May 2023

Nationwide Economic Impact

Survey Report: Consumer, Business Owner and Agent Insights

NFM-22997AO

SURVEY METHODOLOGY

Audiences	Sample Size	Methodology	Timing
U.S. General Population Consumers *Age 18+, nationally representative by age, gender, race, region* *Many datapoints in this report are tracked versus two previous Nationwide studies among the same audience:* • Economic Pressures Survey (September 2022) • Inflation Flash Poll (March 2022)	**N=2,000**	**15-Minute Online Survey**	**Survey Fielded March 30th – May 3rd, 2023**
Small Business Owners *Business owner of a company with 1-50 employees and less than $10M in annual revenue*	**N=400**		
Mid-Market Business Owners *Business owner of a company with either 51-500 employees or $10M-$500M in revenue* *Many datapoints in this report are tracked versus business owner findings from the Fall 2022 Economic Pressures survey.*	**N=400**		
Independent Insurance Agents *Mix of principals, producers, and customer service reps* *Many datapoints in this report are tracked versus Agents findings from the September 2022 Economic Pressures survey*	**N=400**		

KEY FINDINGS - CONSUMERS

1 Consumer economic sentiment has deteriorated since late 2022

Less than 4 in 10 (39%) give a positive rating of their personal finances, down 8-points since September. And when it comes to perceptions of the US economy overall, consumers are even more pessimistic – just 16% rate the US economy as good or excellent today, representing an 8-point decline since the Fall.

2 Inflation continues to squeeze consumers' finances

82% say they are concerned about inflation and rising living costs today, up 5-points since September. 57% report dipping into their savings to pay for everyday expenses within the past 12 months, and there is evidence many are pulling back on household spending in response: 54% report eating out less often, 37% say they are driving less, and 32% have delayed a major purchase (such as a car or house).

3 Concerns about rising interest rates increase

While consumers are clearly worried about inflation, concern about interest rate hikes has also increased since September. 70% say they are concerned about rising interest rates (up from 61%) and there are signs many are uneasy with the Federal Reserve's current policies. A plurality – 38% – say the Fed should cut interest rates to ease pressure on the US economy.

4 Recession fears remain elevated, with consumers planning for the worst

More than two-thirds (68%) expect the country will enter a recession within the next six months, virtually the same share as in September. Among those who expect a recession, 78% believe it will be severe. Many consumers are already planning for one, with 57% saying they have a plan for adjusting their personal finances in the event of a recession.

KEY FINDINGS – BUSINESS OWNERS

1

Business owners have negative views of the overall US economy, but sentiment is much more positive when it comes to business conditions for their own firms

Just 19% of small business owners and 39% of mid-market business owners rate business conditions in the US economy positively, down significantly since September 2022. However, majorities (55% and 74%, respectively) give positive ratings for their own businesses, suggesting the situation for most firms is not as dire as the perception at the national level.

2

Inflation and interest rates continue to pose significant challenges

72% of Small business owners and 75% of Mid-Market business owners say inflation has negatively impacted their business. 50% of small business owners and 62% of mid market owners also report being negatively impacted by rising interest rates. And looking ahead to the next six months, firms agree inflation and interest rates will continue posing major challenges for their operations.

3

Most expect a recession before the end of 2023

Two thirds of small and mid market business owners expect a recession in the next six months, essentially unchanged since September. Those who expect a recession are planning for the worst – more than 7 in 10 say the upcoming recession will be similar or even worse than the Great Recession of ‘07 – ’09.

4

Firms are looking to cut costs amid economic upheaval

63% of small business owners and 49% of mid-market owners say they have looked for ways to reduce business expenses within the past six months. And this impulse is extending to insurance – virtually all business owners are reviewing their current policies, with about 3 in 10 contacting an agent to discuss their current coverage. Additionally, 18% of small business owners and 27% of mid-market owners have asked an agent to have their policy requoted with another carrier to find a better price within the past six months.

KEY FINDINGS - AGENTS

1

Agents remain positive about their own businesses even amid national economic upheaval

73% of Agents rate business conditions for their agency as positive, essentially unchanged since September 2022. This optimism does not extend to the US economy overall, however – just 41% give it a positive rating, down 8-points since the Fall.

2

Recession is expected before year's end

Many Agents expect economic conditions to get worse still, with over half (57%) expecting a recession before year's end. Of those who expect a recession, an overwhelming majority (74%) believe it will be severe. Looking ahead to the next six months, managing the impact of inflation remains Principal Agent's biggest expected business challenge (46%), followed by customers switching to other carriers (29%), the uncertain economic environment (24%), rising interest rates (22%), and access to capital (21%).

