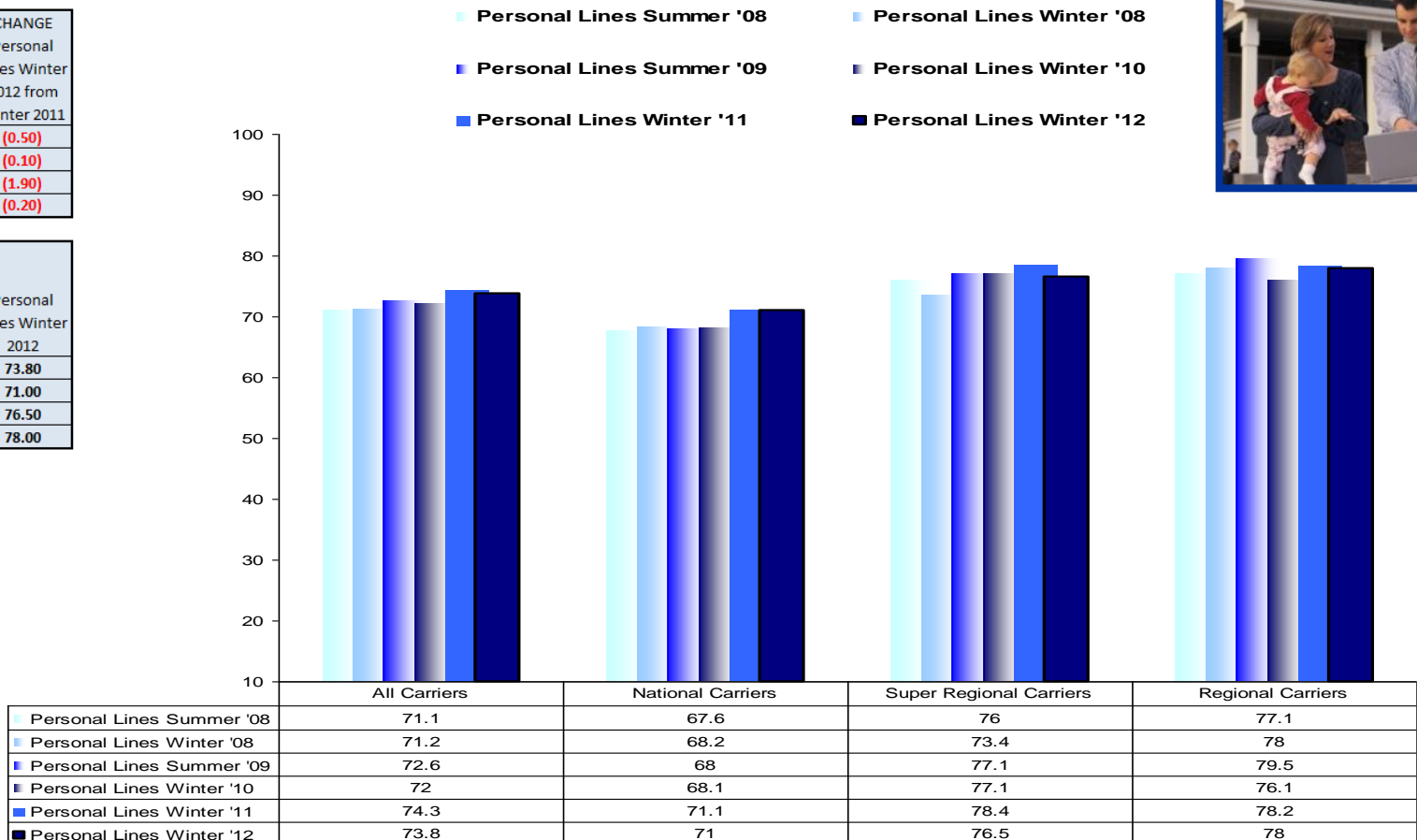
The IIABNY Index model combines the scores for six key factors, weighted by relative importance, to create a performance index score.

However, the individual key factor scores also provided significant information. Scores for the individual factors are:

Field and office personnel have a relationship with me and my customers, and they are very responsive.

