



PRICING UPDATE

TRANSPORTATION AND COMMERCIAL AUTO RACE UPWARDS

Commercial insurance rates averaged a 2% increase in the fourth quarter, matching the average overall uptick in 2018. Other than transportation and commercial auto, which saw significant surges in rate, and workers' compensation which experienced the only average rate decrease, most lines of coverage saw rates "increasing at a controlled, slow pace" according to Richard Kerr, CEO of MarketScout.

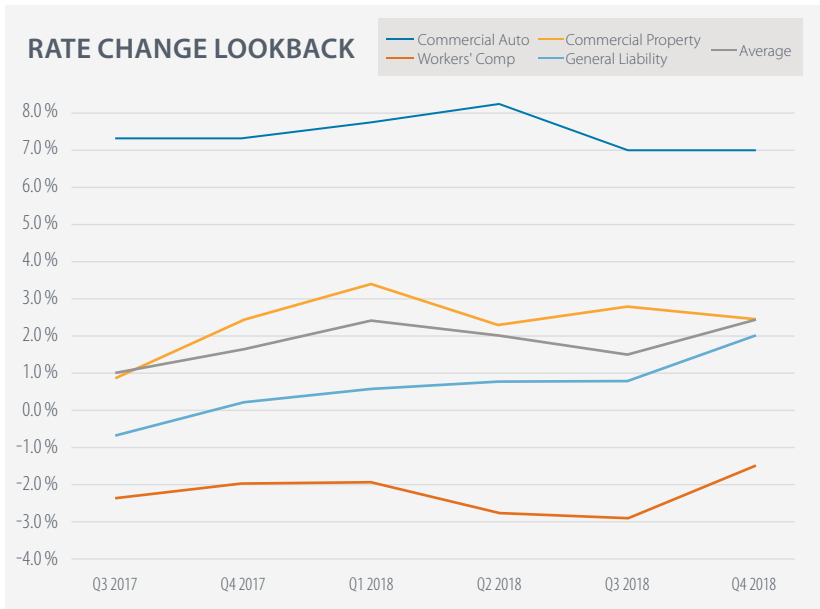
PREMIUM TREND BY COVERAGE CLASS

RATE CHANGE BY COVERAGE LINE

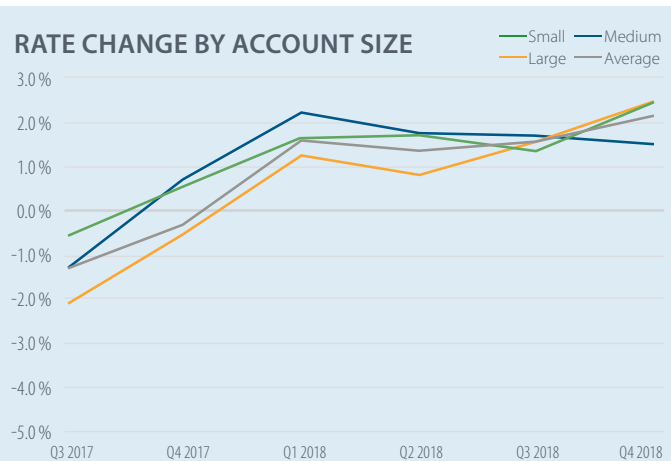
Business Interruption	3.0%
Commercial Auto	7.0%
Commercial Property	2.5%
D&O Liability	1.5%
Employment Practices	2.0%
Inland Marine	1.0%
Surety Bonds	1.0%
Umbrella	2.0%
Workers' Compensation	-1.5%

Actual rate increases are predicated on specific loss experience per company

RATE CHANGE LOOKBACK

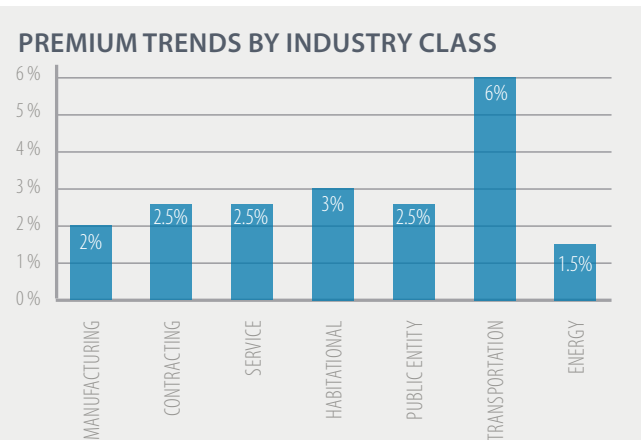


RATE CHANGE BY ACCOUNT SIZE



Although rate increases averaged 2% overall, companies paying less than \$25,000 in premium, and those paying \$250,000 to \$1,000,000 in premium, saw an average increase of 2.5%. Companies paying \$25,000-\$250,000 in premium trended under average at 1.5%, while those paying over \$1,000,000 in premium trended to the overall average of a 2% increase.

PREMIUM TRENDS BY INDUSTRY CLASS



Insurance carriers have not been able to profitably price commercial auto exposure since 2012. Due to a combination of increasing accident rates and increasing vehicle repair costs, commercial auto continues to tick up significantly, simultaneously affecting insurance pricing in transportation.