3

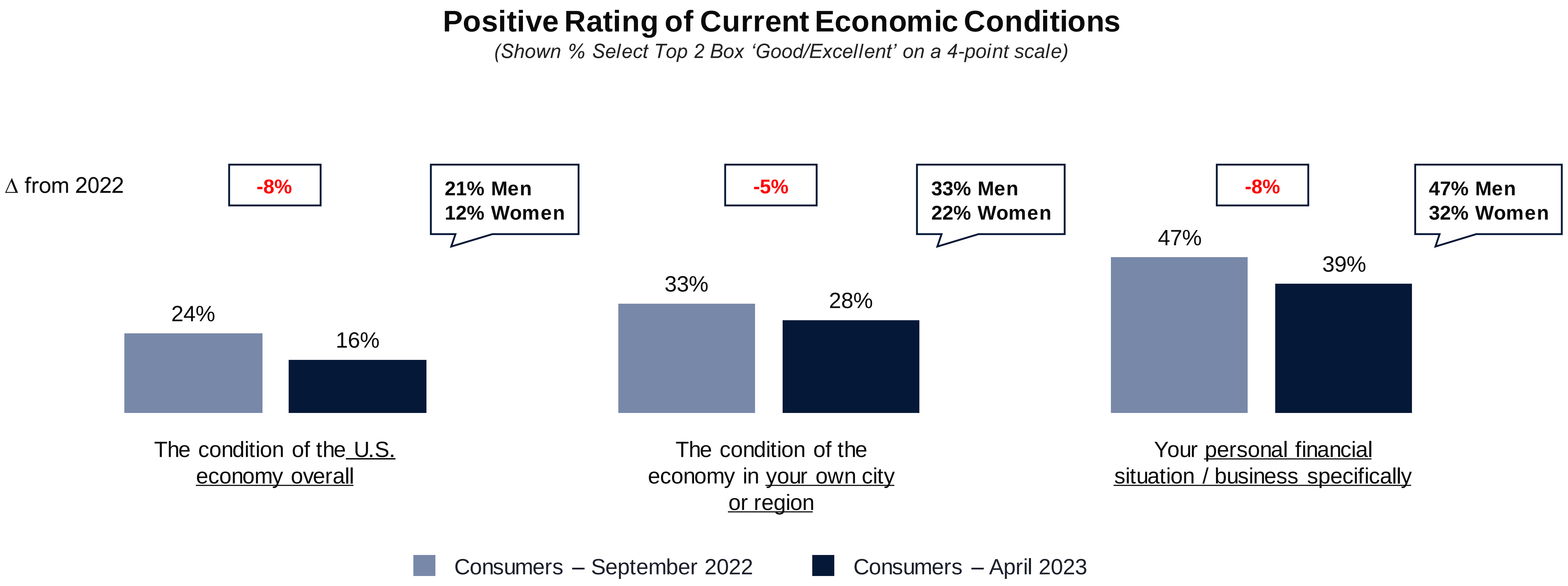
Demand for P&C products is falling as consumers tighten their belts

The insurance industry is not immune to the effects of rising prices and interest rates – 86% say premiums are rising for their customers. Agents report customers are changing their behavior as a result, as 87% report an uptick in attempts to renegotiate policies or get better rates and 63% report a decline in demand for insurance products over the past six months. To help reduce costs Agents are recommending customers increase their deductibles (62%), check for qualifying discounts (56%) and maintain a good driving record (51%).

Detailed Findings - Consumers

Consumer sentiment has deteriorated since September, with just 4 in 10 giving a positive rating of their own personal finances

Men have a slightly more positive outlook than women on the current state of the economy, with 21% rating the U.S. economy overall good or excellent, 33% in their region, and 47% for their personal financial situation.



Q1. How would you currently rate the following? Base: Gen Pop Consumers (n=2,000)
Tracked Data from P&C Economic Pressure September 2022 Survey

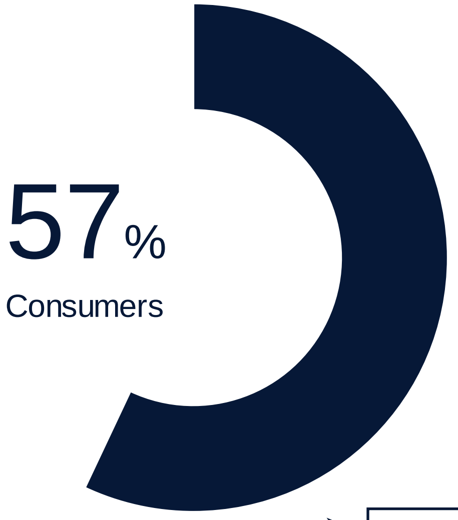
Consumers are feeling the squeeze from inflation: almost 6 in 10 have dipped into savings to pay for everyday expenses in the past year

Managing debt and job loss are second tier concerns, but they have risen significantly since September.

