

A decade of trends

The results of the 2018 Company Performance Survey

According to the some 700 professional, independent insurance agents in Connecticut, New Jersey and New York who took the 2018 PIA Company Performance Survey, customer service is a carrier's top strength (compared to underwriting, which was touted as the carriers' top strength for the last five consecutive PIA surveys). This year, "Highly accurate, few errors" (regarding service and processing), scored the highest average mark with 8.3 out of 10. "Consistent underwriting" placed second with a score of 8.0; and the 2016 survey's top performance item, "Underwriter has knowledge and experience" dropped to third place with a score of 7.9. These items have jockeyed for position on the survey since 2014.

Top performance items

Connecticut

- #1 "Consistent underwriting" (7.9)
- #2 "Highly accurate, few errors" (7.7)
- #3 "Customer service oriented" (7.6)

New Jersey

- #1 "Underwriter has knowledge and experience" (7.9)
- #2 "Pays claims promptly" (7.9)
- #3 "Adjusts claims fairly" (7.9)

New York

- #1 "Highly accurate, few errors" (8.1)
- #2 "Consistent underwriting" (8.0)
- #3 "Underwriter has knowledge and experience" (8.0)

The 20 performance items were divided into seven categories, and the average score, across the three states for these categories, was:

- "Service & Processing" and "Claims" tied (7.7);
- "Underwriting" (7.6);
- "Treatment of Agents" (7.4);
- "Products & Pricing" (7.2);
- "Marketing" (7.0); and
- "Technology" (6.8).

As part of the survey, the members were asked to highlight a strength and an area of improvement for each carrier that they were rating. The total number of comments was 1,023 and they could be classified into 16 categories: product; pricing; compensation; communication/response/personal touch; loyal to agents; brand value; marketing message supports agents; claims handling; technology; service processing/speed/response; under-

writing knowledge/speed/response; underwriting, stable/consistent; underwriting, flexibility/appetite; billing/pay plans; coastal; and other. (For more on the methodology of the survey, see the end of this article.)

A sample of comments from agents who took the survey emphasizes how customer service continues to be valuable to professional, independent insurance agents:

An agent said of one carrier: “Dedicated to independent agency system. Personnel are helpful and cooperative.”

Another agent commented how a carrier is always, “changing to meet with the current market and always reaching out to make sure we are happy and see what they can do to make things better.”

Regarding underwriting, agents had this to say of their carriers:

“Still remains important. Underwriting [is a strength as well as] their ability to work on the company-broker relationship. They make you feel important and you want to do business with them.”

“Excellent underwriters; excellent pricing; strong compensation for agents; very helpful people in the entire organization.”

“Consistent fast response underwriting. Consistent and fast response with claim service.”

“Underwriting is one of the best around and management listens and reacts.”

Then and now

PIA has conducted the Company Performance Survey in some form since 2002, and with the 1-10 ranking scale since 2009. With nearly a decade of feedback from

Top 10 performers—New York

Company (No. of ratings) **Avg. score**

Otsego Mutual Fire Insurance Co. (76)* **175.2**

Great American (42) **171.9**

Kingstone Insurance Co. (185) **169.0**

New York Central Mutual (105) **166.8**

Wayne Cooperative Insurance Co. (69) **164.0**

Security Mutual (73) **163.7**

Merchants Insurance Group commercial (109) **162.4**

Liberty Mutual Insurance (40) **162.0**

Andover Cos. (48) **161.7**

Merchants Insurance Group personal (86) **161.6**

Ratings are total of company’s average scores for all 20 performance item. Points available for each of the 20 items: 10 Total available points: 200. * Number of agents who rated the company. † Indicates ties. Italics indicate regional or super-regional carrier.

agents, PIA can draw trends on how companies have changed in the past nine years.

When comparing the average score from 2009 and 2018 of the top five companies in various performance categories, there are some interesting findings. Across all three states, carriers have been fairly consistent, on average, on most performance categories, but the trends in the individual states differ.

