



INDEPENDENT INSURANCE AGENTS
OF NORTH CAROLINA



2021 NORTH CAROLINA PROPERTY-CASUALTY INSURANCE MARKETPLACE REPORT

DISTRIBUTED AUGUST 2022

INSURANCE INDUSTRY ANALYSIS PROVIDED BY:

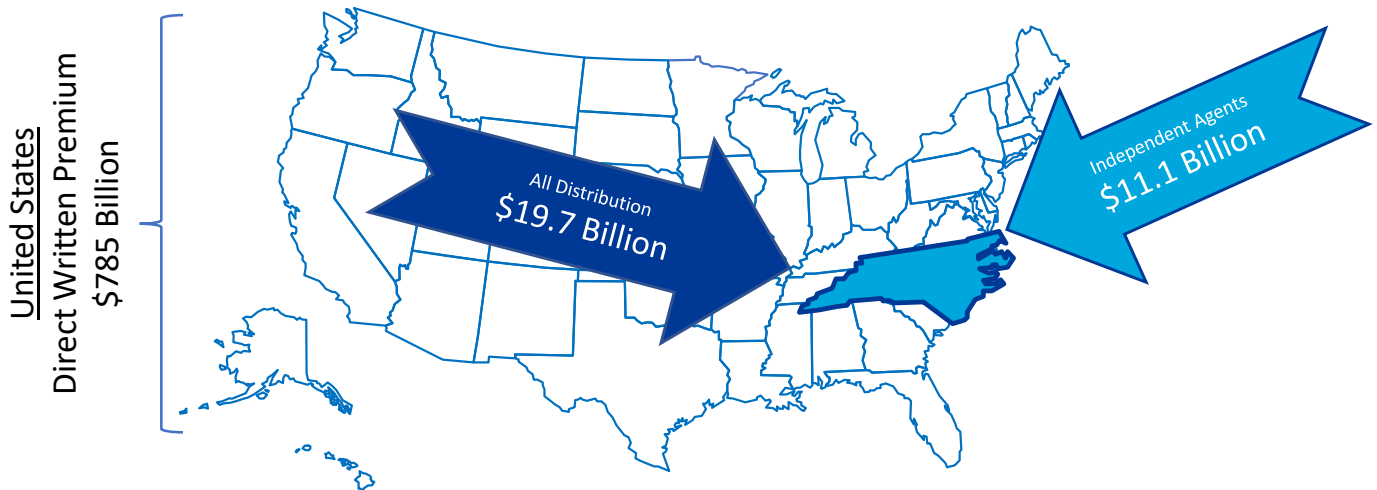
Real Insurance Solutions Consulting, LLC

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AN OVERVIEW

This report provides a summary of the 2021 property-casualty (p-c) insurance marketplace. Unlike most industry watchers of insurer profitability and insolvency, we used direct written premiums—not net written premiums. This is to be consistent with our member agent's view of the insurance world. Data source and tips on how to read the data can be found on the last page.

2021 NORTH CAROLINA DIRECT WRITTEN PREMIUM



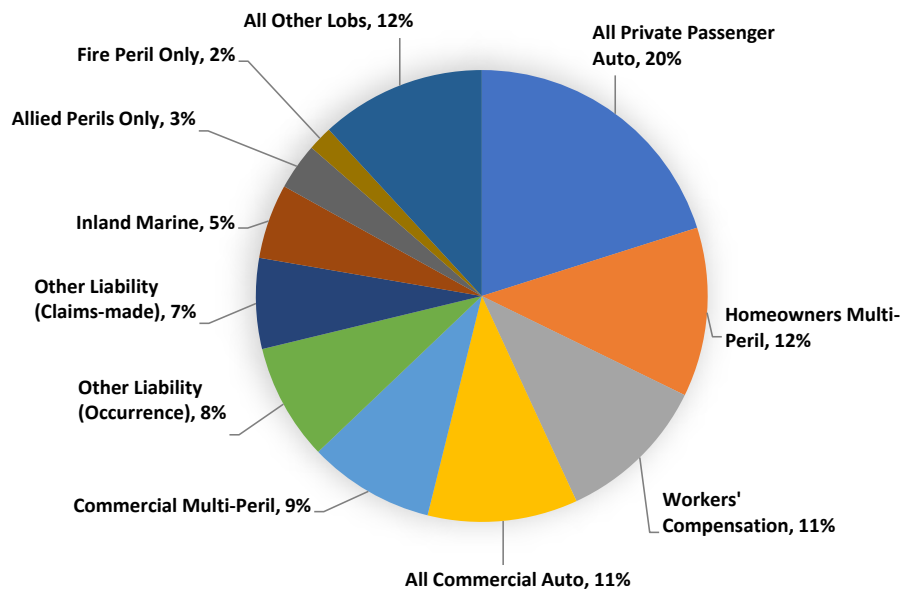
	United States	Smallest/Lowest State	Largest/Highest State	North Carolina (Rank)
Total (All Lines) Premiums	\$785 Billion	\$1.4 Billion (Vermont: #51)	\$97.3 Billion (California: #1)	\$19.7 Billion (#11)
Total (All Lines) Per Capita Premium	\$2,369	\$1,674 (Ohio: #51)	\$3,839 (North Dakota: #1)	\$1,884 (#49)
Personal Lines Per Capita Premium	\$1,163	\$835 (District of Columbia: #51)	\$1,621 (Florida: #1)	\$1,004 (#40)
Commercial Lines Per Capita Premium	\$1,186	\$730 (West Virginia: #51)	\$2,647 (North Dakota: #1)	\$865 (#45)

In the above table, Total (All Lines) includes premiums for all 32 lines of business, including Credit. The combined premiums for Personal Lines is All Private Passenger Auto, Homeowners Multi-Peril and Farmowners Multi-Peril. Commercial Lines is all other lines of business except All Private Passenger Auto, Homeowners Multi-Peril, Farm owners Multi-Peril and Credit.

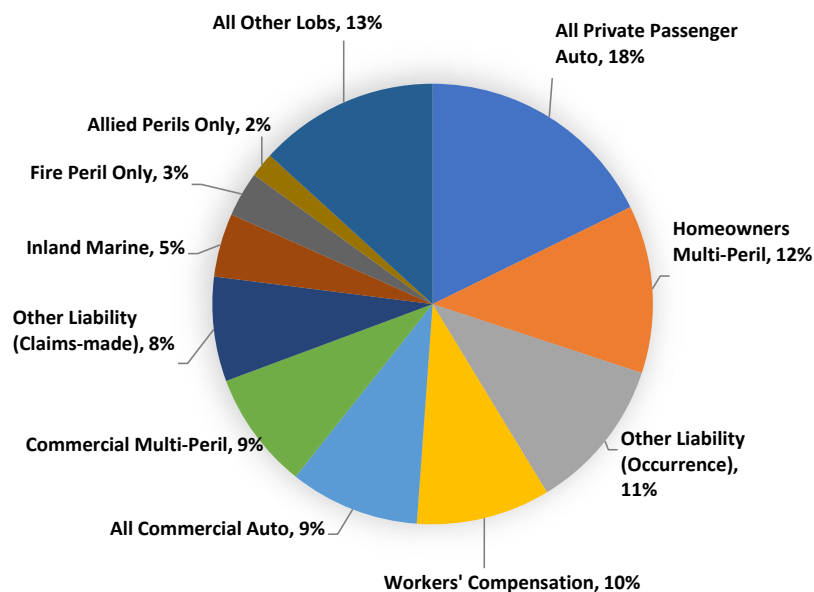
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NC VS. NATIONAL INDEPENDENT AGENT PREMIUMS, BY LOB

2021 NORTH CAROLINA IA PREMIUM (TOTAL = \$11,158,960,000)



2021 UNITED STATES IA PREMIUM (TOTAL = \$483,695,862,000)



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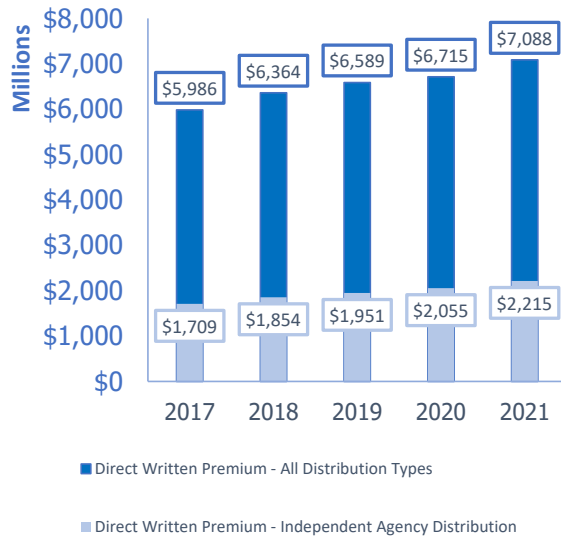
The top chart shows independent agent premium in North Carolina for 2021, totaling more than \$11.15 billion of \$19.67 billion sold by all forms of distribution in North Carolina.

In contrast, the bottom chart shows independent agent premium in the U.S. in 2021.