Factor Scores - Field and office personnel have a relationship with me and my customers, and they are very responsive.	CHANGE Personal Lines Winter 2012 from Winter 2011
All Carriers	(0.50)
National Carriers	(0.10)
Super Regional Carriers	(1.90)
Regional Carriers	(0.20)

Factor Scores - Field and office personnel have a relationship with me and my customers, and they are very responsive.	Personal Lines Winter 2012
All Carriers	73.80
National Carriers	71.00
Super Regional Carriers	76.50
Regional Carriers	78.00



In-depth Factor Scores 2012

The IIABNY Index model combines the scores for six key factors, weighted by relative importance, to create a performance index score.

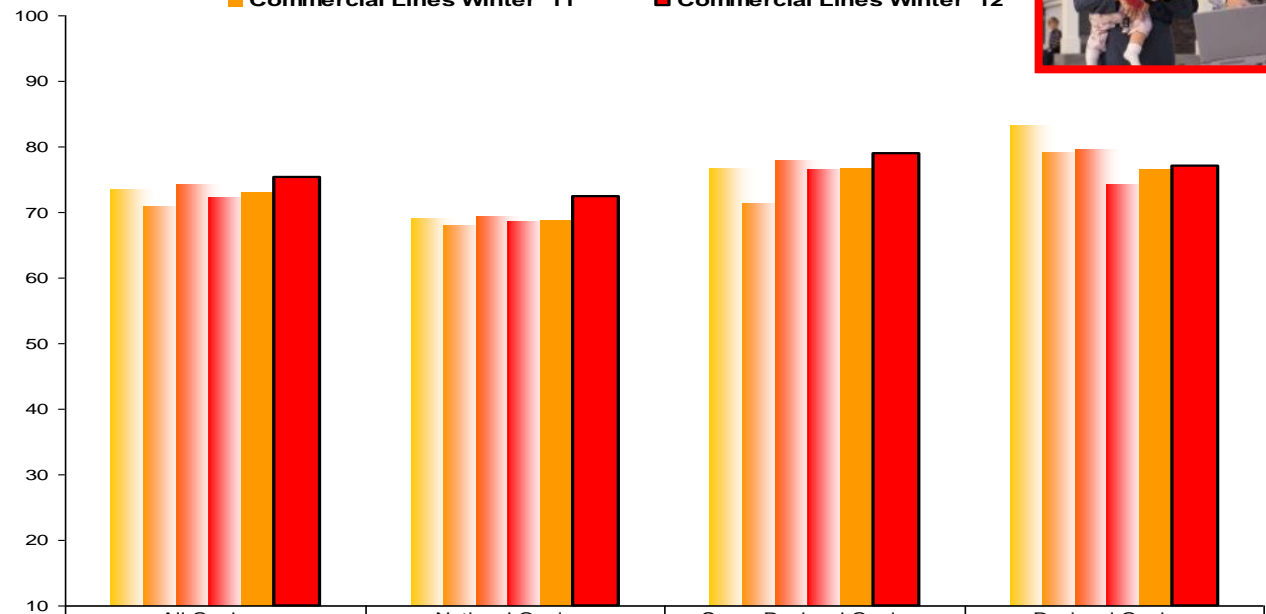
However, the individual key factor scores also provided significant information. Scores for the individual factors are:

Field and office personnel have a relationship with me and my customers, and they are very responsive.

Factor Scores - Field and office personnel have a relationship with me and my customers, and they are very responsive.	CHANGE Commercial Lines Winter 2012 from Winter 2011
All Carriers	2.30
National Carriers	3.55
Super Regional Carriers	2.33
Regional Carriers	0.42

Factor Scores - Field and office personnel have a relationship with me and my customers, and they are very responsive.	Commercial Lines Winter 2012
All Carriers	75.40
National Carriers	72.35
Super Regional Carriers	79.03
Regional Carriers	77.02

- Commercial Lines Summer '08
- Commercial Lines Winter '08
- Commercial Lines Summer '09
- Commercial Lines Winter '10
- Commercial Lines Winter '11
- Commercial Lines Winter '12



	All Carriers	National Carriers	Super Regional Carriers	Regional Carriers
Commercial Lines Summer '08	73.4	69	76.7	83.3
Commercial Lines Winter '08	70.8	68	71.4	79.1
Commercial Lines Summer '09	74.2	69.3	77.9	79.4
Commercial Lines Winter '10	72.2	68.6	76.6	74.1
Commercial Lines Winter '11	73.1	68.8	76.7	76.6
Commercial Lines Winter '12	75.4	72.35	79.03	77.02