We chose to examine the customer service and underwriting categories because they were ranked the top two priorities by agents in 2018. Also, one would assume that tech-

... on Survey priorities

1 Adjusts claims fairly
Otsego Mutual Fire Insurance Co.

2 Pays claims promptly
Otsego Mutual Fire Insurance Co.

3 Clear, honest communication
Otsego Mutual Fire Insurance Co.

4 Resolves issues quickly
Otsego Mutual Fire Insurance Co.

5 Underwriter knowledge, experience
Great American

6 Listens, responds to agents
Otsego Mutual Fire Insurance Co.

7 Consistent underwriting
Otsego Mutual Fire Insurance Co.

8 Easy, intuitive technology
Progressive

9 Stable market
Otsego Mutual Fire Insurance Co.

10 Flexible when warranted
Wayne Cooperative Insurance Co.

nology has improved in the last nine years, so this article will examine if agents thought their carriers’ technology has gotten easier to use during that time (“Easy, intuitive technology”). And, since compensation and communication are important to agents, we also examined “Competitive compensation” and “Listens, responds to agents” because both affect agents’ daily lives and can make their job easier or harder.

In **Connecticut**, carriers have improved drastically in customer service and underwriting, as well as listening and responding to agents; the ease of carrier technology also

has improved, but only slightly. As you can see in the graph, there is clear improvement in Connecticut across all the performance categories examined, thus demonstrating that carriers doing business in Connecticut are doing better today than they were nine years ago.

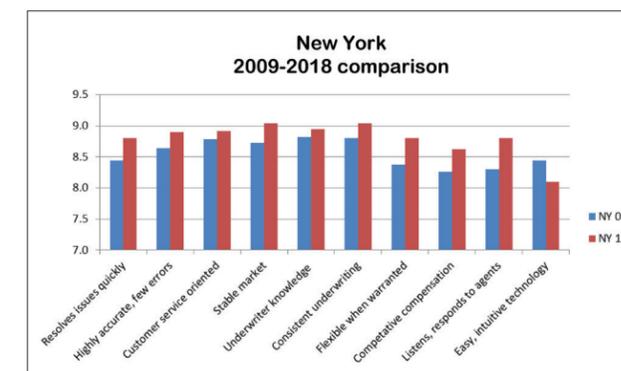
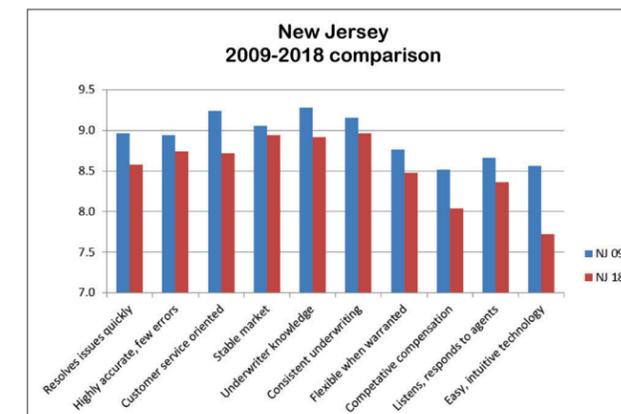
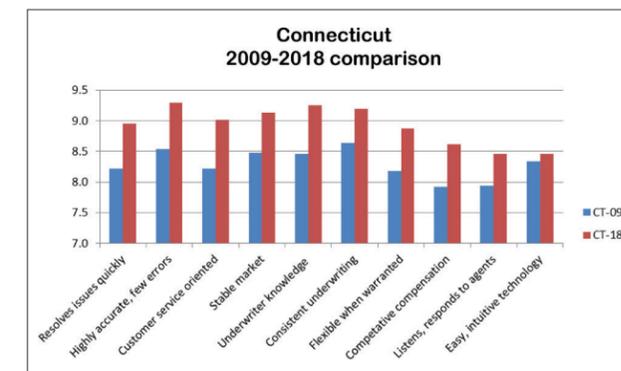
According to agents who responded to the PIA Company Performance Survey, carriers in **New Jersey** have declined in their customer service and underwriting and they have less competitive compensation than they did in 2009. Agents also seem to have problems with carrier technology and do not feel as if their carriers are listening to them.