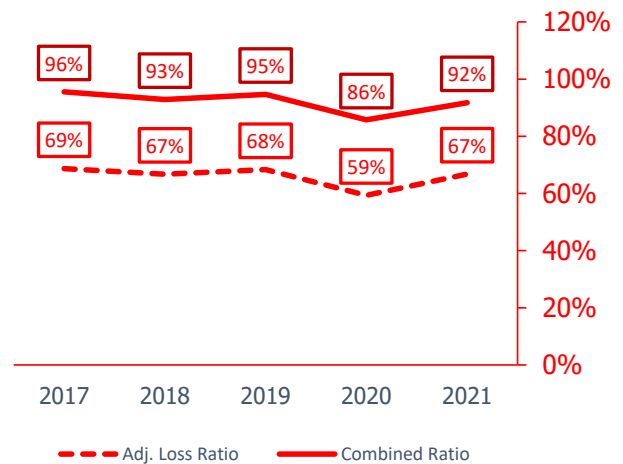
NORTH CAROLINA MAJOR LINES OF BUSINESS (LOB)

ALL PRIVATE PASSENGER AUTO

2021 - North Carolina: All Private Passenger Auto Written Premium (5 yr. ave. Penetration - 30%)



2021 - North Carolina: All Private Passenger Auto Loss / Combined Ratio (5 yr. ave. 66% / 92%)



****2021 Average Commission Rate Paid: 8.1%****

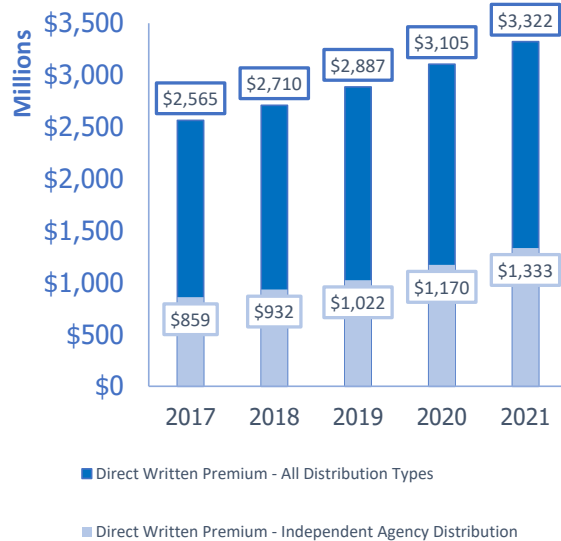
ALL Direct Written Premium (DPW)	Ind. Agent DPW	Exclusive Agents DPW	Direct DPW	Surplus Lines DPW
\$7,087,595,000	\$2,214,646,000	\$2,502,671,000	\$2,370,278,000	\$6,000
Loss Ratio and Combined Ratio Accuracy	IA+MGA+IA-Mixed Penetration	Exclusive Penetration	Direct Penetration	Surplus Lines Utilization
100%	31%	35%	33%	0.0%
Active Affiliated and Unaffiliated Insurers	IA+MGA+IA-Mixed Insurers	Exclusive Insurers	Direct Insurers	Surplus Lines Insurers
137	101	19	17	1
1-Year / 5-Year Premium Growth: All Premium	1-yr / 5-yr: IA+MGA+IA-Mixed	1-yr / 5-yr: Exclusive	1-yr / 5-yr: Direct	1-yr / 5-yr: Surplus Lines
6% / 4%	8% / 7%	1% / 0%	8% / 7%	#DIV/0!
Top 5 Groups or Unaffiliated Single(s)	2021 DPW	2021 Adj. Loss Ratio	2020-2021 Growth Rate	Group Name or ALL L.O.B. DPW
Allstate Insurance Group (G)	\$1,216,784,000	66%	2%	N/A
Berkshire Hathaway Insurance Group (G)	\$1,009,916,000	73%	16%	N/A
State Farm Group (G)	\$990,443,000	68%	4%	N/A
Progressive Insurance Group (G)	\$742,606,000	71%	25%	N/A
North Carolina Farm Bureau Ins Group (G)	\$679,381,000	65%	2%	N/A
Total or Average	\$7,087,596,000	67%	6%	N/A
Top 5 Pure Independent Agent-Broker Policy-Issuing Insurers				
Progressive Southeastern Insurance Co	\$354,666,000	71%	32%	Progressive Insurance Group
Integon Indemnity Corporation	\$348,474,000	82%	7%	Allstate Insurance Group
Erie Insurance Exchange	\$201,690,000	59%	0%	Erie Insurance Group
Integon Preferred Insurance Company	\$166,303,000	58%	11%	Allstate Insurance Group
Nationwide Insurance Company of America	\$129,941,000	79%	46%	Nationwide Group

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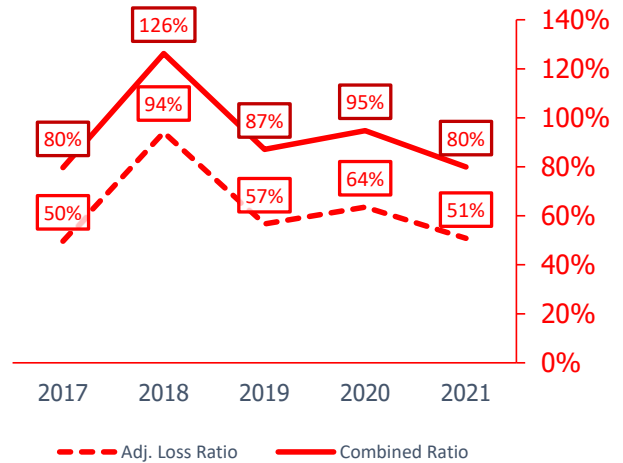
NORTH CAROLINA MAJOR LINES OF BUSINESS (LOB)

HOMEOWNERS MULTI-PERIL

2021 - North Carolina: Homeowners Multi-Peril
Written Premium (5 yr. ave. Penetration - 36%)



2021 - North Carolina: Homeowners Multi-Peril
Loss / Combined Ratio (5 yr. ave. 62% / 93%)



****2021 Average Commission Rate Paid: 12.2%****

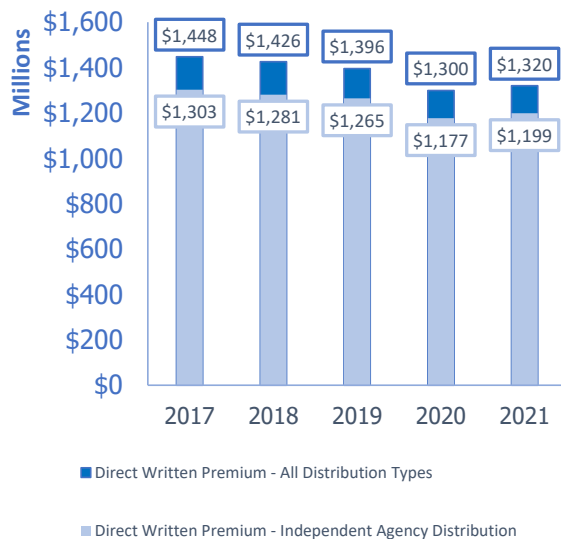
ALL Direct Written Premium (DPW)	Ind. Agent DPW	Exclusive Agents DPW	Direct DPW	Surplus Lines DPW
\$3,322,167,000	\$1,332,984,000	\$1,283,034,000	\$666,422,000	\$31,253,000
Loss Ratio and Combined Ratio Accuracy	IA+MGA+IA-Mixed Penetration	Exclusive Penetration	Direct Penetration	Surplus Lines Utilization
100%	40%	39%	20%	0.9%
Active Affiliated and Unaffiliated Insurers	IA+MGA+IA-Mixed Insurers	Exclusive Insurers	Direct Insurers	Surplus Lines Insurers
139	105	13	15	21
1-Year / 5-Year Premium Growth: All Premium	1-yr / 5-yr: IA+MGA+IA-Mixed	1-yr / 5-yr: Exclusive	1-yr / 5-yr: Direct	1-yr / 5-yr: Surplus Lines
7% / 7%	14% / 12%	8% / 3%	0% / 5%	9% / 22%
Top 5 Groups or Unaffiliated Single(s)	2021 DPW	2021 Adj. Loss Ratio	2020-2021 Growth Rate	Group Name or ALL L.O.B. DPW
State Farm Group (G)	\$554,278,000	40%	8%	N/A
North Carolina Farm Bureau Ins Group (G)	\$408,978,000	67%	8%	N/A
USAA Group (G)	\$311,752,000	61%	10%	N/A
Nationwide Group (G)	\$262,159,000	50%	-1%	N/A
Allstate Insurance Group (G)	\$209,934,000	39%	7%	N/A
Total or Average	\$3,322,162,000	51%	7%	N/A
Top 5 Pure Independent Agent-Broker Policy-Issuing Insurers				
Erie Insurance Company	\$120,228,000	64%	16%	Erie Insurance Group
Owners Insurance Company	\$65,958,000	51%	15%	Auto-Owners Insurance Group
Erie Insurance Exchange	\$62,647,000	71%	-6%	Erie Insurance Group
Foremost Insurance Co Grand Rapids, MI	\$56,812,000	32%	5%	Farmers Insurance Group
American Strategic Insurance Corp.	\$55,068,000	48%	27%	Progressive Insurance Group

