

IVANS INDEX™

The insurance industry's premium renewal rate index

Q2 2020

Executive Summary

Q2 results showed an increase in premium renewal rate change average across nearly all major commercial lines of business, including Commercial Auto, Business Owner's Policy, General Liability, Umbrella, and Commercial Property compared to Q1; however, Workers' Compensation average premium renewal rate change remained in negative territory. Notably, Business Owner's Policy, General Liability, Property, and Umbrella experienced higher average premium renewal rate change compared to the prior quarter. Commercial Property continues to hit record premium renewal rate highs, experiencing the largest percentage jump in April of 5.51%.

Significant Findings

Commercial Auto

Premium renewal rate change averaged 4.72% for the quarter, with a quarter high in April at 4.80%. The quarter low for premium renewal rate change was in June at an average of 4.63%.

Business Owner's Policy (BOP)

Quarter premium renewal rate change averaged 4.97%, representing an increase over last quarter's average of 4.65%. BOP premium renewal rate change finished the quarter at 4.64% in June.

General Liability

Q2 premium renewal rate change increased from Q1 2020, averaging 3.29% relative to 3.08%. The quarter premium renewal rate change reached its low of 3.23% in May, which is still higher relative to all average premium renewal rate change for General Liability experienced in Q1 2020.

Commercial Property

Q2 premium renewal rate change increased to 5.29%, reaching a quarter – and year to date – high in April at 5.51%.

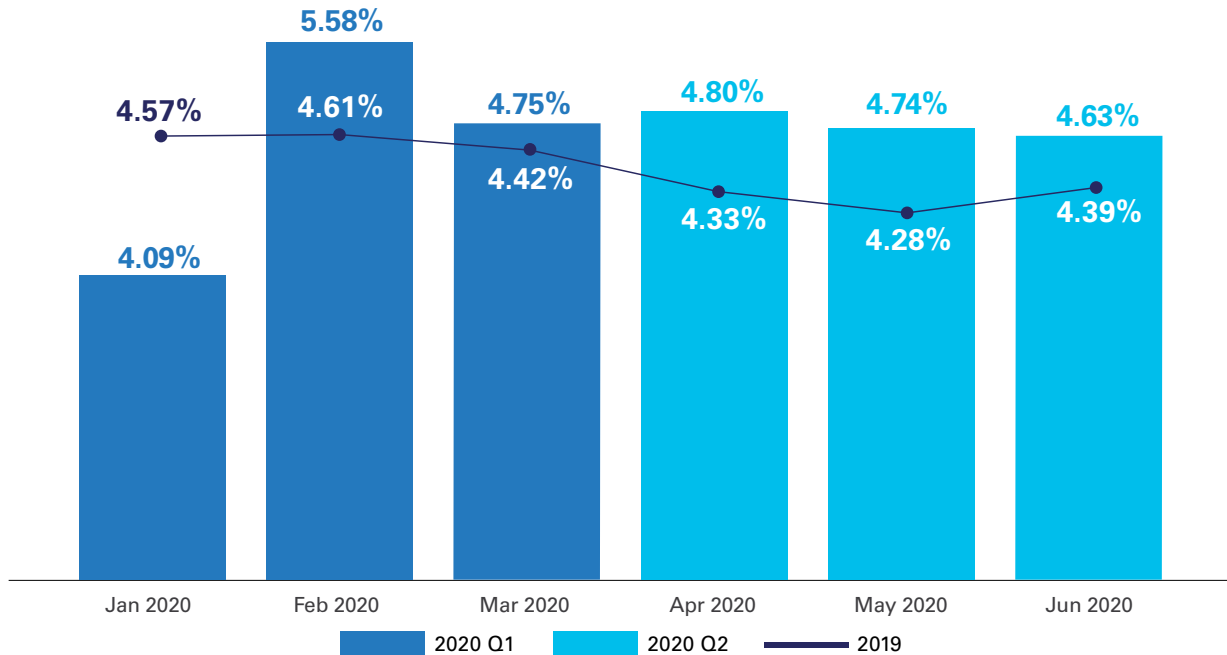
Umbrella

Quarter premium renewal rate change averaged 3.25% versus 3.06% in Q1 2020. Umbrella premium renewal rate change for the quarter reached its high in June at 3.56%.

Workers' Compensation

Average premium renewal rate change for the quarter reached -2.41%, down from Q1 2020 average of -1.81%.

