

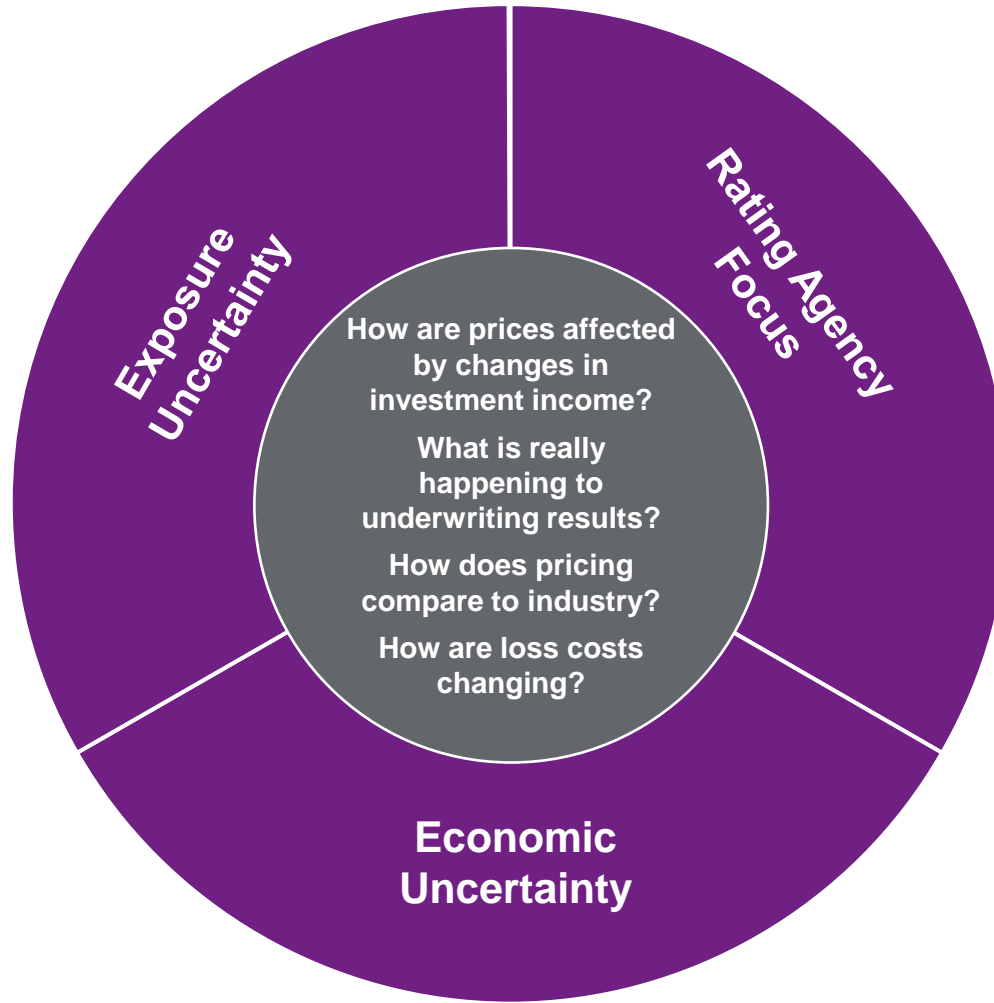
Surveying commercial insurance

Pricing and profitability

2021 Q3 Update

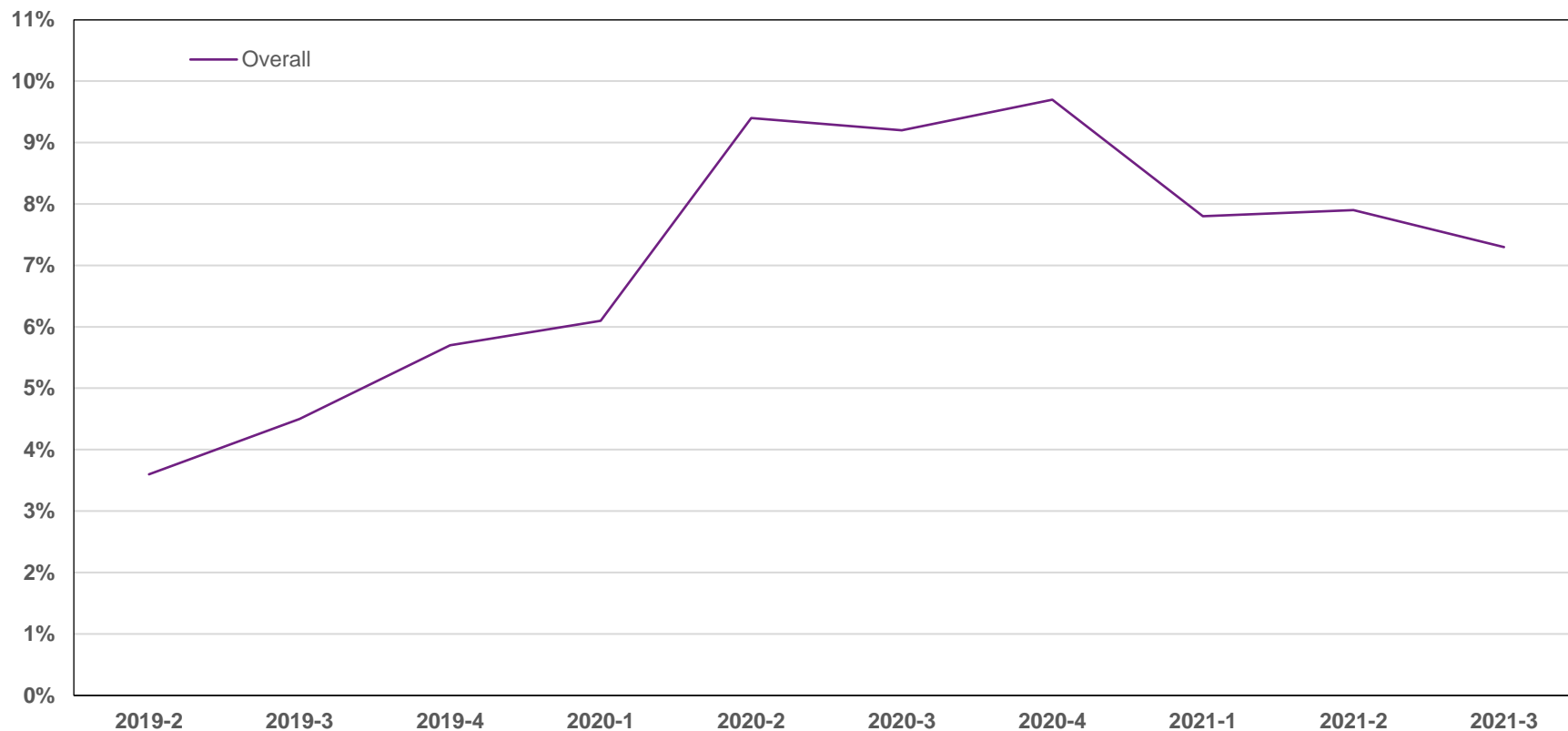


Now more than ever, price monitoring is key



The rate of price increases has moderated for most lines in Q3

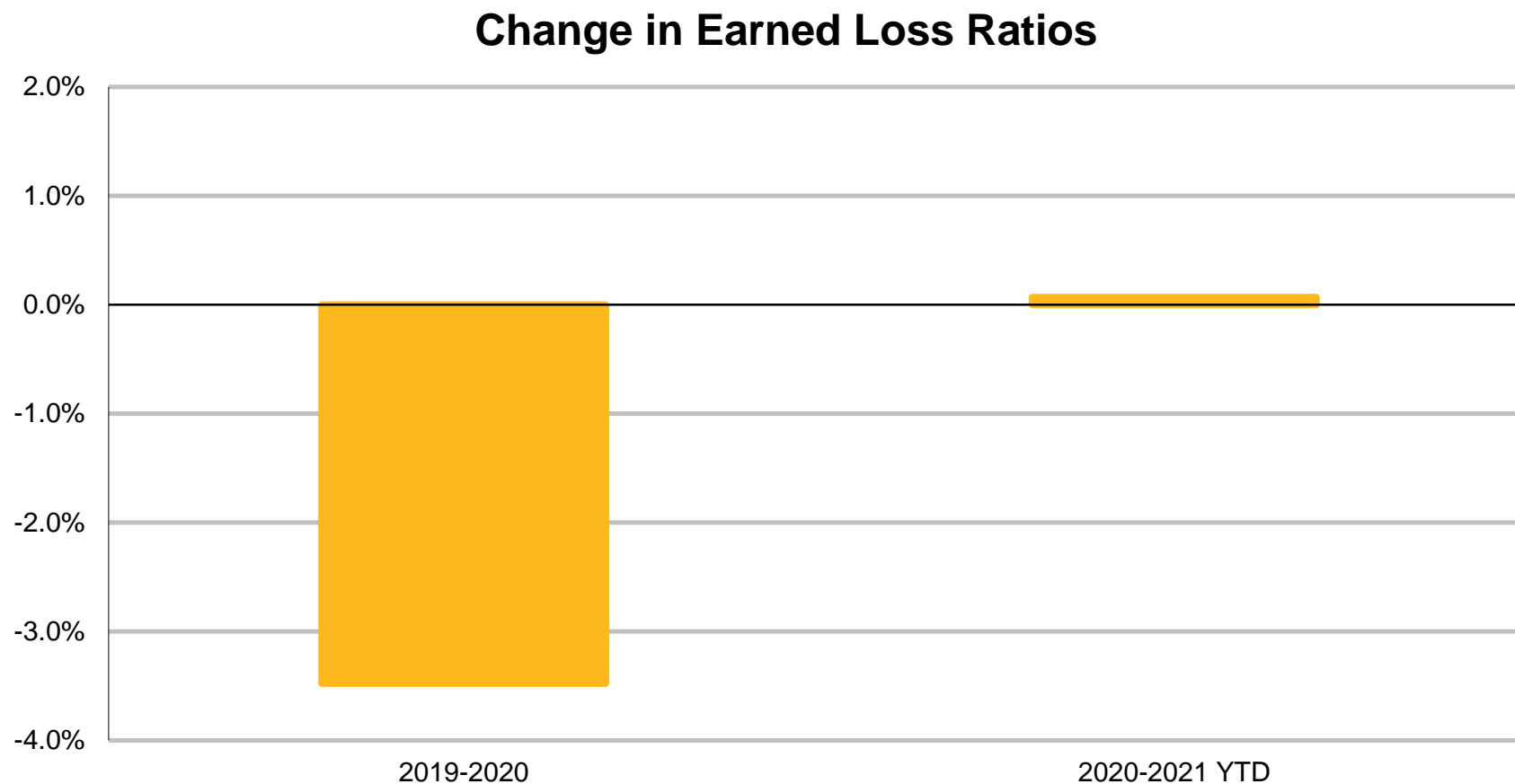
Year-Over-Year Price Level Change



* Correction – In Q2 we reported the aggregate commercial price change as just above 6%. The revised figure is just under 8%.

Source: 2021 Q3 CLIPS.

Loss ratios hold steady in 2021 through three quarters



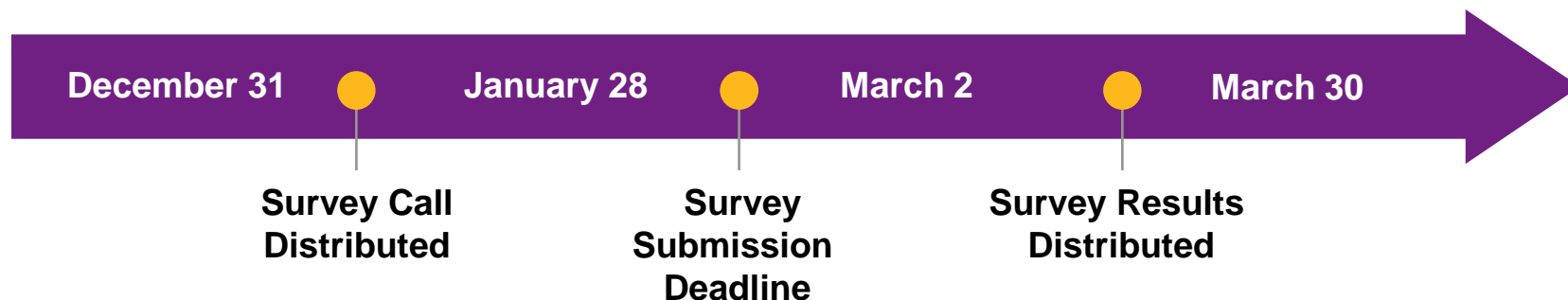
Source: 2021 Q3 CLIPS.

In this context, reliable information on how your company compares to the marketplace is crucial

- CLIPS is Willis Towers Watson's U.S. commercial lines pricing and profitability survey
- Information comes directly from carriers
- Data-based
- Free
- Confidential
- Only participants receive the detailed survey results

CLIPS gives participants more and better historical information on pricing and profitability

- We collect information from participating companies each quarter
 - Estimated price changes by quarter for the last two years
