

# 2010 SURVEY RESULTS

## Insurance Coverages



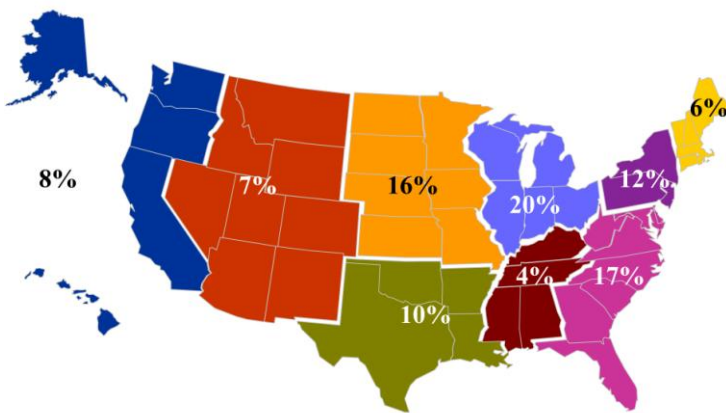
# 2010 Insurance Coverages Survey Results

This survey summary recaps P&C insurance coverage trends, including General Liability, Property, Professional Liability (Errors & Omissions), Directors and Officers Liability (D&O), Employment Practices Liability (EPL) and Umbrella/Excess Liability.

The survey was conducted in late 2010 via client portal websites. It was anonymous, so responses have not been validated for statistical significance or margin of error. Approximately 717 respondents completed the survey.

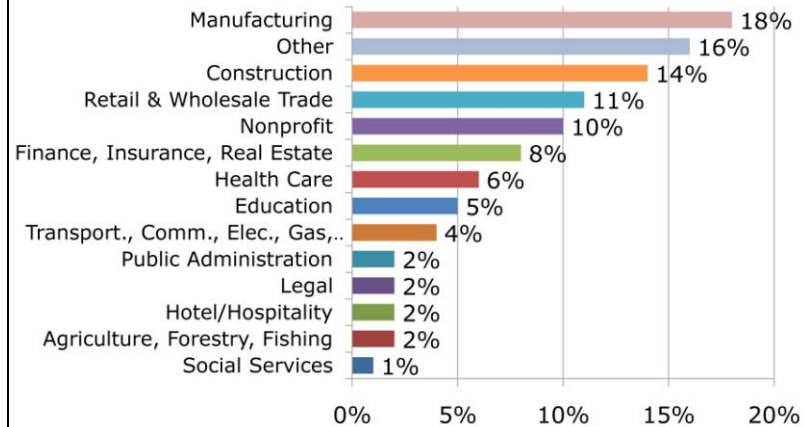
## Demographic Information

*In which region is your organization based?*

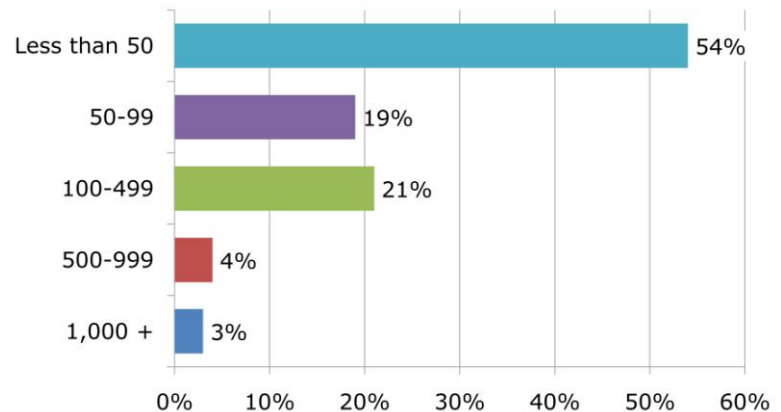


<b>Pacific</b> .....	<b>8%</b>
<b>Mountain</b> .....	<b>7%</b>
<b>West North Central</b> .....	<b>16%</b>
<b>West South Central</b> .....	<b>10%</b>
<b>East North Central</b> .....	<b>20%</b>
<b>East South Central</b> .....	<b>4%</b>
<b>South Atlantic</b> .....	<b>17%</b>
<b>Mid-Atlantic</b> .....	<b>12%</b>
<b>New England</b> .....	<b>6%</b>