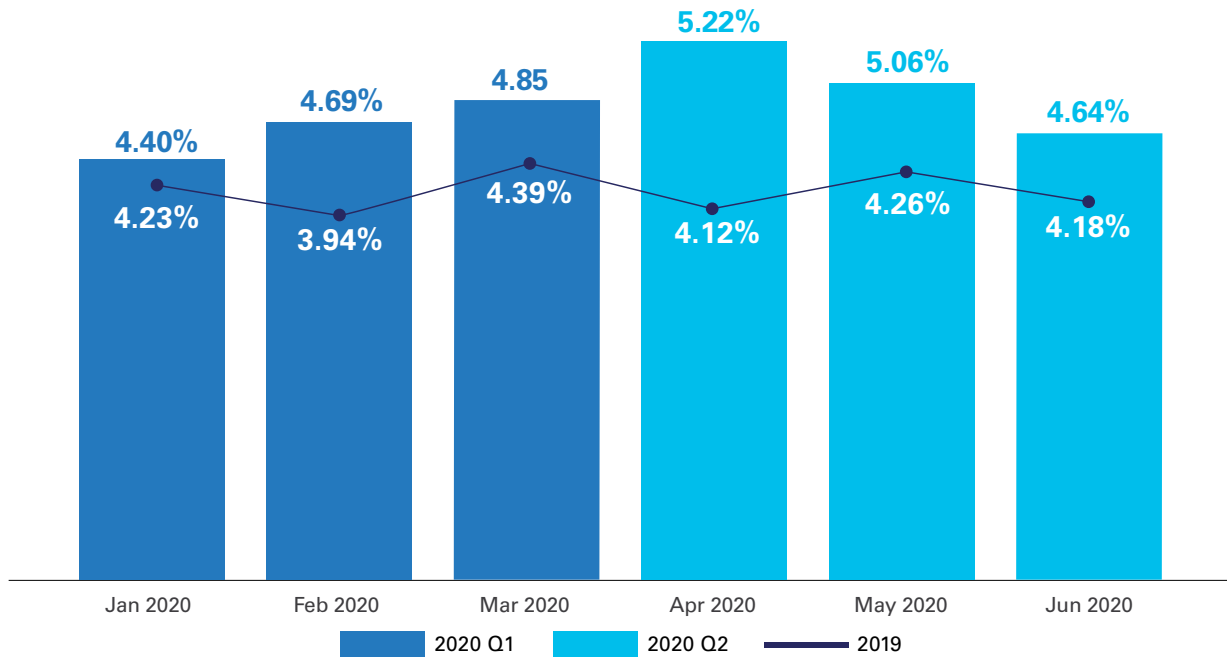
Commercial Auto



Premium renewal rate change for Commercial Auto insurance averaged 4.72% in Q2. The quarter high was 4.80% in April, with a low of 4.63% in June. Q2 average premium renewal rate change decreased from 4.81% in Q1 2020. Florida experienced reasonably higher average premium renewal rate change relative to the quarter average, at 7.49% in April, 9.93% in May, and 7.39% in June.

Q2 2020 average premium renewal rate change for Commercial Auto insurance was higher compared to Q2 2019, which averaged 4.33%. Premium renewal rate change was higher at the end of the quarter relative to end of Q2 2019, at 4.63% in June 2020 versus 4.39% in June 2019.