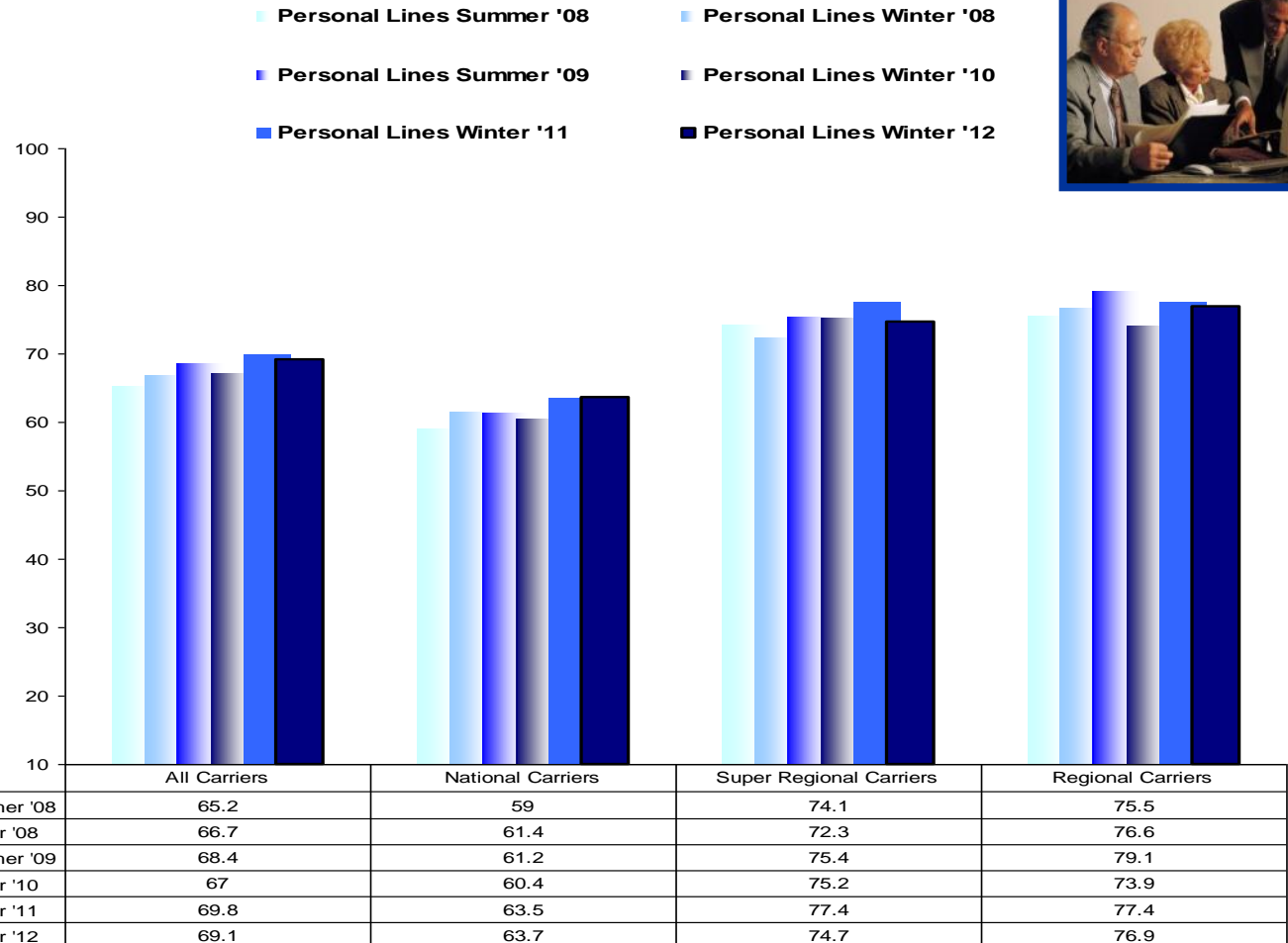
In-depth Factor Scores 2012

The IIABNY Index model combines the scores for six key factors, weighted by relative importance, to create a performance index score. However, the researchers noted that the individual key factor scores also provided significant information. Scores for the individual factors are:

Profit sharing and commission arrangements are fair.

