

PROPERTY CASUALTY 360°

Agency Personnel Favor Regional Insurers to Nationals in Three-State Survey

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Regional personal-lines carriers have an edge over national companies when it comes to overall agency-insurer relationship satisfaction, according to a three-state survey.

Last week, the Insurance Agents & Brokers, representing agents in the states of Delaware, Maryland and Pennsylvania, released its recent satisfaction survey, which polled agency personnel in those states on four key categories of the agency-carrier relationship:

- Products, pricing and underwriting.
- Policy service and claims.
- The agency and company relationship.
- Technology.

Tim Wonder, IA&B's senior director of legal and industry affairs, points out that the most surprising

aspect of the survey is that regional carriers outpace national carriers on a consistent basis over the years.

In this year's survey, using a scale of 1 to 4—with 1 being the lowest score—national carriers (defined as a carrier operating in 35 or more states) received an average score of 3.123. Regional I carriers (operating in 1-10 states with less than \$100 million in direct premium written) recorded a score of 3.244, while super-regional insurers (operating in 11 to 34 states) had a score of 3.209.

Regional II carriers (operating in 1-10 states with more than \$100 million in direct premium written) outpaced all others with a score of 3.27.

Wonder says, "Why the regionals do better overall, we just don't know."

But he speculates, "Maybe there is the sense that the regionals have a stronger relationship [with agencies] than the nationals. It may have to do with making it easier to do business with them or their sales representatives may make more visits to the agency."

In comparing the carriers by each of the four relationship categories, regionals outpace the nationals in almost all of them.

CARRIER	AVERAGE SCORE*
Goodville Mutual Casualty Company (Regional, 1-10 states, under \$100M DPW)	3.584
MMG Insurance (Regional, 1-10 states, over \$100M DPW)	3.551
Donegal (Regional, 1-10 states, over \$100M DPW)	3.501
Penn National Insurance (Regional, 1-10 states, over \$100M DPW)	3.473
Selective (Super regional, 11-34 states)	3.464

*Scored from a low of 1 to a high of 4, based on a survey of 507 agency personnel in Delaware, Maryland and Pennsylvania in the areas of products, pricing and underwriting; policy service and claims; technology; and agency-company relationship.

Source: Insurance Agents & Brokers

National companies even trailed most regionals when it comes to technology, despite having superior resources, scoring 3.029 compared to 3.115 for super-regionals and 3.114 for Regional II. Nationals did beat regional I companies in this area, as those companies scored 2.994.

The IA&B has conducted the satisfaction survey since 2004 on a bi-annual basis, asking questions about both personal lines and commercial lines in the single survey.

This is the first year that participants were asked to rate personal lines carriers only. Next year will be the commercial lines survey. Plans call for alternating the two lines of business each year, says Wonder.

There were 507 surveys completed this year, up from 280 for the 2010 survey.

Most of the participants were customer service representatives, a change from previous years.

“Producers and agency owners have predominated in the past,” says Wonder. “We’ll have to see how this trends next year.”

Among other highlights, of the carriers that were included in the 2010 survey, only 20 percent improved in satisfaction while 80 percent declined.

The company receiving the highest overall rating was Goodville Mutual Casualty Co. (a regional I carrier), followed by MMG Insurance (a regional II carrier).

Rounding out the top five were:

- Donegal (regional II carrier)
- Penn National Insurance (regional II carrier)
- Selective (super regional)

At the bottom of the list were MetLife Auto & Home (national carrier), ranked 37, and Allstate Insurance Company (national carrier), ranked 38.

Of the 13 national carriers that made it into the survey, Cincinnati Insurance (ranked 6), Kemper (ranked 7) and Travelers (ranked 8) were rated highest.