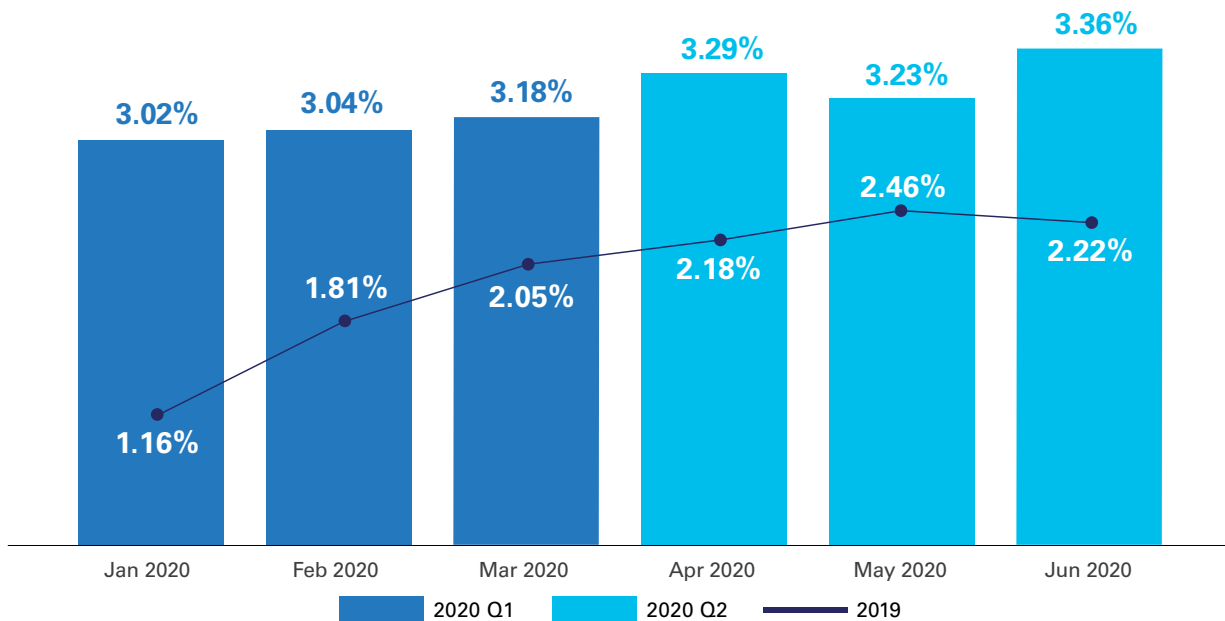
BOP



Q2 premium renewal rate change for BOP insurance averaged 4.97%. The quarter high was 5.22 % in April, with a low of 4.64% in June. Q2 average premium renewal rate change increased from 4.65% in Q1 2020. Wisconsin experienced the greatest premium renewal rate change variability relative to the average, at 8.1% in April, 5.72% in May, and 1.18% in June.

Q2 2020 average premium renewal rate change for BOP insurance was higher compared to Q2 2019, which averaged 4.19%. Premium renewal rate change was higher at the end of the quarter relative to end of Q2 2019, at 4.64% in June 2020 versus 4.18% in June 2019.

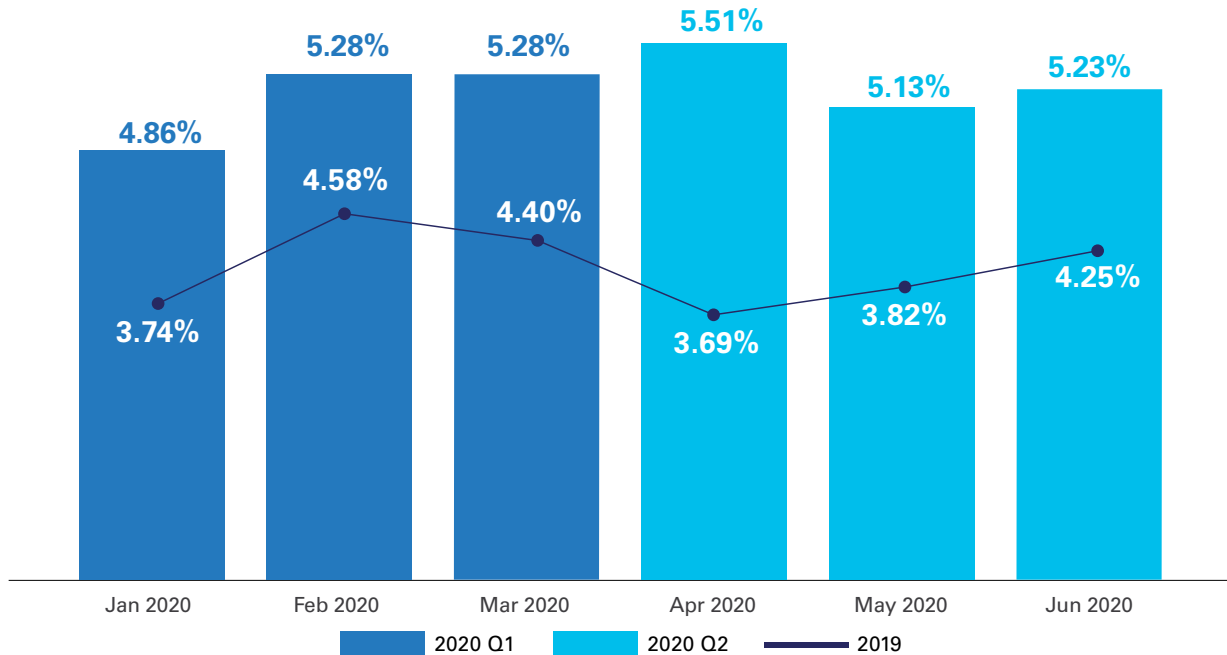
General Liability



Q2 premium renewal rate change for General Liability insurance averaged 3.29%. The quarter high as 3.36% in June, with a low of 3.23% in May. Q2 average premium renewal rate change increased from 3.08% in Q1 2020. Minnesota began the quarter with a significantly lower premium renewal rate change relative to average, at 0.14% in April and again in May at -0.21%, but rebounded closer to average at the end of the quarter at 2.84% in June.