Factor Scores - Profit sharing and commission arrangements are fair.	CHANGE Personal Lines Winter 2012 from Winter 2011
All Carriers	(0.70)
National Carriers	0.20
Super Regional Carriers	(2.70)
Regional Carriers	(0.50)

Factor Scores - Profit sharing and commission arrangements are fair.	Personal Lines Winter 2012
All Carriers	69.10
National Carriers	63.70
Super Regional Carriers	74.70
Regional Carriers	76.90



In-depth Factor Scores 2012

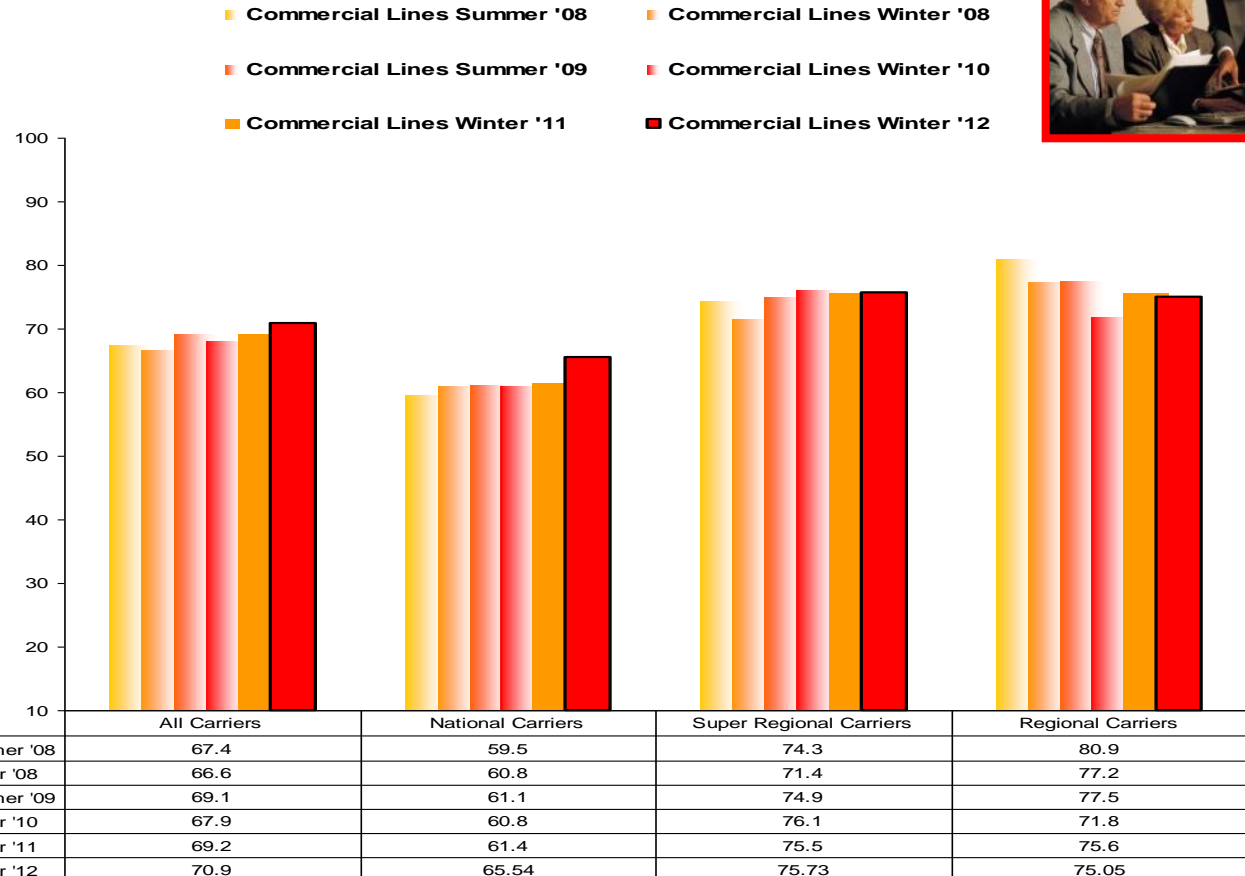
The IIABNY Index model combines the scores for six key factors, weighted by relative importance, to create a performance index score.

However, the individual key factor scores also provided significant information. Scores for the individual factors are:

Profit sharing and commission arrangements are fair.

