

News Release

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SMALL BUSINESSES POISED TO SWITCH INSURANCE CARRIERS

• New CustomerStance Survey Shows Complete Customer Satisfaction is Necessary for Carriers to Retain Small Business Customers

Hartford, CT April 3, 2000 --Fully eight out of every ten small businesses would consider changing their property-casualty carrier unless they were completely satisfied with their business insurance, according to a survey conducted by CustomerStance, the first customer-focused research service for small business commercial insurance carriers.

The CustomerStance survey of 1,821 small businesses finds that most small business insurance buyers will accept no less than the best from their providers. More than three out of every four customers who are “completely satisfied” with their business insurance will definitely renew their coverage with their present carrier. In contrast, only about one out of every four “very satisfied” customers and one out of twenty who are “somewhat satisfied” customers will definitely stay with the same carrier. This leaves about 75% of “very satisfied” customers and 95% of “somewhat satisfied” customers at risk of defecting to another provider.

“There’s no question that customer satisfaction improves retention and carriers who put their customers first will benefit greatly,” said Claude Fongemie, senior vice president, CustomerStance, the new research offering of Conning & Company’s MarketStance Division and Surveys & Forecasts, a market research firm located in Fairfield CT. “But up to now small business insurers had no easily affordable way to find out what their customers really want. The marketplace is getting more competitive and complex. Only the carriers that know how to truly delight their customers can feel secure about keeping them.”

“Small businesses are the fastest growing sector in the U.S. economy and represent tremendous potential for underwriting profitability,” summed up Fongemie. “With accurate information about their customers’ buying behaviors and preferences, insurers are more likely to take the steps needed to ensure complete customer satisfaction. Complete customer satisfaction will mean higher retention, more quality referrals and prospects, and, potentially, higher profits.”

CustomerStance is the first industry-wide research service that provides carriers with access to timely, measurable data that pinpoints small business customer attitudes. The survey was completed as part of a pre-release phase of the CustomerStance research service, an offering of Conning’s MarketStance Division. CustomerStance provides buyer satisfaction monitoring and benchmarking for the insurance industry. Buyers of small business insurance were surveyed to create the informational platform needed to launch the CustomerStance service.

CGU, Chubb, Selective Insurance, Zurich US and five other industry leaders participated in the early phase of CustomerStance by volunteering lists of their policyholders to be surveyed.

Conning & Company is a subsidiary of Conning Corporation. Through its subsidiaries, Conning provides asset management services to insurance companies, manages private equity funds investing in financial services companies and conducts in-depth research on the insurance industry. Conning & Company is located at CityPlaceII, 185 Asylum Street, Hartford, CT 06103.

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