



THE ADVISEN CLAIMS SATISFACTION SURVEY

FM GLOBAL RESULTS REPORT



June 2015

This report, sponsored by FM Global, is an excerpt of a research report produced independently by Advisen.

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FM Global ranked at the top of the list of preferred insurers for property claims management, according to risk managers who participated in the 2015 Advisen Claims Satisfaction Survey.

At its core, an insurance policy is fundamentally a promise to pay claims. To understand how well insurance companies are executing on that promise, Advisen surveyed 544 risk managers and brokers in January 2015 to identify the carriers and third party administrators (TPAs) that provide the highest quality claims services based upon a variety of claims handling best practices.

FM Global ranked at the top of the list of preferred insurers for property claims management, according to risk managers who participated in the *2015 Advisen Claims Satisfaction Survey*. In fact, for risk managers of organizations with more than US\$1 billion in revenue, FM Global's claims satisfaction index score was more than twice that of the number two preferred carrier. In no line of business covered in this survey was there a sharper distinction between the top rated insurer and the other leading insurers than in property, where FM Global consistently received high marks from risk professionals.

Property claims management

Risk managers and brokers were asked a series of questions about their property, casualty, and management/professional liability claims experiences. A few areas were identified where carriers can improve claim services, but insureds are generally satisfied with how their claims are being handled.

According to insureds, obtaining "equitable settlements" is the most important criterion for a property claims handler/department. This is followed closely by "good communication" and "flexibility when dealing with complex or potentially contentious issues. (Exhibit 1)

Property claim handling is an important aspect of both the purchase and placement decisions of insureds and brokers.

Exhibit 1: When handling your claim, how important are the following (1 not at all important, 4 extremely important)



For the most part, brokers have a similar view. When asked to rate the importance of the same criteria for their clients, they also viewed “equitable settlements” as the most important criterion for a property claims handler/department, followed closely by “good communication.”

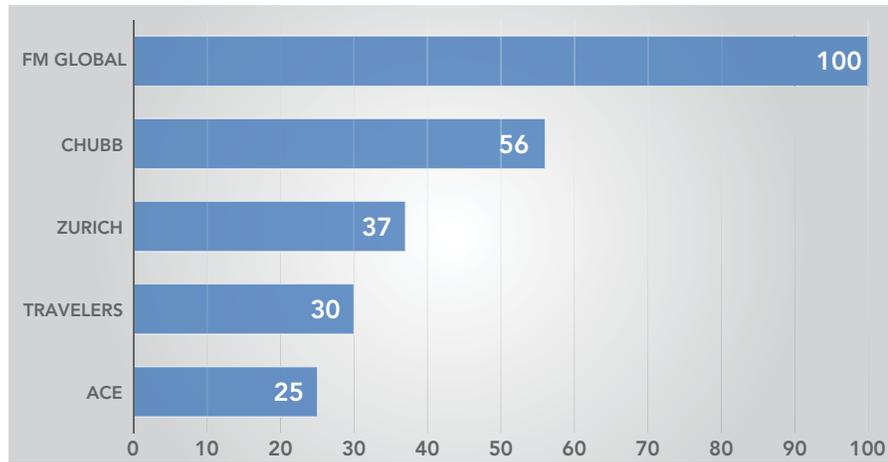
Property claims handling is an important aspect of both the purchase and placement decisions of insureds and brokers. Respondents were asked “How important is claim handling in your property insurance purchasing/placement decisions?” Twenty-eight percent of insureds and 40 percent of brokers said it is extremely important, while 60 percent of insureds and 54 percent of brokers said it is important. Only 12 percent of insureds and 5 percent of brokers said that it is not an important factor.

Claims handling satisfaction

To understand who provides the highest quality property claims services, respondents were asked to identify the top three insurers or TPAs for property claims handling. A weighted average percentage of respondents was calculated, with the results then converted to a claims satisfaction index with the highest-placed respondent assigned the value of 100.¹ FM Global topped the list for all risk manager respondents. (Exhibit 2)

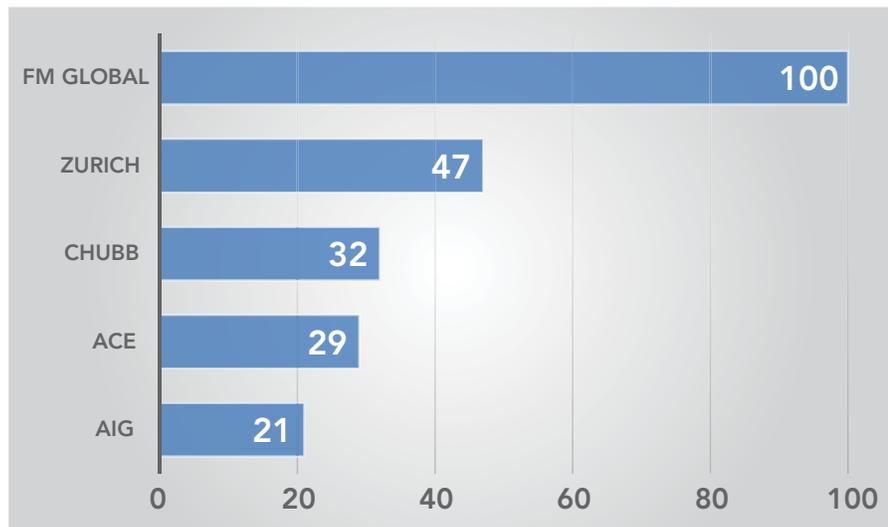
For risk managers of companies with revenues greater than US\$1 billion, the difference between the first and second ranked carriers is even greater.