Factor Scores - Profit sharing and commission arrangements are fair.	CHANGE Commercial Lines Winter 2012 from Winter 2011
All Carriers	1.70
National Carriers	4.14
Super Regional Carriers	0.23
Regional Carriers	(0.55)

Factor Scores - Profit sharing and commission arrangements are fair.	Commercial Lines Winter 2012
All Carriers	70.90
National Carriers	65.54
Super Regional Carriers	75.73
Regional Carriers	75.05

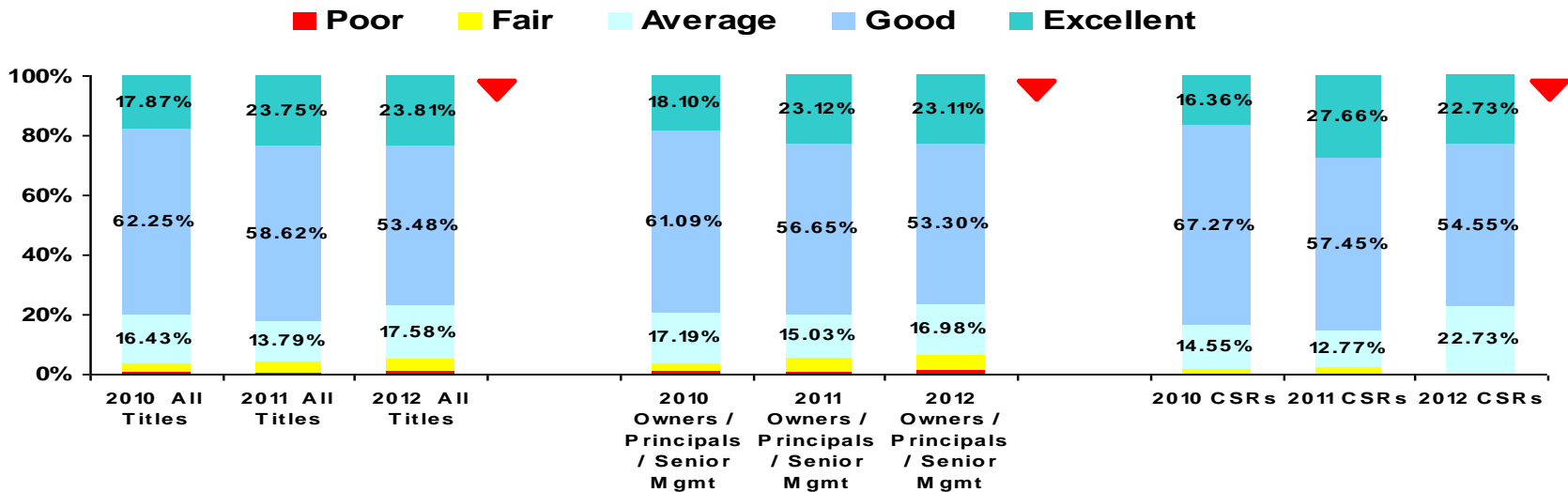


Current Events 2012

Environmental Scanning

- In this edition of the IIABNY Index, questions on carrier support were included in the study. Respondents were asked to rate the overall support independent agencies receive from their carriers. The majority scored their carriers as either “good” or “excellent.” However, in 2012 the percentage of “Excellent” scores declined slightly or is statistically similar.

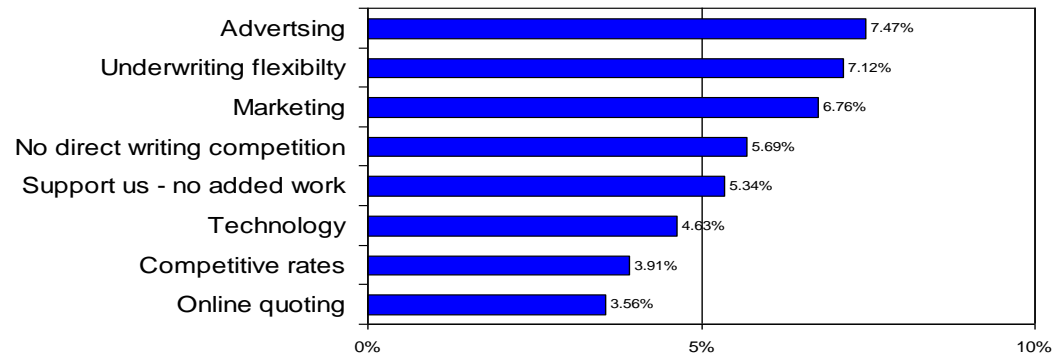
Carriers' Overall Support of Independent Agencies



Current Topics 2012

Thoughts for Carriers

The respondents were also asked what carriers should be doing to assist them. The most-frequently mentioned items included the following:



