



PRICING UPDATE

AVERAGE PREMIUM PRICES CLIMB FOR FOURTH CONSECUTIVE QUARTER

Following nearly 3 years of declining premium rates, average premium, considering all lines of coverage and all sizes of business, has climbed for 4 quarters in a row. While this points to a hardening market overall, it is important to note that overall premium increases are muted, with average quarterly upticks having yet to surpass 2.5% during the last year. Although, average increases have not surpassed 2.5%, there have been examples of far more significant increases specifically in habitational property - following the natural disasters of 2017 - and commercial auto.

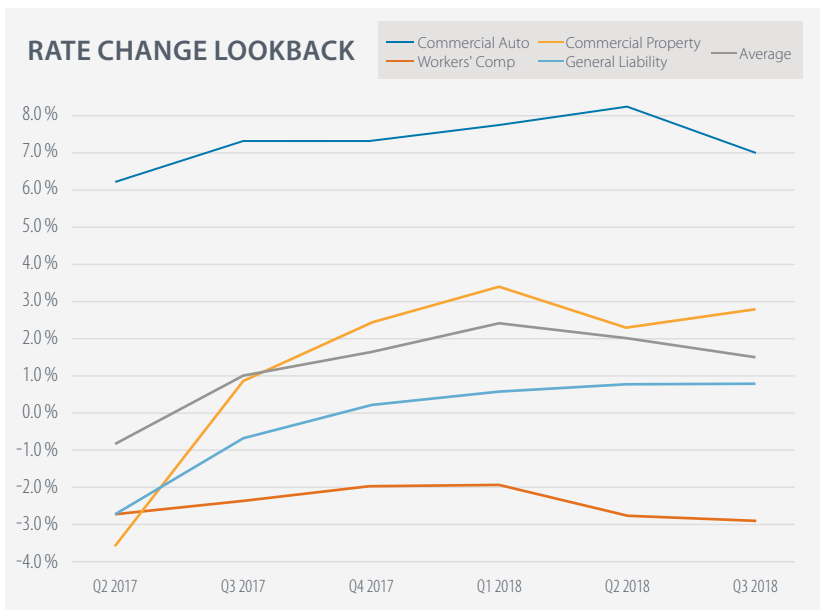
PREMIUM TREND BY COVERAGE CLASS

RATE CHANGE BY COVERAGE LINE

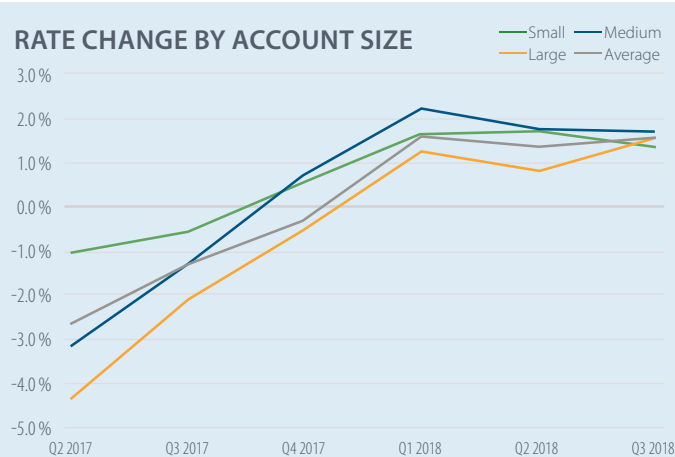
Business Interruption	1.0%
Commercial Auto	7.0%
Commercial Property	3.0%
Construction	2.2%
D&O Liability	2.0%
Employment Practices	1.4%
Flood	1.9%
Marine	0.4%
Medical Malpractice	0.4%
Surety Bonds	0.2%
Terrorism	0.3%
Umbrella	2.0%
Workers' Compensation	-3.0%

Actual rate increases are predicated on specific loss experience per company

RATE CHANGE LOOKBACK

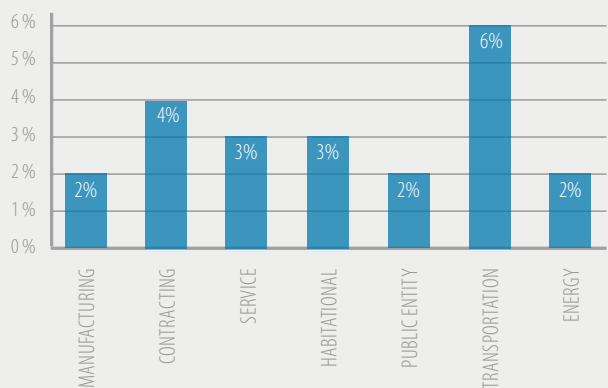


RATE CHANGE BY ACCOUNT SIZE



In the second quarter of 2018 large account premium increases lagged behind the average, this deviation returned to the norm, of large accounts outpacing or matching average increases, with large account premium increases matching the average of 1.6%.

PREMIUM TRENDS BY INDUSTRY CLASS



Transportation continues to lead the pack, driven by high – and increasing – commercial auto premium. Increases in premium for habitational dropped (from 4% to 3%) as the market entered its first post-2017 natural disaster renewal period.