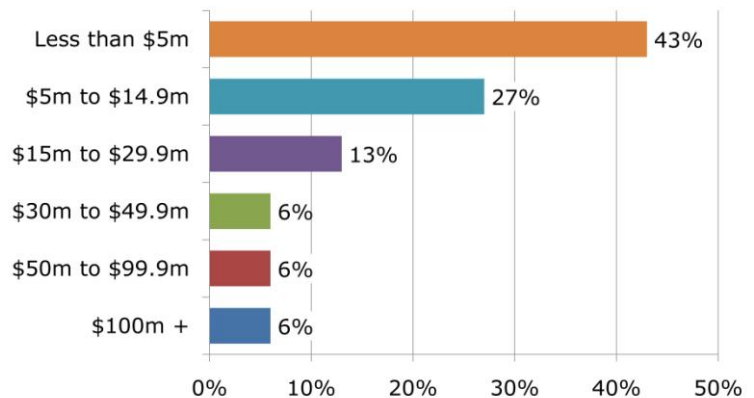
*In which industry/sector does your organization operate?*



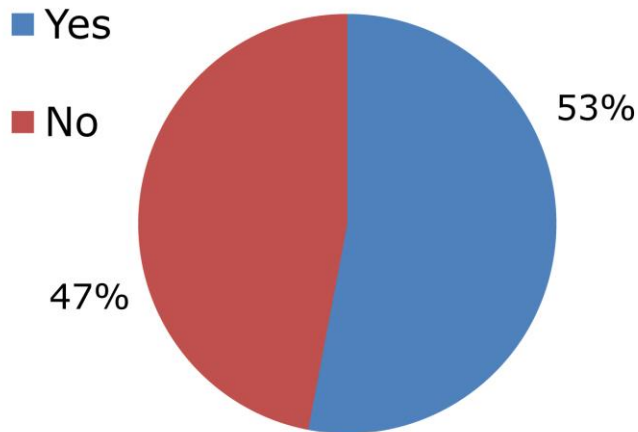
*How many employees does your organization have?*



*What is your organization's annual revenue?*



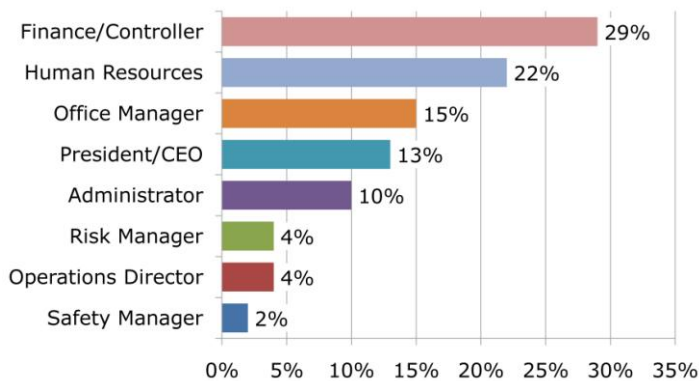
### Does your company have multiple locations?



### If so, how many locations?

Number of Locations	Current Year	Last Year
1 or 2	27%	31%
3 to 5	40%	36%
6 or 7	9%	6%
8 or 9	3%	7%
10 or more	21%	20%