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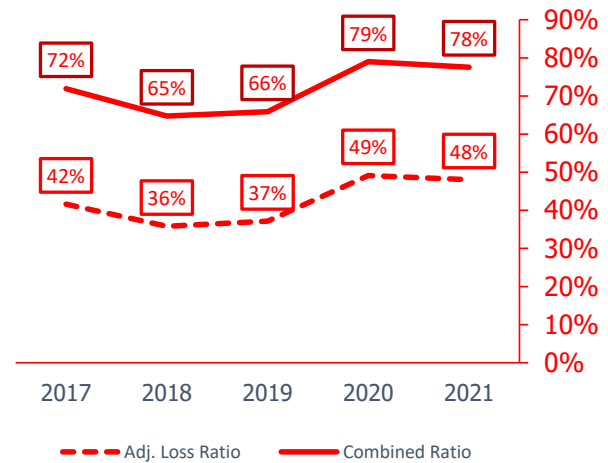
NORTH CAROLINA MAJOR LINES OF BUSINESS (LOB)

WORKERS' COMPENSATION

2021 - North Carolina: Workers' Compensation
Written Premium (5 yr. ave. Penetration - 90%)



2021 - North Carolina: Workers' Compensation
Loss / Combined Ratio (5 yr. ave. 42% / 72%)



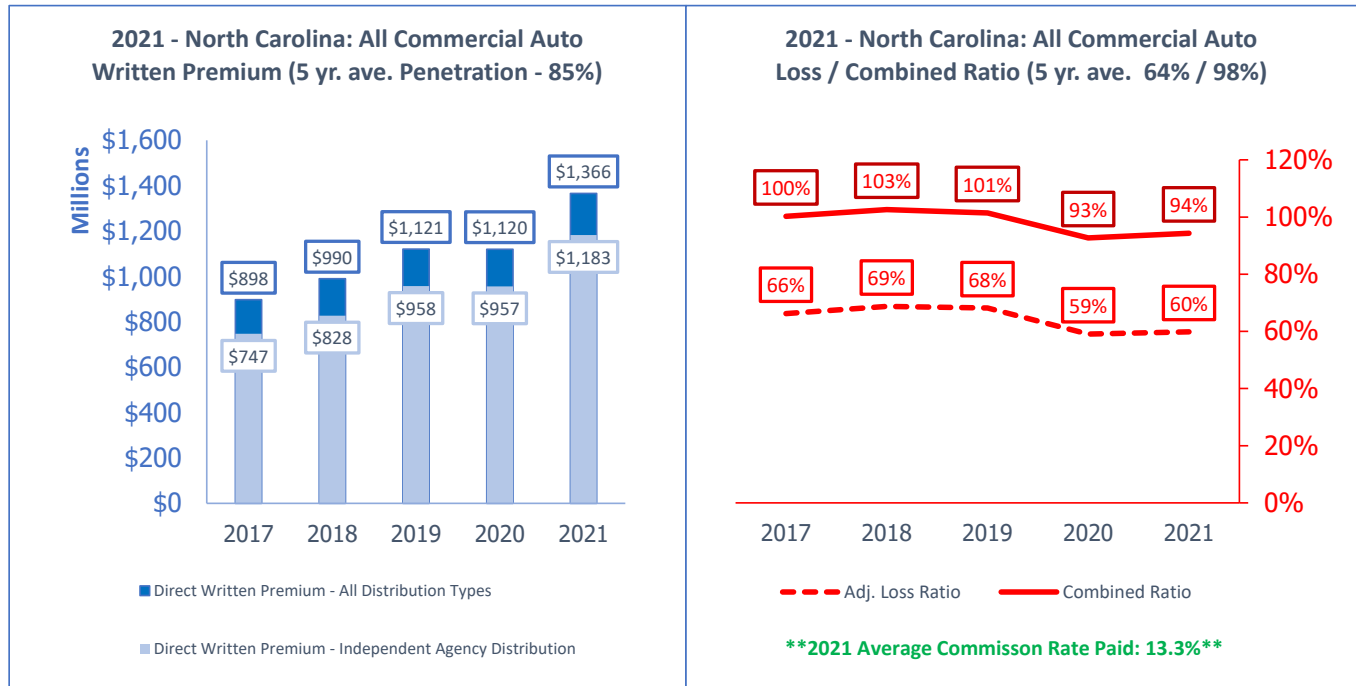
****2021 Average Commission Rate Paid: 8.4%****

ALL Direct Written Premium (DPW)	Ind. Agent DPW	Exclusive Agents DPW	Direct DPW	Surplus Lines DPW
\$1,320,246,000	\$1,199,309,000	\$54,929,000	\$58,831,000	\$0
Loss Ratio and Combined Ratio Accuracy	IA+MGA+IA-Mixed Penetration	Exclusive Penetration	Direct Penetration	Surplus Lines Utilization
100%	91%	4%	4%	0.0%
Active Affiliated and Unaffiliated Insurers	IA+MGA+IA-Mixed Insurers	Exclusive Insurers	Direct Insurers	Surplus Lines Insurers
324	281	16	16	0
1-Year / 5-Year Premium Growth: All Premium	1-yr / 5-yr: IA+MGA+IA-Mixed	1-yr / 5-yr: Exclusive	1-yr / 5-yr: Direct	1-yr / 5-yr: Surplus Lines
2% / -2%	2% / -2%	3% / -3%	-5% / -5%	#DIV/0!
Top 5 Groups or Unaffiliated Single(s)	2021 DPW	2021 Adj. Loss Ratio	2020-2021 Growth Rate	Group Name or ALL L.O.B. DPW
Hartford Insurance Group (G)	\$107,325,000	32%	6%	N/A
AF Group (G)	\$96,578,000	45%	-5%	N/A
Travelers Group (G)	\$94,170,000	49%	-6%	N/A
Builders Mutual Insurance Group (G)	\$93,223,000	36%	2%	N/A
Liberty Mutual Insurance Companies (G)	\$73,385,000	55%	-5%	N/A
Total or Average	\$1,320,256,000	48%	2%	N/A
Top 5 Pure Independent Agent-Broker Policy-Issuing Insurers				
Builders Mutual Insurance Company	\$75,406,000	36%	1%	Builders Mutual Insurance Group
Hartford Underwriters Insurance Company	\$46,262,000	39%	1%	Hartford Insurance Group
Accident Fund Ins Co of America	\$45,377,000	48%	-10%	AF Group
Accident Fund General Insurance Co	\$33,479,000	41%	9%	AF Group
Erie Insurance Exchange	\$31,343,000	92%	6%	Erie Insurance Group

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NORTH CAROLINA MAJOR LINES OF BUSINESS (LOB)

ALL COMMERCIAL AUTO



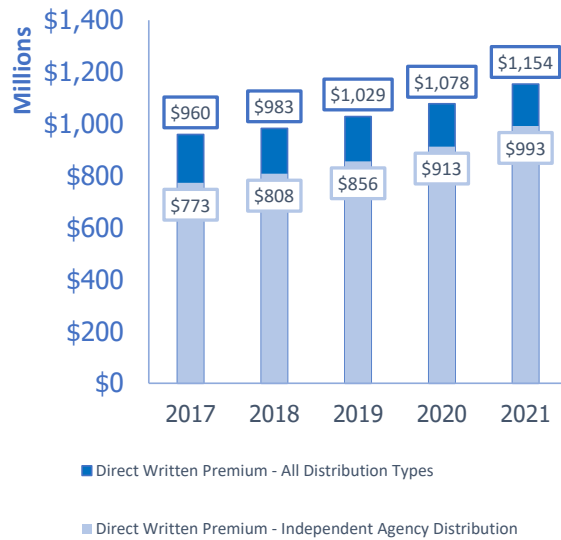
ALL Direct Written Premium (DPW)	Ind. Agent DPW	Exclusive Agents DPW	Direct DPW	Surplus Lines DPW
\$1,366,176,000	\$1,182,986,000	\$117,174,000	\$55,199,000	\$18,082,000
Loss Ratio and Combined Ratio Accuracy	IA+MGA+IA-Mixed Penetration	Exclusive Penetration	Direct Penetration	Surplus Lines Utilization
100%	87%	9%	4%	1.3%
Active Affiliated and Unaffiliated Insurers	IA+MGA+IA-Mixed Insurers	Exclusive Insurers	Direct Insurers	Surplus Lines Insurers
356	289	17	33	48
1-Year / 5-Year Premium Growth: All Premium	1-yr / 5-yr: IA+MGA+IA-Mixed	1-yr / 5-yr: Exclusive	1-yr / 5-yr: Direct	1-yr / 5-yr: Surplus Lines
22% / 11%	24% / 12%	10% / 5%	11% / 4%	6% / 0%
Top 5 Groups or Unaffiliated Single(s)	2021 DPW	2021 Adj. Loss Ratio	2020-2021 Growth Rate	Group Name or ALL L.O.B. DPW
Progressive Insurance Group (G)	\$215,649,000	60%	49%	N/A
Allstate Insurance Group (G)	\$111,574,000	65%	40%	N/A
Auto-Owners Insurance Group (G)	\$83,105,000	67%	18%	N/A
Travelers Group (G)	\$73,046,000	47%	7%	N/A
Erie Insurance Group (G)	\$58,317,000	59%	6%	N/A
<i>Total or Average</i>	<i>\$1,366,181,000</i>	<i>60%</i>	<i>22%</i>	<i>N/A</i>
Top 5 Pure Independent Agent-Broker Policy-Issuing Insurers				
Progressive Southeastern Insurance Co	\$191,524,000	60%	51%	Progressive Insurance Group
Integon Indemnity Corporation	\$77,200,000	63%	50%	Allstate Insurance Group
Erie Insurance Exchange	\$57,738,000	59%	5%	Erie Insurance Group
Owners Insurance Company	\$37,385,000	64%	13%	Auto-Owners Insurance Group
Auto-Owners Insurance Company	\$29,323,000	55%	22%	Auto-Owners Insurance Group