Compared to Q2 2019, General Liability had a reasonable jump in average premium renewal rate change, increasing over a point from 2.29% in Q2 2019 to 3.29% in Q2 2020. Premium renewal rate change was higher at the end of the quarter relative to end of Q2 2019, at 3.36% in June 2020 versus 2.22% in June 2019.

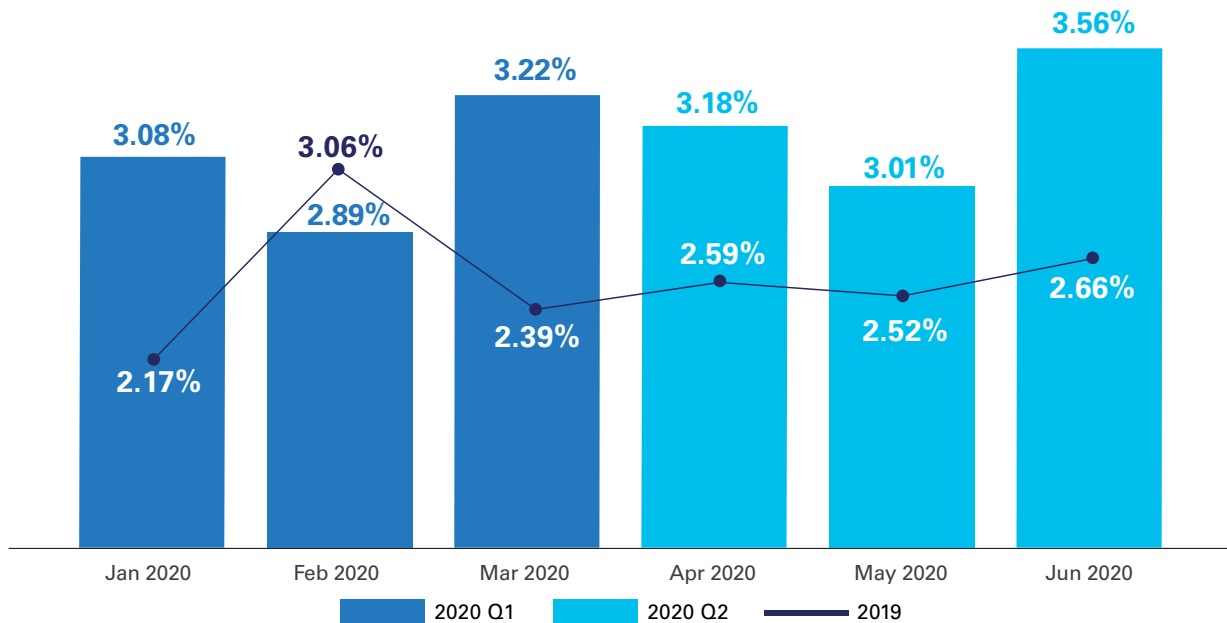
Commercial Property



Q2 premium renewal rate change for Commercial Property insurance averaged 5.29%. The quarter high was 5.51% in April, with a low of 5.13% in May. Q2 average premium renewal rate change increased from 5.14% in Q1 2020. Texas experienced consistently higher average premium renewal rate change relative to the quarter, at 7.04% in April, 7.47% in May, and 6.23% in June.

Q2 2020 average premium renewal rate change for Commercial Property insurance was higher compared to Q2 2019, which averaged 3.92%. Premium renewal rate change was higher at the end of the quarter relative to end of Q2 2019, at 5.23% in June 2020 versus 4.25% in June 2019.