### What is your position?



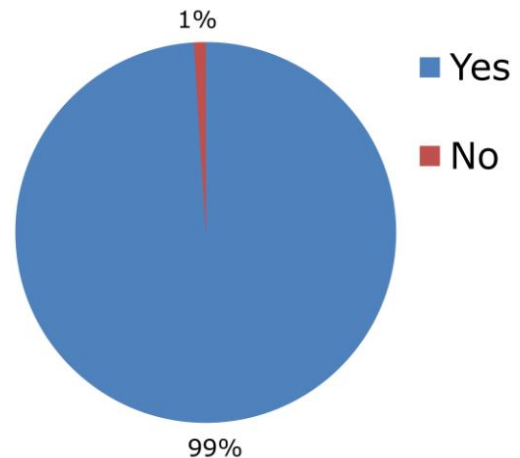
### Total company sales

	Current Year (projected)	Last Year
Less than \$5m	43%	44%
\$5m to \$14.9m	26%	26%
\$15m to \$29.9m	12%	12%
\$30m to \$49.9m	6%	6%
\$50m to \$99.9m	7%	5%
\$100m +	7%	7%

## General Liability Coverage

According to the survey, 99 percent of respondents carry General Liability insurance. Of these, 6 percent are self-insured (down from 7 percent in 2009), 77 percent are subject to deductible, and 62 percent carry coverage limits of \$2 million aggregate/\$1 million per occurrence.

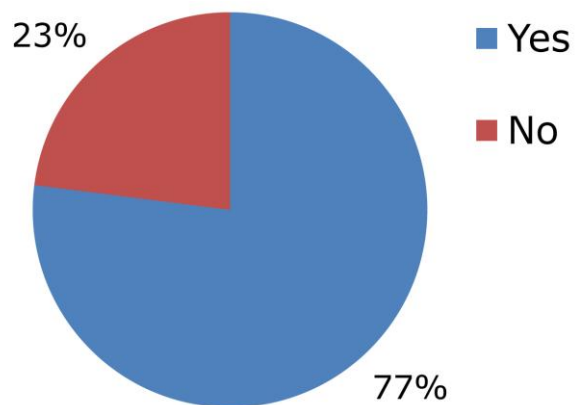
### Does your company carry General Liability coverage?



### General Liability premium

	Current Year	Last Year
Less than \$25k	57%	56%
\$25k to \$49.9k	17%	18%
\$50k to \$99.9k	11%	11%
\$100k to \$149.9k	5%	6%
\$150k to \$199.9k	3%	3%
\$200k +	7%	7%

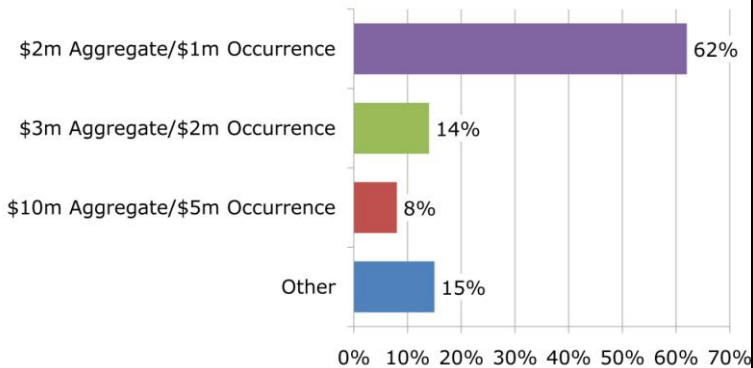
### Do you have a General Liability deductible?



## General Liability deductible

	Current Year	Last Year
<b>Less than \$5k</b>	62%	62%
<b>\$5k to \$9.9k</b>	20%	19%
<b>\$10k to \$24.9k</b>	12%	13%
<b>\$25k +</b>	6%	6%

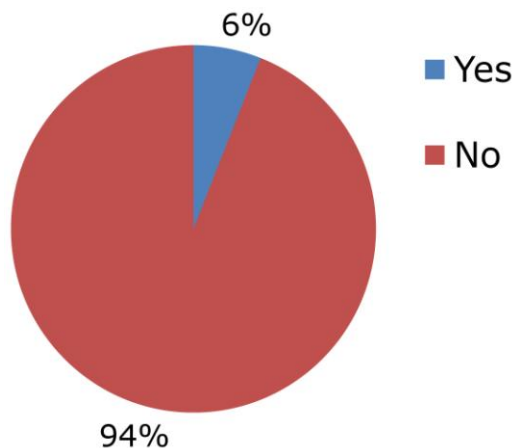
## What are your General Liability coverage limits?