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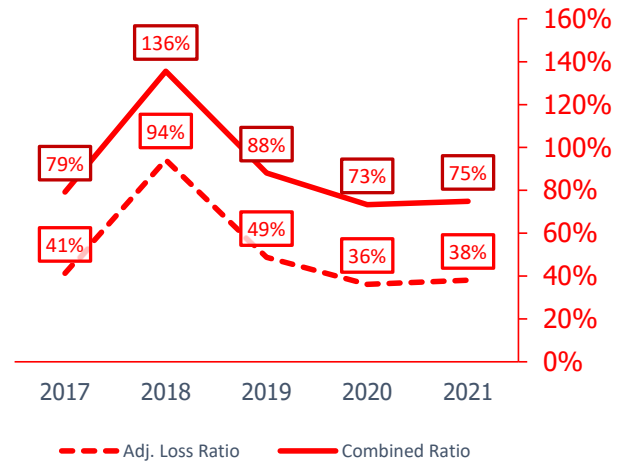
NORTH CAROLINA MAJOR LINES OF BUSINESS (LOB)

COMMERCIAL MULTI-PERIL

**2021 - North Carolina: Commercial Multi-Peril
Written Premium (5 yr. ave. Penetration - 83%)**



**2021 - North Carolina: Commercial Multi-Peril
Loss / Combined Ratio (5 yr. ave. 51% / 89%)**



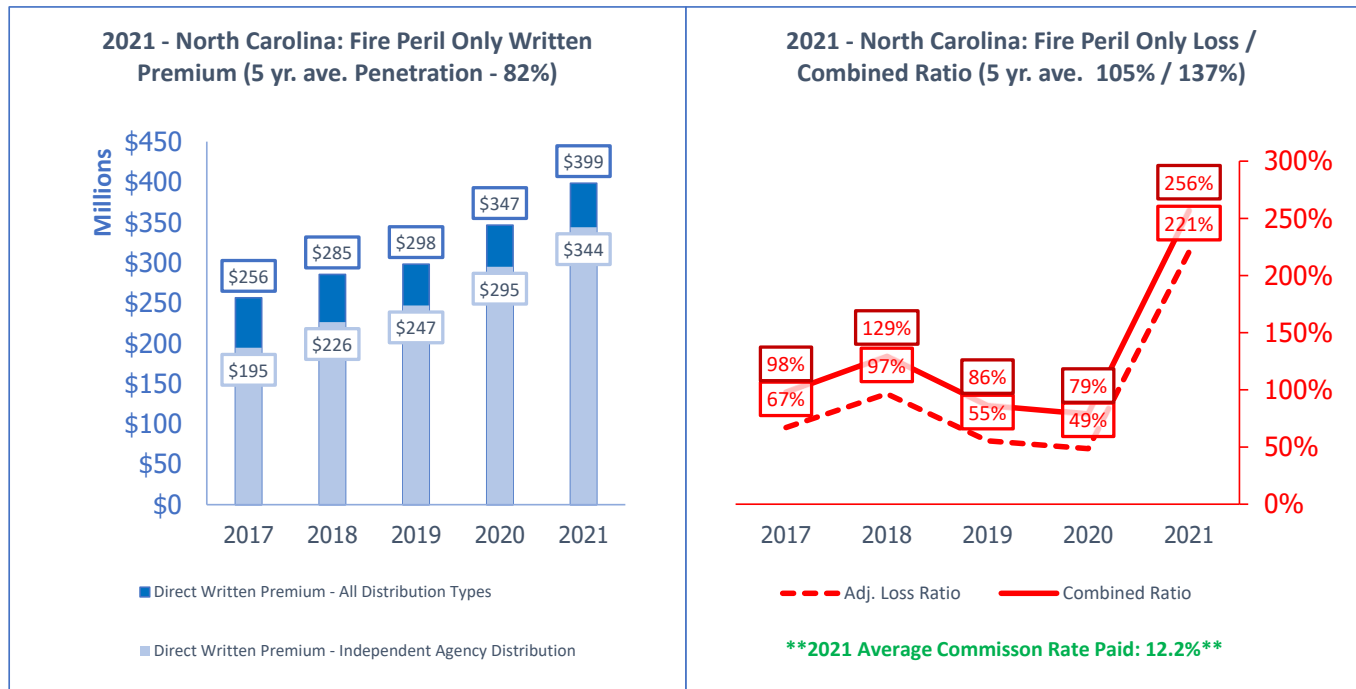
****2021 Average Commission Rate Paid: 17.0%****

ALL Direct Written Premium (DPW)	Ind. Agent DPW	Exclusive Agents DPW	Direct DPW	Surplus Lines DPW
\$1,154,224,000	\$992,767,000	\$113,457,000	\$45,050,000	\$63,675,000
Loss Ratio and Combined Ratio Accuracy	IA+MGA+IA-Mixed Penetration	Exclusive Penetration	Direct Penetration	Surplus Lines Utilization
100%	86%	10%	4%	5.5%
Active Affiliated and Unaffiliated Insurers	IA+MGA+IA-Mixed Insurers	Exclusive Insurers	Direct Insurers	Surplus Lines Insurers
331	279	21	18	62
1-Year / 5-Year Premium Growth: All Premium	1-yr / 5-yr: IA+MGA+IA-Mixed	1-yr / 5-yr: Exclusive	1-yr / 5-yr: Direct	1-yr / 5-yr: Surplus Lines
7% / 5%	9% / 6%	0% / -2%	-5% / -7%	26% / 9%
Top 5 Groups or Unaffiliated Single(s)	2021 DPW	2021 Adj. Loss Ratio	2020-2021 Growth Rate	Group Name or ALL L.O.B. DPW
Travelers Group (G)	\$103,026,000	35%	5%	N/A
Erie Insurance Group (G)	\$97,102,000	34%	9%	N/A
Nationwide Group (G)	\$91,649,000	33%	-7%	N/A
The Cincinnati Insurance Companies (G)	\$77,819,000	23%	-1%	N/A
Auto-Owners Insurance Group (G)	\$75,108,000	44%	22%	N/A
Total or Average	\$1,154,224,000	38%	7%	N/A
Top 5 Pure Independent Agent-Broker Policy-Issuing Insurers				
Erie Insurance Exchange	\$68,465,000	30%	-11%	Erie Insurance Group
Cincinnati Insurance Company	\$65,791,000	21%	-2%	The Cincinnati Insurance Companies
Owners Insurance Company	\$48,443,000	31%	23%	Auto-Owners Insurance Group
Philadelphia Indemnity Insurance Company	\$30,902,000	37%	7%	Tokio Marine US PC Group
Erie Insurance Company	\$28,637,000	48%	139%	Erie Insurance Group

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NORTH CAROLINA MAJOR LINES OF BUSINESS (LOB)