 - Year-over-year percentage changes
 - Including the effects of coverage changes as well as rates
 - Including new business if available
 - Estimated increases in loss costs by year for the last two years
- We deliver customized summary results back to the participants



Submitted data are reviewed for reasonableness and consistency but not audited

CLIPS information is collected and reported at line of business and account size level

Small Commercial*	Middle Market Commercial	Large Account Commercial	Specialty Commercial Lines
Workers' compensation Auto liability Auto physical damage Package CMP/BOP Commercial property General/products liability Excess/umbrella liability	Workers' compensation <ul style="list-style-type: none"> ▪ First dollar ▪ LDD and excess Auto liability Auto physical damage Package CMP/BOP Commercial property Business interruption General/products liability Excess/umbrella liability	Workers' compensation <ul style="list-style-type: none"> ▪ First dollar ▪ LDD and excess Commercial auto <ul style="list-style-type: none"> ▪ First dollar ▪ LDD and excess Commercial property Business interruption General/products liability Excess/umbrella liability	Professional liability <ul style="list-style-type: none"> ▪ Medical ▪ Lawyers ▪ Architects and engineers ▪ Other Directors and officers liability Employment practices liability Surety bonds <ul style="list-style-type: none"> ▪ Contract ▪ Other

*By region.

Investment analysts use CLIPS to take the pulse of the industry

“...Willis Towers Watson’s survey takes the commercial lines writers’ view (what they have done with pricing and how that impacts profitability). We think the Willis Towers Watson survey will be a better benchmark for investors (and management).”

— Insurance industry investment analyst, quoting CLIPS results shortly after launch

Current participants — and their shareholders — benefit from insights from CLIPS

“...We continue to focus on balancing price and retention in this competitive market...Of the various commercial lines industry pricing surveys, we favor the Willis Towers Watson CLIPS survey because of its data collection methodology...”

— Participating company CFO, Quarterly Earnings Conference Call

How to find out more



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