## General Liability claims per year

	On Average	Last Year
<b>0 to 2</b>	92%	92%
<b>3 to 5</b>	4%	5%
<b>6 to 9</b>	2%	2%
<b>More than 9</b>	2%	2%

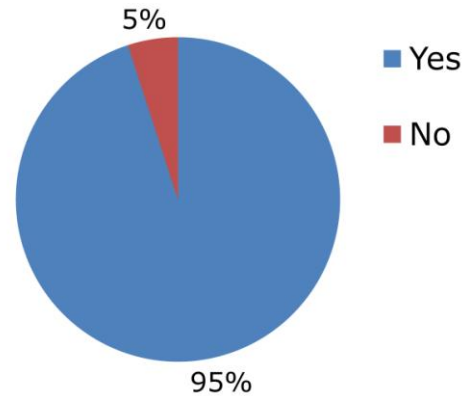
## Are you self-insured?



## Property Coverage

Ninety-five percent of survey respondents carry Property insurance. Of those, 7 percent are self-insured (down slightly from 8 percent in 2009), 88 percent are subject to a deductible, and there was virtually no change in the average number of claims submitted or premiums paid versus the previous year. Total insured values are under \$5 million for 59 percent of respondents, up 3 percent from 2009.

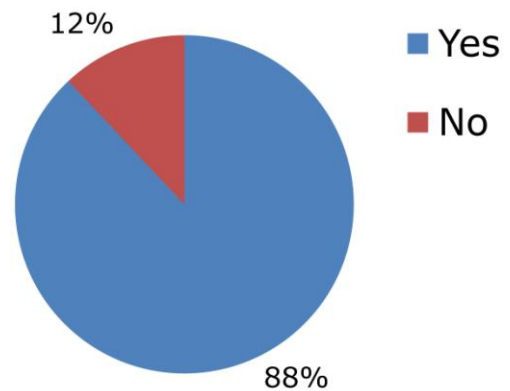
## Does your company carry Property coverage?



## Property premium

	Current Year	Last Year
<b>Less than \$25k</b>	70%	70%
<b>\$25k to \$49.9k</b>	12%	12%
<b>\$50k to \$99.9k</b>	8%	7%
<b>\$100k to \$149.9k</b>	4%	4%
<b>\$150k +</b>	7%	7%

## Do you have a Property deductible?



### Property deductible

	Current Year	Last Year
\$500 - \$999	22%	22%
\$1,000 - \$4,999	51%	50%
\$5,000 - \$9,000	12%	13%
\$10,000 +	14%	14%

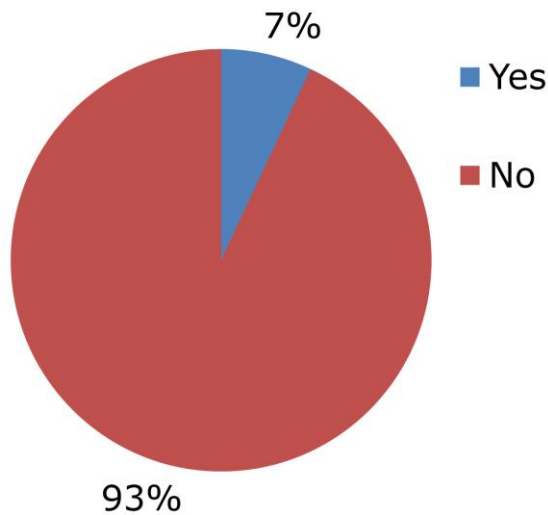
### Total insured values

	Current Year	Last Year
Less than \$1m	18%	18%
\$1m to \$4.9m	41%	40%
\$5m to \$9.9m	14%	15%
\$10m to \$24.9m	11%	11%
\$25m +	16%	16%