FIRE PERIL ONLY

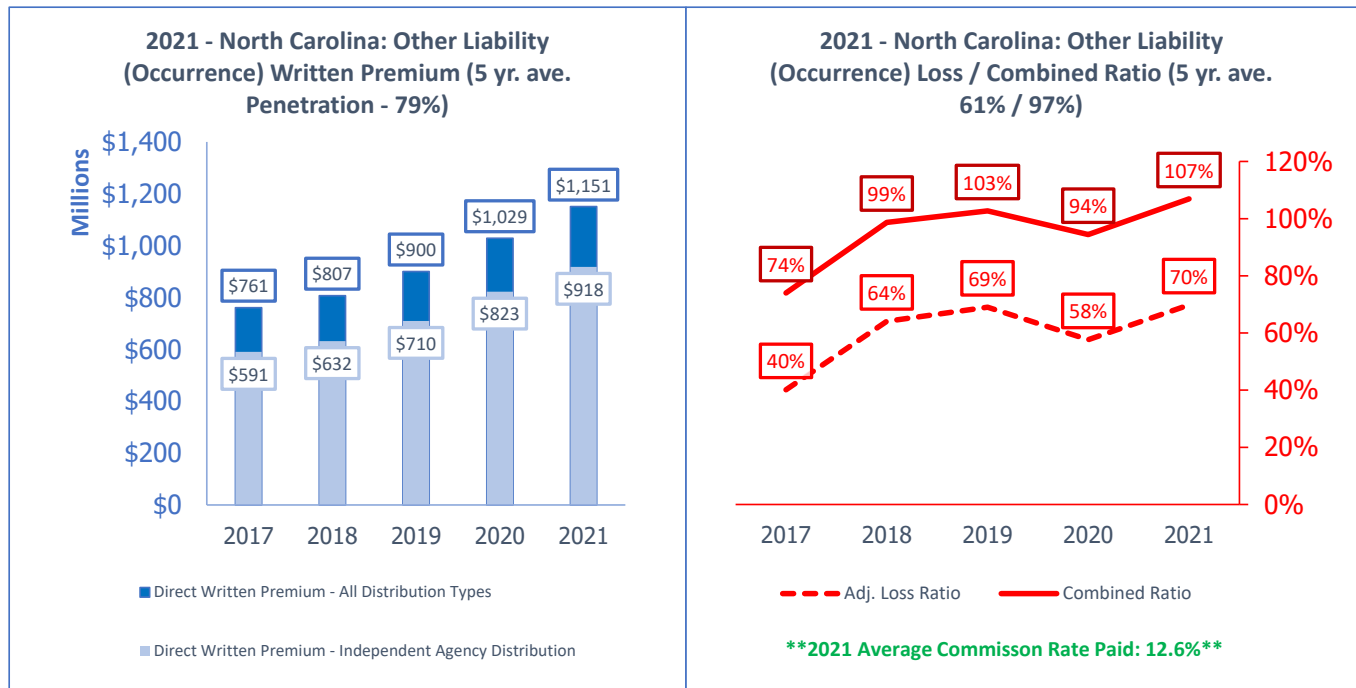


ALL Direct Written Premium (DPW)	Ind. Agent DPW	Exclusive Agents DPW	Direct DPW	Surplus Lines DPW
\$398,573,000	\$344,071,000	\$21,911,000	\$27,443,000	\$109,797,000
Loss Ratio and Combined Ratio Accuracy	IA+MGA+IA-Mixed Penetration	Exclusive Penetration	Direct Penetration	Surplus Lines Utilization
98%	86%	5%	7%	27.5%
Active Affiliated and Unaffiliated Insurers	IA+MGA+IA-Mixed Insurers	Exclusive Insurers	Direct Insurers	Surplus Lines Insurers
278	241	12	14	76
1-Year / 5-Year Premium Growth: All Premium	1-yr / 5-yr: IA+MGA+IA-Mixed	1-yr / 5-yr: Exclusive	1-yr / 5-yr: Direct	1-yr / 5-yr: Surplus Lines
15% / 12%	17% / 15%	2% / 1%	11% / -7%	21% / 26%
Top 5 Groups or Unaffiliated Single(s)	2021 DPW	2021 Adj. Loss Ratio	2020-2021 Growth Rate	Group Name or ALL L.O.B. DPW
FM Global Group (G)	\$28,905,000	1000%	26%	N/A
Liberty Mutual Insurance Companies (G)	\$25,802,000	359%	38%	N/A
Auto-Owners Insurance Group (G)	\$23,343,000	39%	4%	N/A
American International Group (G)	\$23,117,000	47%	40%	N/A
Farmers Insurance Group (G)	\$20,678,000	42%	14%	N/A
Total or Average	\$390,295,000	221%	15%	N/A
Top 5 Pure Independent Agent-Broker Policy-Issuing Insurers				
Auto-Owners Insurance Company	\$22,957,000	32%	4%	Auto-Owners Insurance Group
Foremost Insurance Co Grand Rapids, MI	\$20,678,000	42%	14%	Farmers Insurance Group
Starr Surplus Lines Insurance Company	\$16,825,000	128%	13%	Starr International Group
Arch Specialty Insurance Company	\$12,199,000	31%	156%	Arch Insurance Group
Lexington Insurance Company	\$11,074,000	40%	42%	American International Group

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NORTH CAROLINA MAJOR LINES OF BUSINESS (LOB)

OTHER LIABILITY (OCCURRENCE)



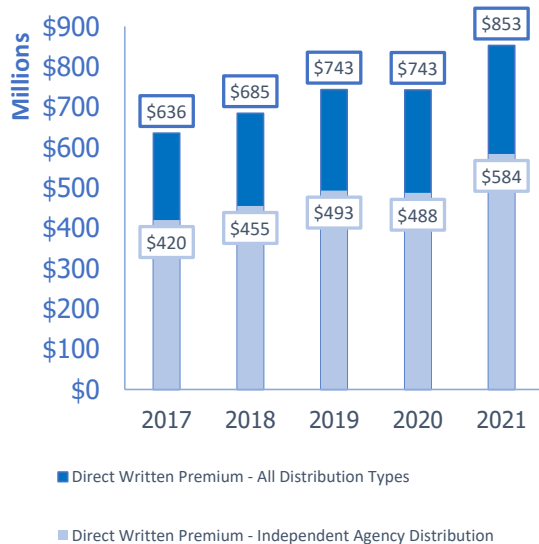
ALL Direct Written Premium (DPW)	Ind. Agent DPW	Exclusive Agents DPW	Direct DPW	Surplus Lines DPW
\$1,151,462,000	\$918,996,000	\$89,433,000	\$115,786,000	\$290,028,000
Loss Ratio and Combined Ratio Accuracy	IA+MGA+IA-Mixed Penetration	Exclusive Penetration	Direct Penetration	Surplus Lines Utilization
100%	80%	8%	10%	25.2%
Active Affiliated and Unaffiliated Insurers	IA+MGA+IA-Mixed Insurers	Exclusive Insurers	Direct Insurers	Surplus Lines Insurers
532	424	29	45	121
1-Year / 5-Year Premium Growth: All Premium	1-yr / 5-yr: IA+MGA+IA-Mixed	1-yr / 5-yr: Exclusive	1-yr / 5-yr: Direct	1-yr / 5-yr: Surplus Lines
12% / 11%	12% / 12%	6% / 5%	14% / 9%	27% / 20%
Top 5 Groups or Unaffiliated Single(s)	2021 DPW	2021 Adj. Loss Ratio	2020-2021 Growth Rate	Group Name or ALL L.O.B. DPW
Chubb INA Group (G)	\$79,120,000	192%	-18%	N/A
Travelers Group (G)	\$57,717,000	52%	14%	N/A
Liberty Mutual Insurance Companies (G)	\$56,905,000	136%	17%	N/A
The Cincinnati Insurance Companies (G)	\$49,081,000	25%	14%	N/A
W. R. Berkley Insurance Group (G)	\$39,487,000	35%	18%	N/A
Total or Average	\$1,151,467,000	69%	12%	N/A
Top 5 Pure Independent Agent-Broker Policy-Issuing Insurers				
Travelers Property Casualty Co of Amer	\$37,101,000	27%	19%	Travelers Group
Cincinnati Insurance Company	\$32,110,000	20%	7%	The Cincinnati Insurance Companies
ACE Property and Casualty Insurance Co	\$24,809,000	155%	18%	Chubb INA Group
ACE American Insurance Company	\$22,130,000	54%	-9%	Chubb INA Group
Nautilus Insurance Company	\$18,507,000	30%	7%	W. R. Berkley Insurance Group

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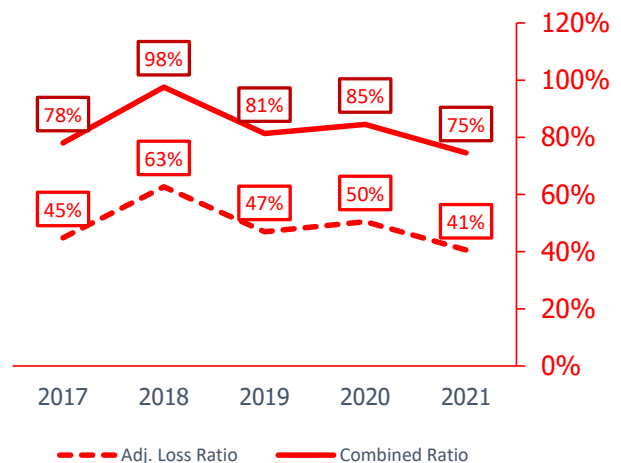
NORTH CAROLINA MAJOR LINES OF BUSINESS (LOB)

INLAND MARINE

2021 - North Carolina: Inland Marine Written Premium (5 yr. ave. Penetration - 67%)



2021 - North Carolina: Inland Marine Loss / Combined Ratio (5 yr. ave. 49% / 83%)



