



Hiscox top for broker service

The Insurance Times Broker Service Survey 2009 asked brokers to rate insurers on criteria including quality of cover, and speed and fairness of claims handling. Here, we publish the rankings for the commercial lines business only, and there are some surprises ...



Hiscox has leapfrogged Chubb to take first place in the commercial lines element of this year's Insurance Times Broker Service Survey.

The annual survey, which provides a comprehensive assessment of the service provided by insurers to brokers, also revealed:

- Insurers' commercial lines service levels have improved, with the average service overall score rising by 2% year on year.
- AXA and MMA were the most improved insurers, with their overall service scores improving by 7%.
- Two insurers' service score fell this year: Aviva and AIG.
- Arista was the highest placed new entrant in the rankings, finishing in joint second place with Chubb.
- Ten other insurers joined the rankings this year.

This year, a new element – the service provided to brokers by personal lines insurers – was introduced. The results will be published at a later date.

Respondents came from a broad cross-section of the broking market, in terms of geographic location, size of firm and job title.

Nearly half (47%) were partners, directors, proprietors or senior managers within broking firms. The remainder were middle or junior ranking brokers or administrators, typically of claims.

The backbone of the survey was the grading system used to measure insurers' service quality. Respondents were asked to rate the service provided by the insurers they had dealt with in the past six months on a five-point scale from A to E.

Five key aspects of service were used. These were: the speed of access to decision-makers; underwriting expertise; quality of cover; speed, accuracy and clarity of documentation; and speed and fairness of claims handling.

Brokers were only asked to rate those aspects of service of which they had direct knowledge.

2009 RESULTS: COMMERCIAL LINES INSURERS

2009 RANK	INSURER	OVERALL SCORE %	2008 RANK	2008 SCORE	CHANGE
1	Hiscox	84	2	80	+4%
2=	Chubb	81	1	81	No change
2=	Arista	81	New entry		
4=	Catlin	79	New entry		
4=	HCC International	79	New entry		
6	Travelers	78	4	74	+4%
7	Markel	77	7	72	+5%
8=	Fusion	76	New entry		
8=	QBE	76	3	75	+1%
10=	ABC Insurance	75	New entry		
10=	Ecclesiastical	75	5	74	+1%
12=	CNA	74	New entry		
12=	Brit	74	6	74	No change
14=	Ace	73	10	69	+4%
14=	Fortis	73	8	72	+1%
16=	Amlin	71	New entry		
16=	MMA	71	14	64	+7%
18=	Zurich	70	11	68	+2%
18=	Allianz	70	12	68	+2%
20	Groupama	69	13	66	+3%
21	AIG	68	9	71	-3%
22	RSA	67	17	62	+5%
23	Equity Red Star	65	15	64	+1%
24=	NIG	64	19	58	+6%
24=	Towergate	64	18	59	+5%
26=	DAS	63	New entry		
26=	Primary	63	New entry		
26=	Aviva	63	16	64	-1%
29	AXA	58	20	51	+7%
30	Quinn Insurance	48	New entry		
31	Tradex	39	New entry		

METHODOLOGY

In the analysis each grade was converted to a numerical score. For each A, we awarded 5 points; for each B, 4 points; for each C, three points; Ds scored 1 point; and Es were given zero points.

For each insurer, the scores for each measure were added up and then divided by the number of brokers awarding them to determine an average score.

The average score was then multiplied by 20 to determine the percentage score for each aspect of service.

If, for example, 10 brokers awarded Acme Insurance two As (5+5 points), three Bs (4+4+4 points), two Cs (3+3+3), two Ds (1+1 points) and one E (0 points) for underwriting, that would give 33 points. Dividing by those 10 brokers would give an average of 3.3 points and (multiplying by 20) a percentage score of 66%.

Finally, an overall performance score was calculated for each company by averaging the scores for each of the five individual service scores.

Respondents were also asked to name the company that had performed best and worst in respect of each measure, and to give reasons for their selections.

The grades for each insurer were collated and a percentage score calculated for each service measure (see Methodology, below left). An overall performance score – an average of the five service measure scores – was also calculated for each company.

More than 50 UK insurers were rated by the respondents to the survey. These insurers ranged from the major composite insurers to smaller, more specialist insurers, as well as underwriting agencies. This year the number of underwriting agencies was expanded to reflect their growth in the market.

To ensure that the results were robust, we excluded companies that were rated by fewer than 50 brokers. This left a final list of 31 companies.

'They do not quibble [on claims] and they act always in the client's best interests'

ONE RESPONDENT'S VIEW ON HISCOX, THIS YEAR'S OVERALL COMMERCIAL LINES WINNER

AXA was scored by the greatest number of brokers, with more than 300 grading the company; Aviva and Allianz followed close behind in terms of the number of respondents.