### Property claims per year

	On Average	Last Year
0 to 2	94%	94%
3 to 5	5%	5%
6 to 9	0%	0%
More than 9	0%	0%

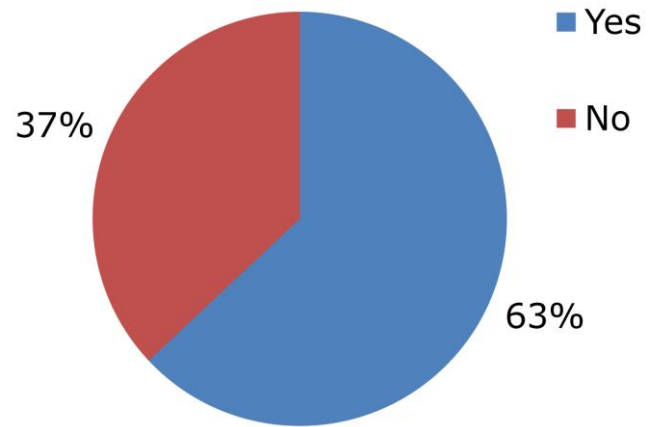
### Are you self-insured?



## Professional Liability Coverage

Also known as Errors & Omissions, Professional Liability insurance is carried by 63 percent of survey respondents. Over half have deductibles in the \$1,000 to \$1,499 range and 83 percent have coverage limits of less than \$5 million. Premium fluctuation remained stable over the past year for all respondents, with 87 percent filing no claims.

### Does your company carry Professional Liability coverage?



### Professional Liability premium

	Current Year	Last Year
Less than \$25k	70%	70%
\$25k to \$49.9k	14%	14%
\$50k to \$99.9k	6%	5%
\$100k to \$149.9k	5%	5%
\$150k +	6%	5%

### Professional Liability deductible

	Current Year	Last Year
\$1,000 - \$1,499	54%	54%
\$1,500 - \$1,999	6%	6%
\$2,000 - \$2,999	8%	8%
\$3,000 +	32%	32%

### Professional Liability coverage limits

	Current Year	Last Year
Less than \$1m	19%	19%
\$1m to \$4.9m	64%	64%
\$5m +	17%	16%

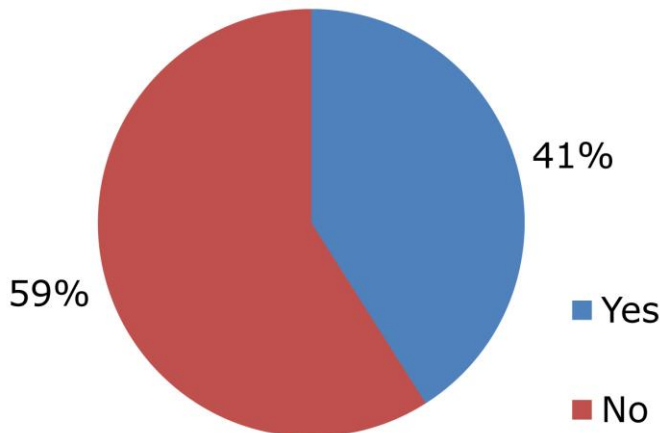
### Professional Liability claims per year

	On Average	Last Year
None	87%	88%
1 or 2	10%	9%
3 to 5	1%	2%
5 to 7	1%	1%
More than 7	1%	1%

## Directors and Officers Coverage

Forty-one percent of respondents carry Directors and Officers (D&O) insurance, up from 38 percent last year. This type of insurance provides coverage in the event directors or officers are sued in conjunction with their activities on behalf of the company. Half of respondents carry deductibles in the \$1,000 to \$1,499 range and 81 percent had coverage limits of less than \$5 million. Of those with coverage, only 7 percent are self-insured.