****2021 Average Commission Rate Paid: 18.2%****

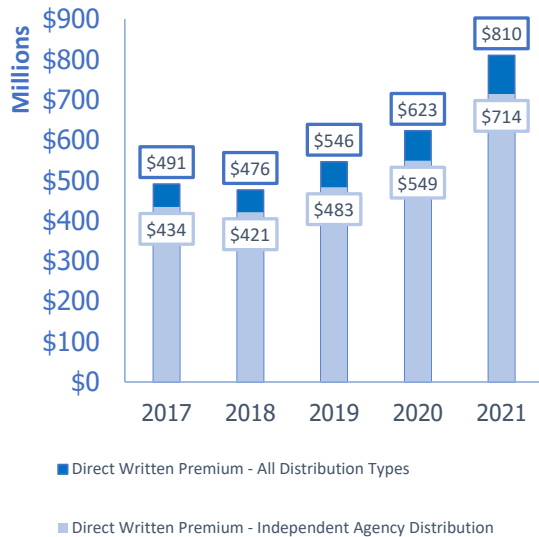
ALL Direct Written Premium (DPW)	Ind. Agent DPW	Exclusive Agents DPW	Direct DPW	Surplus Lines DPW
\$858,489,000	\$589,740,000	\$212,994,000	\$53,047,000	\$26,323,000
Loss Ratio and Combined Ratio Accuracy	IA+MGA+IA-Mixed Penetration	Exclusive Penetration	Direct Penetration	Surplus Lines Utilization
100%	69%	25%	6%	3.1%
Active Affiliated and Unaffiliated Insurers	IA+MGA+IA-Mixed Insurers	Exclusive Insurers	Direct Insurers	Surplus Lines Insurers
378	315	21	30	64
1-Year / 5-Year Premium Growth: All Premium	1-yr / 5-yr: IA+MGA+IA-Mixed	1-yr / 5-yr: Exclusive	1-yr / 5-yr: Direct	1-yr / 5-yr: Surplus Lines
16% / 8%	21% / 9%	6% / 5%	1% / 7%	40% / 25%
Top 5 Groups or Unaffiliated Single(s)	2021 DPW	2021 Adj. Loss Ratio	2020-2021 Growth Rate	Group Name or ALL L.O.B. DPW
Liberty Mutual Insurance Companies (G)	\$147,593,000	69%	4%	N/A
CNA Insurance Companies (G)	\$84,986,000	56%	5%	N/A
Allianz US PC Insurance Companies (G)	\$39,481,000	18%	99%	N/A
Nationwide Group (G)	\$35,141,000	53%	19%	N/A
Zurich Insurance US PC Group (G)	\$31,295,000	22%	17%	N/A
Total or Average	\$858,475,000	41%	16%	N/A
Top 5 Pure Independent Agent-Broker Policy-Issuing Insurers				
Continental Casualty Company	\$84,968,000	56%	5%	CNA Insurance Companies
Progressive Southeastern Insurance Co	\$25,392,000	33%	51%	Progressive Insurance Group
National Casualty Company	\$19,518,000	78%	19%	Nationwide Group
National Union Fire Ins Co Pittsburgh PA	\$16,281,000	32%	80%	American International Group
Essentia Insurance Company	\$16,115,000	28%	19%	Markel Corporation Group

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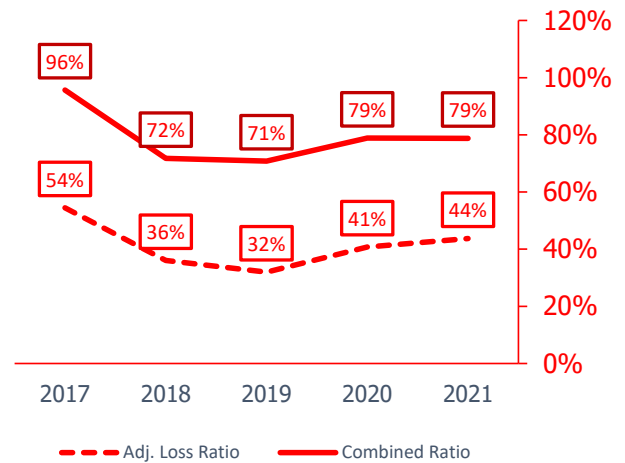
NORTH CAROLINA MAJOR LINES OF BUSINESS (LOB)

OTHER LIABILITY (CLAIMS-MADE)

2021 - North Carolina: Other Liability (Claims-made) Written Premium (5 yr. ave. Penetration - 88%)



2021 - North Carolina: Other Liability (Claims-made) Loss / Combined Ratio (5 yr. ave. 41% / 79%)



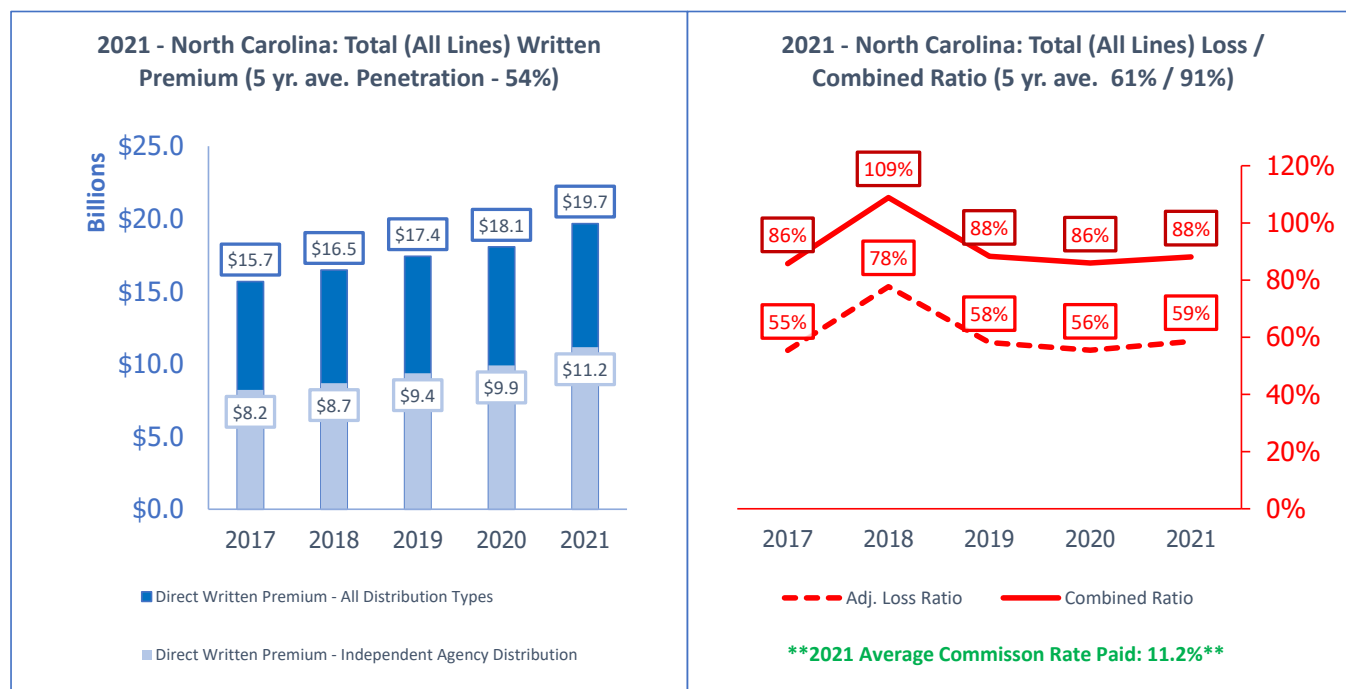
****2021 Average Commission Rate Paid: 14.1%****

ALL Direct Written Premium (DPW)	Ind. Agent DPW	Exclusive Agents DPW	Direct DPW	Surplus Lines DPW
\$809,993,000	\$714,064,000	\$9,379,000	\$53,791,000	\$242,353,000
Loss Ratio and Combined Ratio Accuracy	IA+MGA+IA-Mixed Penetration	Exclusive Penetration	Direct Penetration	Surplus Lines Utilization
100%	88%	1%	7%	29.9%
Active Affiliated and Unaffiliated Insurers	IA+MGA+IA-Mixed Insurers	Exclusive Insurers	Direct Insurers	Surplus Lines Insurers
343	275	15	29	98
1-Year / 5-Year Premium Growth: All Premium	1-yr / 5-yr: IA+MGA+IA-Mixed	1-yr / 5-yr: Exclusive	1-yr / 5-yr: Direct	1-yr / 5-yr: Surplus Lines
30% / 13%	30% / 13%	31% / 10%	20% / 11%	73% / 23%
Top 5 Groups or Unaffiliated Single(s)	2021 DPW	2021 Adj. Loss Ratio	2020-2021 Growth Rate	Group Name or ALL L.O.B. DPW
Chubb INA Group (G)	\$74,952,000	6%	25%	N/A
XL Reinsurance America Group (G)	\$60,383,000	51%	8%	N/A
American International Group (G)	\$53,624,000	111%	28%	N/A
Travelers Group (G)	\$47,924,000	45%	32%	N/A
CNA Insurance Companies (G)	\$42,947,000	56%	17%	N/A
Total or Average	\$809,997,000	44%	30%	N/A
Top 5 Pure Independent Agent-Broker Policy-Issuing Insurers				
XL Specialty Insurance Company	\$41,005,000	45%	1%	XL Reinsurance America Group
Travelers Casualty and Surety Co of Amer	\$37,955,000	49%	19%	Travelers Group
Federal Insurance Company	\$34,675,000	0%	22%	Chubb INA Group
National Union Fire Ins Co Pittsburgh PA	\$31,988,000	108%	-1%	American International Group
Continental Casualty Company	\$31,915,000	42%	1%	CNA Insurance Companies