The final 31 insurers were ranked according to their overall score and the results are published in the table opposite.

Best in class

So how did the insurers perform? This year Hiscox came out top, elbowing past last year's number one Chubb, with an overall score of 84% – an improvement of four percentage points on its performance last year. Hiscox was the top performer in claims handling and joint first in terms of underwriting expertise.

One respondent said: "They understand the risk and give accurate, precise decisions in a quick timeframe."

Another said: "Hiscox have a can-do attitude on underwriting and claims." A further commented: "They do not quibble [on claims] and they act always in the client's best interests."

MOST IMPROVED COMPARED TO 2008

AXA	+7%
MMA	+7%
NIG	+6%
Towergate	+5%
Markel	+5%
RSA	+5%
Hiscox	+4%
Travelers	+4%
ACE	+4%
Groupama	+3%

LEAST IMPROVED COMPARED TO 2008

Aviva	-1%
AIG	-3%

Chubb, which scored 81%, came in joint second place with underwriting agency Arista. Chubb scored highest for its quality of cover, but was let down by its performance on speed, clarity and accuracy of documentation, where it came in joint ninth place.

"Exclusive quotes, access to decision-makers and quality products [wordings]," said one broker. Another commented: "Chubb's policies remain market-leading."

A further added: "You have to go a long way to beat Chubb [on claims]."

Over the past two years Hiscox and Chubb have jostled for the top spot, with Hiscox coming in first place two years ago.

Arista, which shared second place with Chubb, was the top performer for two service measures: speed, accuracy and clarity of documentation (where it scored 83%); and speed of access to decision-makers (where it scored 87%).

A broker said: "[Arista] do two things the others don't: talk and listen."

"Service levels are first class; they deliver their promises," said another.

Arista was one of 11 new entrants to the table of results. The others included Catlin, HCC Insurance and underwriting agencies Fusion and Primary.

Catlin and HCC Insurance scored highly, each achieving an overall score of 79%, putting them in joint fourth place.

At the other end of the table, Tradex was the worst-performing insurer with a score of 39%. It had the lowest score for every service measure. Second to last was Quinn Insurance, with a score of 48%.

AXA insurance, which was commended by many brokers for its efforts to improve its service, was the most improved insurer (along with MMA), increasing its overall score by seven points. More than 70 respondents said AXA was the most improved insurer.

"From zero to hero. Traditionally shocking general commercial service has suddenly altered," said one AXA broker.

Another commented: "They have listened to brokers' comments and have improved their service massively."

Unfortunately, AXA's effort still left it near the bottom of the table, in 29th place with an overall score of 58%. "AXA is getting better but it started at the bottom of the pile and has a long way to go yet," noted one broker.

Other insurers that improved their scores from last year included NIG (up 6 points); and Markel, RSA and Towergate (each up 5 points).

Only two insurers saw their scores fall. Aviva's overall performance deteriorated by one point to 63%; and AIG scored 68% – down three points on its performance last year.

Aviva divided opinion among brokers. While some professed to be very happy with the company's service, products and appetite for business, others took the opposite view.

The average score across the 31 insurers was 70%, two percentage points higher than last year's average of 68%. Three insurers scored over 80% while 16 insurers achieved scores of between 70% and 80%. **IT**

COMMENTS

What the brokers say about the top performers:

On Hiscox

"They understand the risk and give accurate, precise decisions in a quick timeframe."

"Hiscox have a 'can-do' attitude on underwriting and claims."

On Chubb

"Exclusive quotes, access to decision makers and quality products."

"You have to go a long way to beat Chubb [on claims]."

On Arista

"They do two things the others don't: talk and listen"

"Service levels are first class; they deliver their promises."

... and the biggest improvers:

On AXA

"From zero to hero. Traditionally shocking general commercial service has suddenly altered."

"AXA is getting better, but it started at the bottom of the pile and has a long way to go yet."

On MMA

"MMA have invested heavily in commercial insurance and service performance has benefited accordingly."

"A huge improvement due to the opening of a local office with local underwriters who have good local knowledge – which you cannot learn from ratings charts and stats."

On NIG

"They seem to want to rate customers as individuals and also spend more time listening to brokers and taking on their views."

"They have improved on all aspects of business that we deal with. This is largely due to a better relationship with our account manager."

BROKER SERVICE SURVEY 2009 PRE-PUBLICATION OFFER

The complete Broker Service Survey Report 2009 will be published on 11 December. For more information, and how to save 10% on the cover price (£2,575), contact Liz Telford on 020 7168 3405.

Interested in a bespoke analysis of your firm? Contact Tom Sinclair on 020 7618 3429.