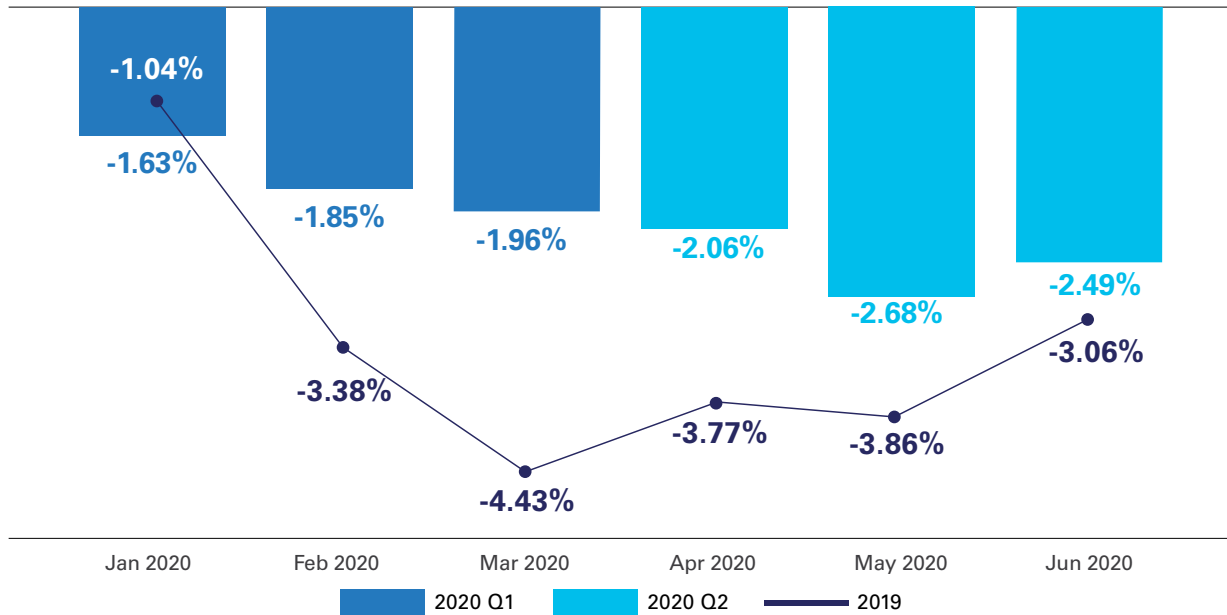
Umbrella



Q2 premium renewal rate change for Umbrella insurance averaged 3.25%. The quarter high was 3.56% in June, with a low of 3.01% in May. Q2 average premium renewal rate change increased slightly from 3.06% in Q1 2020. Colorado experienced the greatest average premium renewal rate change variability relative to the average, beginning the quarter at 1.78% in April and 2.61% in May, and then skyrocketing to 8.37% at the end of the quarter.

Q2 2020 average premium renewal rate change for Umbrella insurance was higher compared to Q2 2019, which averaged 2.59%. Premium renewal rate change was higher at the end of the quarter relative to end of Q2 2019, at 3.56% in June 2020 versus 2.66% in June 2019.

Workers' Compensation



Q2 premium renewal rate change for Workers' Compensation insurance averaged -2.41%. The quarter high was -2.06% in April, with a low of -2.68% in May. Q2 average premium renewal rate change decreased from -1.81% in Q1 2020. Illinois experienced significantly higher average premium renewal rate change relative to the quarter average, at 1.50% in April, 1.88% in May, and 1.56% in June. Illinois was also one of a few states to experience no negative average premium renewal rate change in the quarter.

Q2 2020 average premium renewal rate change for Workers' Compensation insurance was higher compared to Q2 2019, which averaged -3.56%. Premium renewal rate change was higher at the end of the quarter relative to end of Q2 2019, at -2.49% in June 2020 versus -3.06% in June 2019.

About IVANS Index

IVANS Index is a data-driven report of current conditions and trends for premium renewal rate change of the most placed commercial lines of business in the insurance industry. Analyzing more than 120 million data transactions, the IVANS Index premium renewal rate change measures the premium difference year over year for a single consistent policy.

To derive the change in cost, IVANS uses policies that have the same insured, insurer, product type, policy number, expiration date, effective date and producing agency. For example, if an insured paid \$1,000 for a policy last year and \$1,023 this year, IVANS Index would state that as a premium renewal rate change of 2.3%. IVANS Index does not use exposure based change or claims experience. Policies with anomaly exposure changes or claims experience are removed.

About IVANS

IVANS, a division of Applied Systems, is the insurance industry's exchange connecting insurers, MGAs, agencies, and the insured. IVANS cloud-based software automates the distribution and servicing of insurance products. For more than 35 years, IVANS innovation and expertise has connected 32,000 independent insurance agencies and 430 MGA and insurer partners to enable millions of people to safeguard and protect what matters most in people's lives.

See the full IVANS Index findings at ivansinsurance.com or contact info@ivansinsurance.com. All media, analyst, and consultant inquiries can be directed to Courtney Rains at crains@appliedsystems.com.



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