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NORTH CAROLINA TOTAL - ALL LINES OF BUSINESS

TOTAL ALL P&C LINES OF BUSINESS

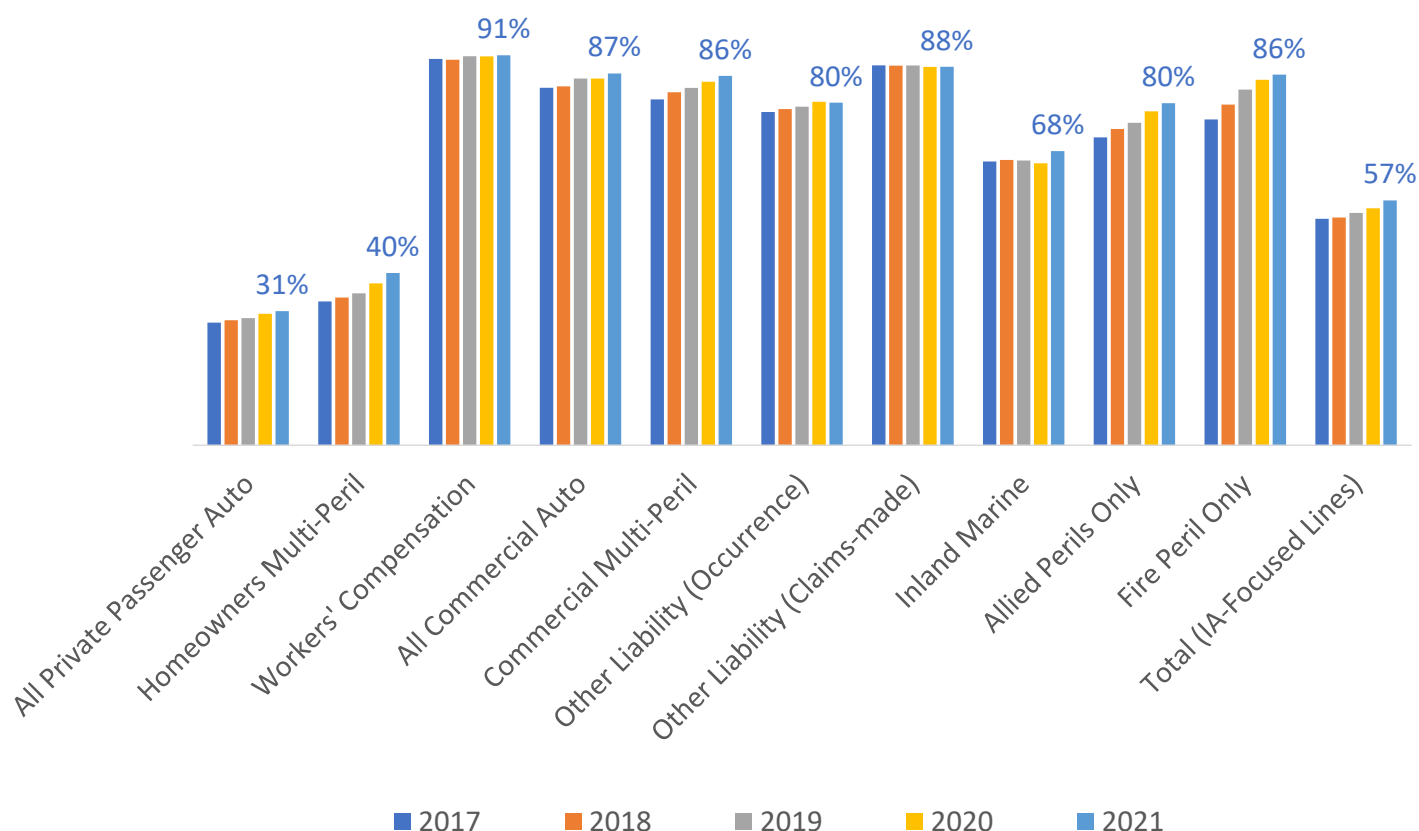


ALL Direct Written Premium (DPW)	Ind. Agent DPW	Exclusive Agents DPW	Direct DPW	Surplus Lines DPW
\$19,675,783,000	\$11,158,960,000	\$4,598,217,000	\$3,716,771,000	\$1,014,762,000
Loss Ratio and Combined Ratio Accuracy	IA+MGA+IA-Mixed Penetration	Exclusive Penetration	Direct Penetration	Surplus Lines Utilization
100%	57%	23%	19%	5.2%
Active Affiliated and Unaffiliated Insurers	IA+MGA+IA-Mixed Insurers	Exclusive Insurers	Direct Insurers	Surplus Lines Insurers
907	680	47	103	146
1-Year / 5-Year Premium Growth: All Premium	1-yr / 5-yr: IA+MGA+IA-Mixed	1-yr / 5-yr: Exclusive	1-yr / 5-yr: Direct	1-yr / 5-yr: Surplus Lines
9% / 6%	13% / 8%	4% / 2%	6% / 6%	29% / 20%
Top 5 Groups or Unaffiliated Single(s)	2021 DPW	2021 Adj. Loss Ratio	2020-2021 Growth Rate	Group Name or ALL L.O.B. DPW
State Farm Group (G)	\$1,673,736,000	57%	5%	N/A
Allstate Insurance Group (G)	\$1,593,505,000	62%	5%	N/A
North Carolina Farm Bureau Ins Group (G)	\$1,307,883,000	61%	4%	N/A
Berkshire Hathaway Insurance Group (G)	\$1,241,338,000	69%	16%	N/A
Nationwide Group (G)	\$1,126,831,000	51%	-1%	N/A
Total or Average	\$19,675,774,000	59%	9%	N/A
Top 5 Pure Independent Agent-Broker Policy-Issuing Insurers				
Progressive Southeastern Insurance Co	\$577,518,000	66%	38%	Progressive Insurance Group
Erie Insurance Exchange	\$443,455,000	58%	-2%	Erie Insurance Group
Integon Indemnity Corporation	\$428,947,000	78%	13%	Allstate Insurance Group
Cincinnati Insurance Company	\$246,676,000	31%	4%	The Cincinnati Insurance Companies
Owners Insurance Company	\$242,153,000	51%	15%	Auto-Owners Insurance Group

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IA PENETRATION - ALL LINES OF BUSINESS

NORTH CAROLINA 2021 INDEPENDENT AGENT PENETRATION BY LOB



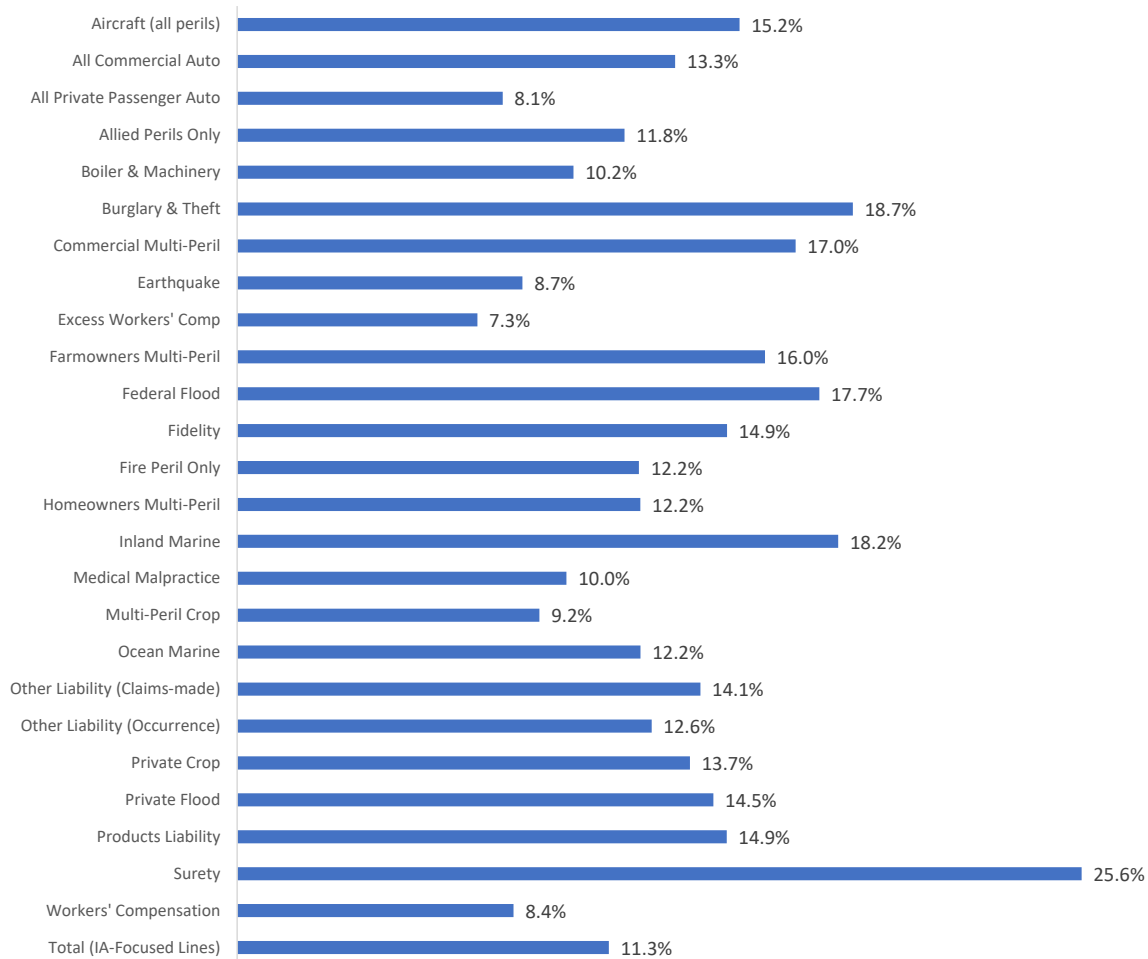
Source: © A.M. Best Company - Used by Permission

Notes or Comments: The clustered bar chart above shows independent agent penetration trends for the top lines of business. Shown are the top 10 lines of business in order of direct written premium written through independent agents. The percentages above are calculated based on premiums through independent agents, divided by all premiums for each line of business.