### Does your company carry Directors and Officers coverage?



### D&O premium

	Current Year	Last Year
Less than \$25k	82%	82%
\$25k to \$49.9k	7%	7%
\$50k to \$99.9k	3%	3%
\$100k to \$149.9k	3%	3%
\$150k +	4%	4%

### D&O deductible

	Current Year	Last Year
\$1,000 - \$1,499	50%	50%
\$1,500 - \$1,999	5%	5%
\$2,000 - \$2,999	10%	10%
\$3,000 +	35%	35%

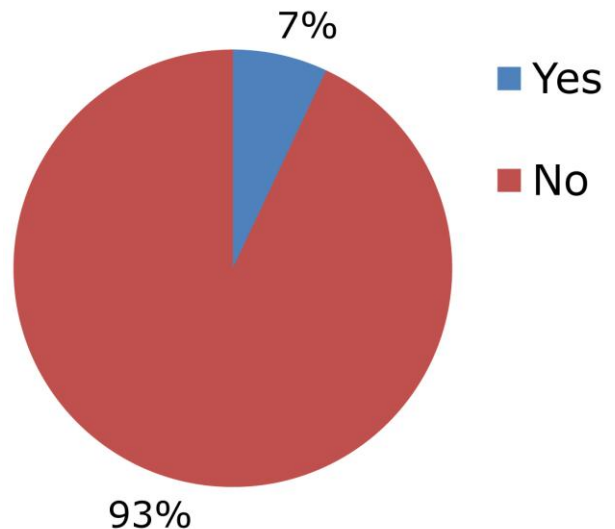
### D&O coverage limits

	Current Year	Last Year
Less than \$1m	16%	17%
\$1m to \$4.9m	65%	64%
\$5m +	19%	19%

### D&O claims per year

	On Average	Last Year
None	96%	96%
1 or 2	3%	4%
3 to 5	0%	0%
More than 5	0%	0%

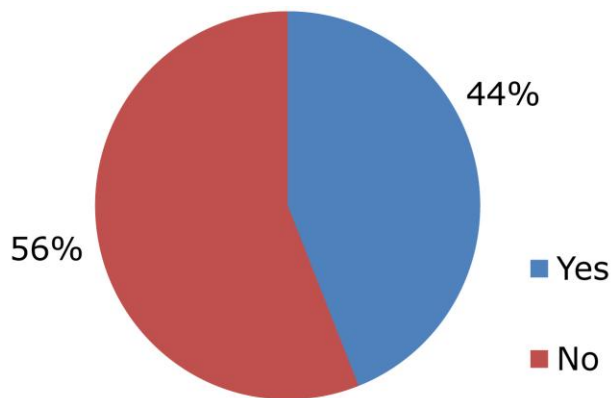
### Are you self-insured?



## Employment Practices Liability Coverage

Also known as EPL, Employment Practices Liability insurance provides the necessary resources to defend against a suit or pay a claim due to harassment, discrimination, wrongful termination, etc. Survey responses indicate that 44 percent of participants carry EPL coverage (up from 41 percent last year). Of those, 5 percent are self-insured. According to the survey results, 90 percent avoided claims in the current year.

### Does your company carry Employment Practices Liability coverage?



### EPL premium

	Current Year	Last Year
Less than \$25k	89%	90%
\$25k to \$49.9k	6%	5%
\$50k to \$99.9k	3%	3%
\$100k to \$149.9k	2%	1%
\$150k +	1%	1%

### EPL deductible

	Current Year	Last Year
\$1,000 - \$1,499	50%	51%
\$1,500 - \$1,999	5%	5%
\$2,000 - \$2,999	8%	8%
\$3,000 +	36%	36%

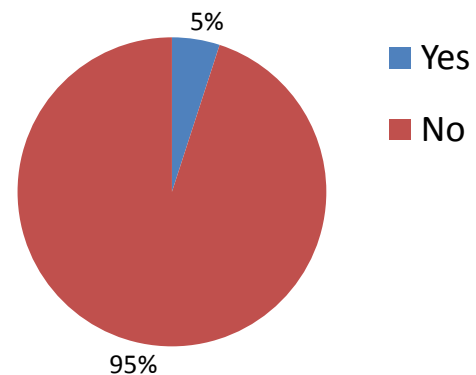
### EPL coverage limits

	Current Year	Last Year
Less than \$1m	27%	28%
\$1m to \$4.9m	61%	60%
\$5m +	12%	12%