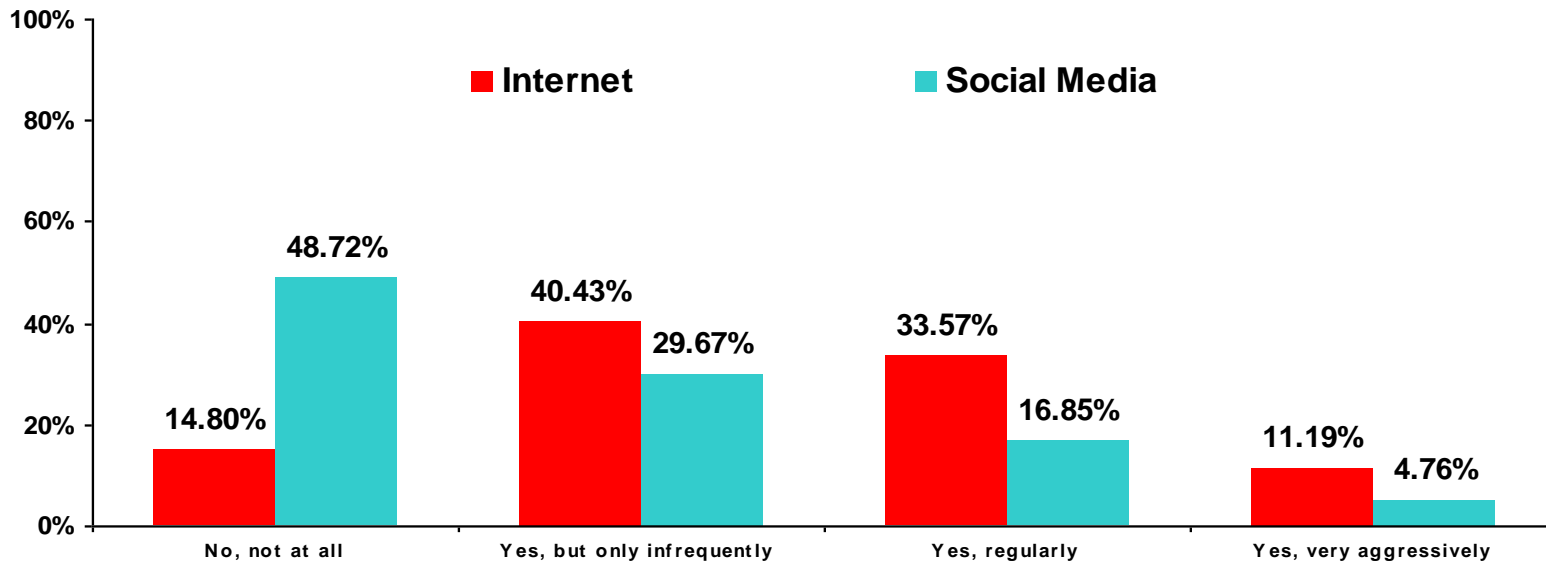
Sample comments included:

- Advertising
 - *More advertising to counter the glut of GEICO on the TV.*
 - *Ads should drive consumers to us not their 800 number...*
- Underwriting flexibility
 - *Be consistent in underwriting and communicate reasons for deviating from them very much in advance.*
 - *Rely on front line underwriting done by agents in personal lines. Sometimes companies need to make exception based on agents experience with business and a client*
- Marketing
 - *Joint marketing efforts on target classes of business.*
 - *Help with marketing ideas designed to attract customers to agents*
- No direct writing competition
 - *If you're an independent agent distribution system, do not compete with us directly by 800 numbers & affinity programs*
 - *Stop competing with us with lower direct pricing.*
- Support us - no added work
 - *Stop planning on what else can be passed down to the agent to do.*
 - *Make it easier on us for getting the work done.*