The 1-year and 5-year average penetration is available for the 26 lines of business focused on by independent agents in the Lines of Business: Product Details section later in this Summary. The trend for all 26 lines of business focused on by independent agents is provided last.

COMMISSIONS

2021 NORTH CAROLINA TOP LOB COMMISSION RATES



$$\text{Commission \%} = \frac{\text{Line of Business Direct and Contingent Commissions}}{\text{Line of Business Written Premium}}$$

Source: © A.M. Best Company - Used by Permission

Notes or Comments: The above bar chart shows the commission rate paid by all insurers for 26 independent agent-focused lines of business in alphabetical order. Shown last, Total (All Lines) is the average commission paid on all lines of business.

The formula shows how commission percentages are calculated, where the Commission % equals the line of business direct and contingent commissions divided by the line of business written premium.

Commission rates are based on a page in insurer annual reports called “Exhibit of Premiums and Losses (Statutory Page 14)” or the “State’s Page”. On this State’s Page insurers are required to break-out all lines of business by state and provide data on each line of business for direct written premiums, direct earned premiums, direct incurred losses, and commissions and brokerage expenses. The reader should note that the insurer annual report’s instructions tell insurers to include contingent commissions.

ALL LINES OF BUSINESS - IA DISTRIBUTION

2021 - North Carolina: All Lines of Business Additional Details							
All P-C Lines of P-C Business	All Direct Written Premium	1-Year Loss Ratio	5-Year Loss Ratio	1-Year Growth	5-Year Growth	1-Year Penetration	5-Year Penetration
Accident & Health	158,128,000	80%	78%	2%	21%	67%	63%
Aggregate Write-ins	22,539,000	11%	42%	-2%	-7%	34%	25%
<u>Aircraft (all perils)</u>	57,919,000	44%	49%	15%	27%	92%	89%
<u>All Commercial Auto</u>	1,366,176,000	60%	64%	11%	22%	87%	85%
<u>All Private Passenger Auto</u>	7,087,595,000	67%	66%	4%	6%	31%	30%
<u>Allied Perils Only</u>	461,013,000	16%	85%	12%	7%	80%	76%
<u>Boiler & Machinery</u>	56,210,000	23%	22%	9%	9%	91%	90%
<u>Burglary & Theft</u>	11,627,000	40%	40%	13%	18%	98%	97%
<u>Commercial Multi-Peril</u>	1,154,119,000	38%	51%	5%	7%	86%	83%
Credit	46,464,000	29%	49%	2%	24%	78%	74%
<u>Earthquake</u>	17,917,000	11%	6%	13%	-1%	76%	79%
<u>Excess Workers' Comp</u>	30,632,000	44%	55%	-1%	4%	94%	96%
<u>Farmowners Multi-Peril</u>	69,242,000	40%	60%	2%	4%	36%	34%
<u>Federal Flood</u>	85,047,000	22%	151%	-2%	-1%	73%	74%
<u>Fidelity</u>	42,496,000	36%	21%	3%	11%	92%	92%
Financial Guaranty	540,000	0%	0%	-40%	-74%	1%	0%
<u>Fire Peril Only</u>	398,573,000	221%	103%	12%	15%	86%	82%
<u>Homeowners Multi-Peril</u>	3,322,167,000	51%	63%	7%	7%	40%	36%
<u>Inland Marine</u>	852,687,000	41%	49%	8%	15%	68%	67%
<u>International</u>	0	#REF!	#REF!			#DIV/0!	#DIV/0!
<u>Medical Malpractice</u>	187,521,000	24%	31%	3%	5%	76%	77%
Mortgage Guaranty	184,832,000	2%	9%	4%	-2%	18%	16%
<u>Multi-Peril Crop</u>	279,573,000	98%	122%	11%	27%	97%	96%
<u>Ocean Marine</u>	101,711,000	48%	65%	12%	18%	96%	96%
<u>Other Liability (Claims-made)</u>	809,993,000	44%	41%	13%	30%	88%	88%
<u>Other Liability (Occurrence)</u>	1,150,812,000	70%	61%	11%	12%	80%	79%
<u>Private Crop</u>	5,363,000	95%	82%	-9%	1%	76%	72%
<u>Private Flood</u>	21,082,000	19%	55%	22%	42%	84%	79%
<u>Products Liability</u>	115,310,000	69%	43%	8%	11%	92%	91%
<u>Surety</u>	195,625,000	6%	21%	8%	6%	88%	88%
Warranty	55,852,000	57%	62%	9%	-11%	41%	45%
<u>Workers' Compensation</u>	1,320,246,000	48%	42%	-2%	2%	91%	90%
Total (All Lines)	19,669,023,000	59%	61%	6%	9%	57%	54%

Source: © A.M. Best Company — used by permission. (Note: Independent Agent-focused lines of business are bold and underlined, and the total for just those lines is provided in the last line of the compendium, Total (IA-Focused Lines).

BEHIND THE REPORT

DATA FOR INDEPENDENT AGENTS

The source of the data presented is A.M. Best and its Financial Suite, a system that offers a view of industry data via various industry and custom reports. In this report for you, standard industry reports and customized reports are combined and manipulated to arrive at the various agent-focused presentations of data. A.M. Best obtains this data on individual insurers from the required filings with state regulators. You may be familiar with the term “Yellow Book” for the annual statement required to be made by p-c insurers with their primary regulator. That is where this data comes from. Historically, insurers in different insurance categories had a designated color for their reports—such as yellow for p-c or blue for life.

This report is written to be consistent with the member agent’s view of the insurance world. Unlike industry watchers of insurer profitability and insolvency, direct written premiums are used—not net written premiums. The latter is typically used by the industry press and includes reinsurance and inter-company transfers. While useful in the context of solvency or insurer profitability, net written premiums can cloud the picture of the independent agent’s experience in the marketplace.

Also, note that the direct written premiums used to arrive at totals for the U.S. and North Carolina do not include international, various group accident and health, Medicare Title XVIII or reinsurance. The premiums do include both admitted and non-admitted premiums as long as the premiums are written by insurers who are domiciled in the USA. Alien insurers, like Lloyds of London, are not included as they are not tracked as readily as insurers domiciled in the USA. Alien insurer premiums, if they were tracked in the same annual reporting system would add an additional 5-10% to premiums written by USA-based insurers.

READING THE DATA

An aspect of U.S.-based insurer filings is the required delineation of data by Lines of Business (LOBs). These LOBs are standardized for all insurers. LOBs are also often grouped by similar LOBs as they are tracked as part of annual statements. As some LOBs are overly specific (for example, automobile physical damage is separate from automobile liability), it is logical to combine some of these lines. In other cases, the individual lines are often so small they have been combined with other smaller lines in the results. Fire & Allied lines is a good example of that sort of LOB combination. In all cases, the goal of this summary is to present the LOBs data to align with insurance agency operations, marketing strategies or staff assignments. If a combined LOB represents important subsidiary LOBs or another analysis of a more specific LOB is needed it is broken out at the end of this report as an appendix.

For the most significant LOBs, five years of premiums and adjusted loss ratios is provided with all North Carolina premiums written in the state contrasted with premiums written through insurers using independent agents. The designation of an insurer as using independent agents is as determined by A.M. Best. Total premiums for the LOB in the state is dark blue and the independent agent portion of those premiums is shown in light blue. Loss ratios for the LOB are shown in red. It should be noted that the loss ratios shown are adjusted calendar year loss ratios. That means for each LOB the losses used in the ratio of losses to earned premiums are the paid losses that year, plus any estimates of future losses that will be paid from claims that year (also known as “reserves”) plus any changes in “reserves” from prior years. The “adjusted” part is if dividends are paid out under an LOB, the loss ratio is adjusted for that cost.

QUESTIONS? ASK THE EXPERT

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