### EPL claims per year

	On Average	Last Year
None	90%	89%
1 or 2	9%	10%
3 to 5	0%	0%
More than 5	1%	1%

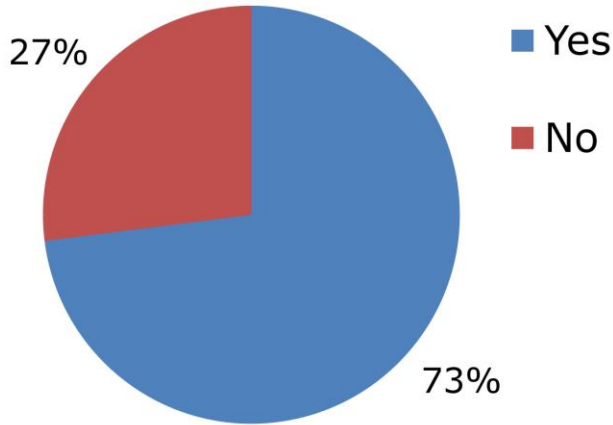
### Are you self-insured?



## Umbrella/Excess Liability Coverage

Seventy-three percent of those surveyed carry Umbrella/Excess Liability insurance. Five percent are self-insured. Thirty-nine percent carry limits in excess of \$2 million aggregate/\$2 million per occurrence. Deductibles are required for 14 percent of the respondents, with 24 percent of those at less than \$5,000 (see next page).

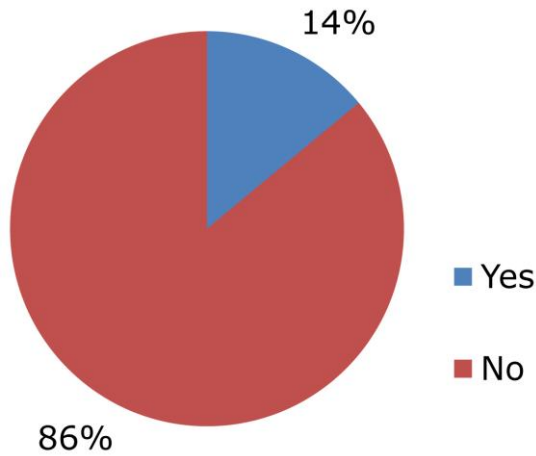
**Does your company carry Umbrella/Excess Liability coverage?**



**Umbrella/Excess Liability premium**

	Current Year	Last Year
Less than \$25k	78%	77%
\$25k to \$49.9k	10%	10%
\$50k to \$99.9k	5%	7%
\$100k to \$149.9k	3%	2%
\$150k +	4%	4%

**Do you have an SIR/deductible?**



**SIR/Deductible**

	Current Year	Last Year
Less than \$5k	24%	24%
\$5k - \$9.9k	7%	5%
\$10k - \$24.9k	46%	47%
\$25k +	23%	23%

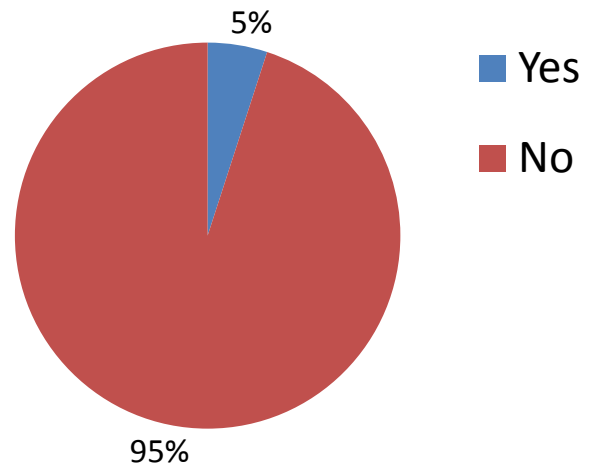
**Umbrella/Excess Liability coverage limits**