This decade-long decline also can be seen in the survey’s additional performance items. According to the data, carriers that do business in New Jersey stayed the same or were rated worse in 2018 than they were in 2009 in every performance category. While some of the decline is not drastic (e.g., “Stable market”), others have seen a fairly significant drop in the last nine years—“Easy, intuitive technology” and “Customer service oriented” took the biggest hit. The comments on the survey regarding what carriers can improve on echo these ratings. Of the 60 comments on 15 of the carriers in New Jersey, 12 comments indicated that six of the carriers need to improve their underwriting, and six comments indicated that four carriers need to have better customer service.

In **New York**, carriers improved in all customer service and underwriting categories, the biggest improvement being in “Flexible when warranted.” Carriers in New York also are listening and responding better to agents, but “Easy, intuitive technology” has declined, despite the technological leaps in the last nine years. There were 32 agent comments that indicated that 15 of the 56 carriers in New York need to improve their technology including their website and/or online systems.

Summary

The most surprising result from this comparison is that technology has not improved as expected. The internet is faster; websites are easier to make; and there are many user-friendly widgets that companies can use to make their website easier to navigate and use. However, it seems as if some carriers are not keeping up with the times, and it is frustrating agents as more and more business moves to a completely online platform.



Carrier classification

Regional carriers continue to make their presence known on the top-10 carrier lists in each state, which has been the case since the surveys were first launched. At least three carriers are identified as regional or super-regional carriers on the top-10 carrier lists in each state: Connecticut (3); New Jersey (5); and New York (8). This varies slightly from the 2016 survey in which Connecticut had five regional or super-regional carriers in the Top 10 and New Jersey and New York each had seven. This year, every state (except Connecticut) had a regional carrier in

the top spot on the surveys, which is consistent with the 2016 survey.

Regional and super-regional carriers performed well in the customer service related performance items (“Resolves issues quickly,” “Highly accurate, few errors” and “Customer service oriented”).

Methodology

The Company Performance Survey asked professional, independent insurance agents to rate (on a scale of 1 to 10—one means “strongly disagree” and 10 means “strongly agree”) the companies with which they do business on 20 performance items:

- Competitive pricing;
- Superior coverage;
- Clear, honest communication;
- Listens; responds to agents;
- Competitive compensation;
- Dedicated to the 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 has knowledge and experience;
- Stable market;
- Consistent underwriting; and
- Flexibility when warranted.

In 2015, PIA asked agents to identify the Company Performance Survey performance items that are the most important items to them. These items (e.g., adjusts claims fairly;

Top five by performance item (N.Y.)