Current Topics 2012

Internet and Social Usage

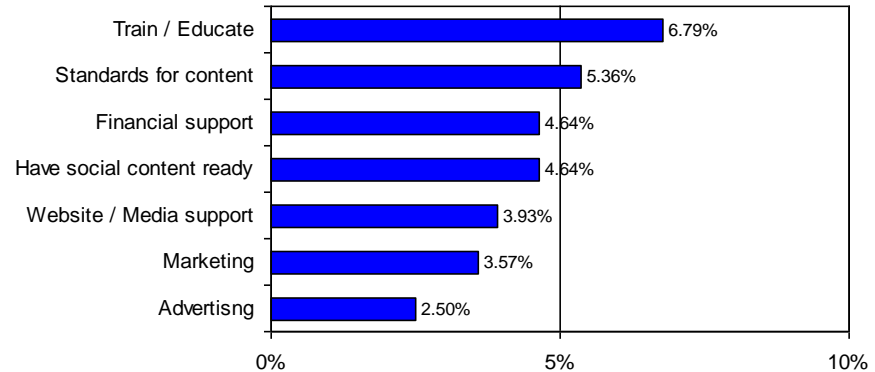
- Respondents were asked, “**Is your agency using the internet for your agency’s sales and marketing activities?**”. This is the first time this question has been included in the Index.
- Respondents were asked, “**Is your agency using social media for your agency’s sales and marketing activities?**”. This is the first time this question has been included in the Index.



Current Topics 2012

Carrier Support Internet and Social Usage

Respondents were asked, “**How can your carriers assist you in using the internet or social media?**”. This is the first time this question has been included in the Index.



Sample comments included:

- Train / Educate
 - *Educate us on the possibilities.*
 - *Offer information on how to use those tools more effectively than we do now.*
- Standards for content
 - *Offer assistance on what materials are for use on the media.*
 - *Provide us with the best ways.*
- Have social content ready
 - *Set up social media sites for Agents*
 - *Link our social media to their social media. Strength in numbers.*
 - *Help us with blog ideas.*
- Financial support
 - *Help us fund the expense by giving us funds that we can direct and allocate to drive specific classes of business to the carrier consistent with their wishes and goals.*
 - *Allow use of their brands at no cost on our web and social media.*
- Website / Media support
 - *Easier ways to link up & make our websites linked from their page and vice versa.*
 - *Making sure they have "Find a local agent" on their web-page.*
 - *Offer more links, videos and tips to assist us on our website.*

The IIABNY Index

A Carrier Evaluation Program

Other Reports Available

The following reports are prepared as part of each IIABNY Index edition:

1. The IIABNY Index Executive Summary Report – Includes the industry scores segmented by line of business. This report is made available to its members, respondents to the study, carriers and the public through media press releases. (This report is the Summary)

2. The Carrier's Individual IIABNY Index Report – Includes the carrier's individual performance index and component scores. This report is available to respondents to the study and may be purchased by each of the individual carriers. IIABNY provides detailed reports only to the carrier being evaluated.

3. The IIABNY Index Ranking Report – Includes the carrier index scores for the carriers that are rated and lists all carriers showing their rankings. This report is available to respondents to the study and may be purchased by the carriers. Some information concerning the ranking of top-scoring companies may be released to the public through media press releases.

Other reports such as a demographic analysis report, verbatim comment reports, in-depth carrier review reports and consultation on the IIABNY Index are also available upon request.

If you are interested in purchasing IIABNY Index Reports, please contact Jamie Deapo at IIABNY at 1-800-962-7950 or Jean Vincent at Vincent McCabe, Inc., the program administrators, at 1-800-685-7227.



For More Information

If you have any questions or would like to purchase any of the IIABNY Index reports, please contact Jamie Deapo at IIABNY at 1-800-962-7950 or Jean Vincent at Vincent McCabe, Inc., the program administrators, at 1-800-685-7227.

Independent Insurance Agents and Brokers of New York (IIABNY)

The Independent Insurance Agents & Brokers of New York, Inc., working in the public's best interest, is the unrelenting advocate for independent insurance agencies in New York State. IIABNY exists to fulfill the educational, political and business interests of its members. We represent more than 1,900 members who give consumers a choice of products from more than one insurance company. For more information about IIABNY, contact Kathy Weinheimer, Senior Vice President of Industry Relations and Education at IIABNY at kweinheimer@iiabny.org or toll free 1-800-962-7950.

The Program Administrators

Vincent McCabe, Inc. is an independent, third-party consulting firm that specializes in financial and insurance research. The complete dataset for this research and the index methodology used are archived in secure storage at Vincent McCabe, Inc. headquarters in Skaneateles, NY. For more information on Vincent McCabe, Inc. or this program, contact Jean Vincent, President at Vincent McCabe, at vincentjg@vincentmccabe.com or toll free 1-866-685-7227.





Industry Index

**The IIABNY Report
on Carrier Performance**

Winter 2012