Exhibit 2: Top property claims handling insurers/TPAs (all insured respondents)



For risk managers of companies with revenues greater than US\$1 billion, the difference between the first and second ranked carriers is even greater. (Exhibit 3)

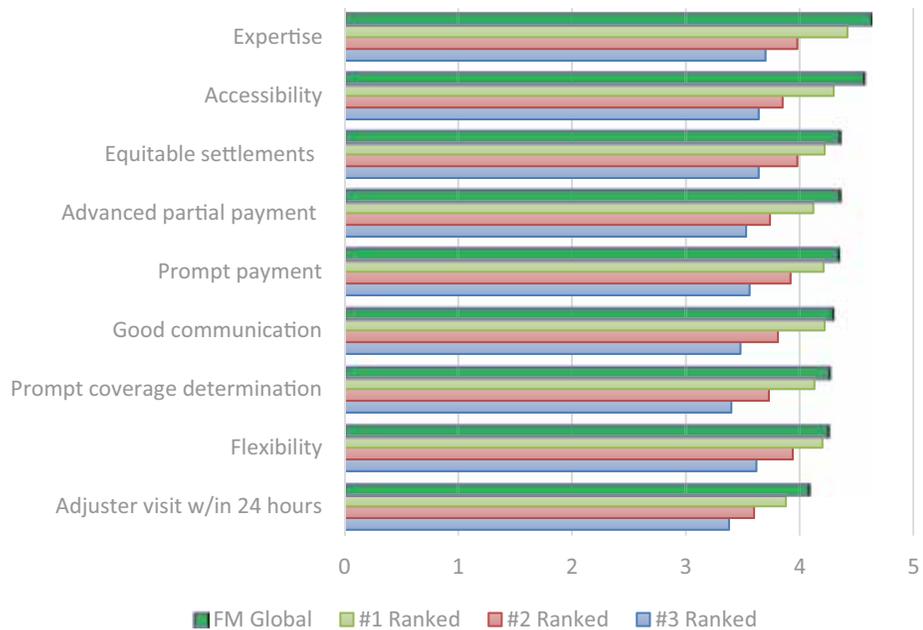
Exhibit 3: Property claim handling ranking by insured respondents with revenues > US\$1 billion



On a scale from 1 to 5 (1 is poor and 5 is excellent), respondents were asked to rate the insurers they selected #1, #2, and #3 on various attributes. Of respondents who chose FM Global as their number 1 choice, FM Global exceeded the weighted average score of all other carriers in every category. (Exhibit 4)

Departments other than Risk Management often benefit from RMIS. More than two thirds of respondents chose “Safety and Loss Control” as a department that uses output from the RMIS.

Exhibit 4: Attributes that characterize the top 3 insurers in property claim handling according to insureds



Conclusions

Satisfaction with claims management is a key consideration in the insured/insurer relationship. Respondents to the *2015 Advisen Claims Satisfaction Survey* strongly differentiated among insurers, with factors such as “expertise,” “prompt payment,” and “good communication” separating the top-ranked carriers from the rest. FM Global consistently exceeded all other property insurers in every category.

About the survey and its respondents

The survey was administered by Advisen in January 2015. Invitations to participate were distributed via email to risk managers and brokers and the survey was completed at least in part by 544 respondents.

Businesses from an array of industries are represented. Segmented by 13 macro segments, the Professional Services industry accounts for the largest group at 18 percent; followed by Nonbank Financial at 15 percent; Healthcare at 13 percent; Industrials at 10 percent; Government and Nonprofit at 9 percent; Consumer Discretionary, Consumer Staples, Energy, and Materials all at 6 percent; Banks and Education both at 4 percent; and Telecommunications and Utilities both representing 2 percent of the total respondents.

The survey represents business of all sizes, but is weighted toward larger companies with 53 percent of the respondent companies having revenue in excess of US\$1 billion. In terms of employees, 24 percent have less than 500, 6 percent between 500 and 1,000, 21 percent between 1,001 and 5,000, 26 percent between 5,001 and 15,000, and 24 percent have more than 15,000 employees.

The complete report can be purchased from Advisen Ltd. at <http://www.advisenltd.com/research/claims-satisfaction-survey-report/>

Advisen is leading the way to smarter and more efficient risk and insurance communities. Through its information, analytics, ACORD messaging gateway, news, research, and events, Advisen reaches more than 150,000 commercial insurance and risk professionals at 8,000 organizations worldwide. The company was founded in 2000 and is headquartered in New York City, with offices in the US and the UK.

¹ Methodology:

Weighted Average = (1st x .5) + (2nd x .33) + (3rd x .17)

The Advisen Claims Satisfaction Index has the leading company always at 100. So, if Insurer A was first with an average of 30%, Insurer B 2nd with an average of 20%, and Insurer C third with an average of 15%, the index would be Insurer A = 100, Insurer B = 67 (100 x (20/30)), and Insurer C = 50 (100 x (15/30)).