Competitive pricing		Superior coverage		Clear, honest communication		Listens, responds to agents		Competitive compensation	
1	Wayne Cooperative Insurance Co. 8.7	Chubb personal 8.7		Otsego Mutual Fire Insurance Co. 9.3		Otsego Mutual Fire Insurance Co. 9.1		Otsego Mutual Fire Insurance Co. 9.2	
2	Kingstone Insurance Co. 8.4	Great American 8.6		Wayne Cooperative Insurance Co. 9.0		Wayne Cooperative Insurance Co. 8.9		Kingstone Insurance Co. 8.6	
3	Otsego Mutual Fire Insurance Co. 8.1	AIG private client • Kingstone Insurance Co. • Liberty Mutual 8.4†		Great American • New York Central Mutual 8.9†		Great American • Kingstone Insurance Co. 8.7†		Andover Cos. • New York Central Mutual 8.5†	
4	New York Central Mutual 8.0			Dryden Mutual • Kingstone Insurance Co. 8.7†		Dryden Mutual 8.6		Dryden Mutual • Great American • Wayne Cooperative Insurance Co. 8.3†	
5	Dryden Mutual • Great American • Liberty Mutual Insurance 7.8†								
Dedicated to agency system		Brand helps sell product		Message supports agents		Adjusts claims fairly		Pays claims promptly	
1	Otsego Mutual Fire Insurance Co. 9.1	Liberty Mutual Insurance 8.7		Otsego Mutual Fire Insurance Co. 8.9		Otsego Mutual Fire Insurance Co. 9.1		Otsego Mutual Fire Insurance Co. 9.1	
2	Great American 8.8	Progressive • Travelers personal 8.4†		Great American 8.7		Great American 8.9		Great American 8.8	
3	Kingstone Insurance Co. 8.6	Great American • Travelers commercial 8.3†		Kingstone Insurance Co. 8.6		Wayne Cooperative Insurance Co. 8.6		Wayne Cooperative Insurance Co. 8.7	
4	Midstate Mutual Insurance Co. • New York Central Mutual • Utica National commercial 8.5†			New York Central Mutual • Wayne Cooperative Insurance Co. 8.4†		Chubb personal 8.5		AIG private client • Travelers personal 8.5†	
5						AIG private client • Merchants Insurance Group personal • Security Mutual • Travelers personal 8.4†			
Easy, intuitive technology		Download works well		Enables Real Time		Resolves issues quickly		Highly accurate, few errors	
1	Progressive 8.7	Liberty Mutual Insurance 8.7		Progressive 8.3		Otsego Mutual Fire Insurance Co. 9.2		Otsego Mutual Fire Insurance Co. 9.3	
2	Otsego Mutual Fire Insurance Co. 8.2	Merchants Insurance Group personal 8.6		Liberty Mutual Insurance 8.1		Great American 8.8		Great American • Security Mutual 8.9†	
3	Travelers personal 8.0	Kemper Preferred • New York Central Mutual • Safeco personal • Travelers personal 8.5†		Kingstone Insurance Co. • Travelers personal 8.0†		Kingstone Insurance Co. • Wayne Cooperative Insurance Co. 8.7†		Kingstone Insurance Co. • Wayne Cooperative Insurance Co. 8.7†	
4	The Hanover Insurance Group personal • Merchants Insurance Group personal • Safeco personal 7.8†			Merchants Insurance Group personal • New York Central Mutual 7.9†		New York Central Mutual • Security Mutual 8.6†			
5									
Customer service oriented		Underwriter knowledge, experience		Stable market		Consistent underwriting		Flexible when warranted	
1	Otsego Mutual Fire Insurance Co. 9.3	Great American 9.2		Otsego Mutual Fire Insurance Co. 9.4		Otsego Mutual Fire Insurance Co. 9.4		Wayne Cooperative Insurance Co. 9.0	
2	Great American 9.0	Otsego Mutual Fire Insurance Co. 9.0		Great American • Security Mutual • Wayne Cooperative Insurance Co. 9.0†		Great American • Security Mutual 9.1†		Great American 8.9	
3	Security Mutual 8.9	Wayne Cooperative Insurance Co. 8.9		Dryden Mutual 8.8		Kingstone Insurance Co. • Wayne Cooperative Insurance Co. 8.8†		Otsego Mutual Fire Insurance Co. 8.8	
4	Kingstone Insurance Co. • Wayne Cooperative Insurance Co. 8.7†	Kingstone Insurance Co. • Security Mutual 8.8†						Security Mutual 8.7	
5								Dryden Mutual • Kingstone Insurance Co. 8.6†	

pays claims promptly; resolves issues quickly; clear, honest communication; underwriter knowledge, experience; listens, responds to agents; consistent underwriting; easy, intuitive technology; stable market; and flexible when warranted), became the Benchmark Index.

With the exception of Connecticut, at least half of the companies that took the top spot on New Jersey's and New York's Benchmark Index performance items are categorized as regional or super regional—there

are 10 in New Jersey; and eight in New York.

Nearly 700 agents participated in the survey this year, rating 89 companies (about half were rated by agents in more than one state), which resulted in more than 1,000 individual comments. Fifty-nine percent of all comments were categorized as a company's strength—a five-point increase from 2016.

Those surveyed also indicated their positions within the agency (i.e., owner/principal, sales staff, service staff, underwriting staff or informa-

tion technology staff). The majority of respondents identified themselves as an agency principal (43 percent vs. 39 percent in 2016). This continues an upward trend, since in 2014 the majority of respondents identified themselves as customer services representatives (22 percent). 

Slye is PIA's Government & Industry Affairs specialist.



25 Chamberlain St. • PO Box 997 • Glenmont, NY 12077-0997
(800) 424-4244 • Fax: (888) 225-6935
resourcecenter@pia.org • pia.org

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