	Current Year	Last Year
\$1m Aggregate/ \$1m Occurrence	28%	28%
\$2m Aggregate/ \$2m Occurrence	20%	21%
\$5m Aggregate/ \$5m Occurrence	22%	20%
\$10m Aggregate/ \$10m Occurrence	17%	18%
Other	13%	13%

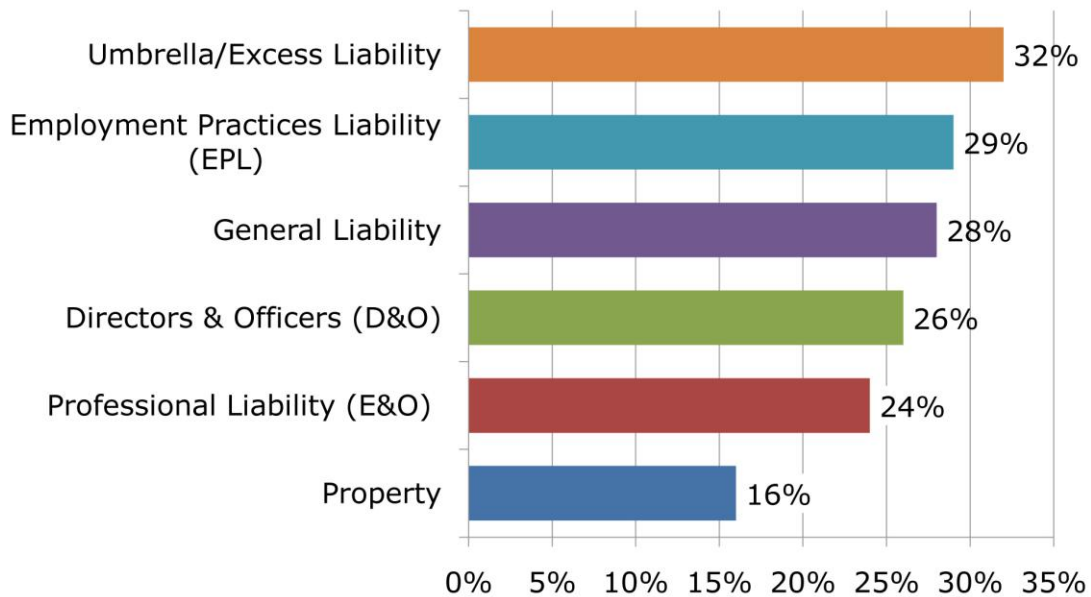
**Umbrella/Excess Liability claims per year**

	On Average	Last Year
None	97%	97%
1 or 2	3%	3%
3 to 5	0%	0%
More than 5	0%	0%

**Are you self-insured?**



**If you do not already have one of these lines of coverage, which do you plan to add this year?**



## Current Insurance Concerns

When asked to rank major insurance concerns, 25 percent of survey respondents indicated they are highly concerned about cost containment. Increasing exposures, renewal and rising fraud behaviors followed. The area of least concern appears to be workplace violence.

	Highly concerned	Concerned	Neutral	Slightly concerned	Not concerned
Renewal	9%	22%	32%	9%	28%
Market availability	5%	19%	38%	10%	28%
Carrier stability	9%	18%	32%	10%	31%
Increasing exposures	9%	28%	29%	16%	18%
Disaster planning	3%	23%	37%	16%	21%
Cost containment	25%	38%	16%	12%	10%
Rising fraud behaviors	6%	23%	35%	17%	19%
Workplace violence	3%	14%	35%	17%	32%

**To learn how this survey information can help you advance your risk management strategies, contact GNW-Evergreen Insurance Services, LLC today!**

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