Top Financial Concerns *(Shown: % Select Among Top 5)*	**Consumers**	Δ from 2022	
Inflation or rising living costs	59%	-1	**51% Gen Z (2023)**
Cost of rent or housing	34%	+2	**49% Gen Z (2023)**
Lack of savings for unexpected or emergency expenses	32%	+3	
Managing debt	31%	**+9**	
Healthcare expenses	28%	-2	**19% Gen Z (2023)**
Paying for gas	27%	**-15**	
Sticking to my budget	25%	-	
Ability to travel for leisure	24%	+2	**17% Gen Z (2023)**
Unemployment or job loss	21%	**+6**	**31% Millennials (2023)**
Inability to financially support family	20%	+3	**28% Millennials (2023)**
Not being on track for retirement	18%	+1	**9% Gen Z (2023)**
Cost of my insurance	17%	n/a	**10% Gen Z (2023)**
Poor purchasing or investment decisions	10%	-	**15% Gen Z (2023)**
Repaying student loans	8%	+1	**15% Gen Z (2023)**
Education expenses	7%	-1	**20% Gen Z (2023)**
Tax compliance	7%	**-4**	
Childcare expenses	6%	-2	**14% Millennials (2023)**

Used Savings in the Past 12 Months for Everyday Expenses

(Shown % Select 'Yes')

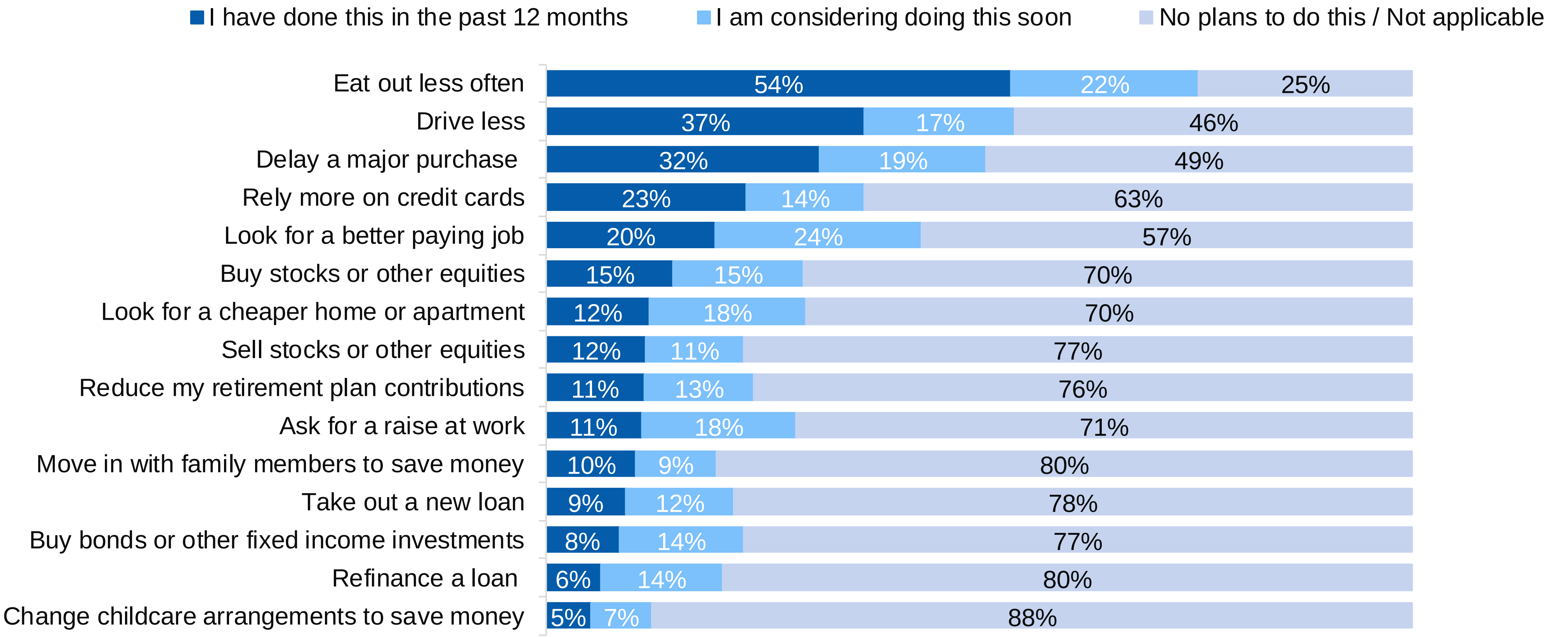


64% Gen Z
66% Millennials
62% Gen X
43% Boomers

Q11. Which of the following best describe your top financial concerns? Please select up to five concerns from the list below. Q12: In the past 12 months have you dipped into your savings to pay for everyday expenses (for example, groceries, gas, housing expenses, etc.)? Base: Gen Pop Consumers (n=2,000) Tracked Data from P&C Economic Pressure September 2022 Survey

Consumers are cutting back on spending, reporting eating out less often, driving less, and delaying major purchases

Behavior Changes in Past 12 Months Due to Rising Inflation
(Shown % Select 'Yes')



Q13: Which of the following actions have you taken over the past 12 months or are you currently considering because of rising inflation? If an action is not applicable to you, please indicate that. Base: Gen Pop Consumers (n=2,000) Tracked Data from NF Inflation Flash Poll March 2022 Survey

Most expect a recession within the next 6 months

Consumers are preparing for the worst: almost 8 in 10 consumers expect the coming recession to be severe, and 1 in 3 think it will be worse than the Great Recession. 57% have a plan in place for adjusting their finances when the time comes.

Recession Expected in Next 6 Months
(Shown % Select 'Yes')

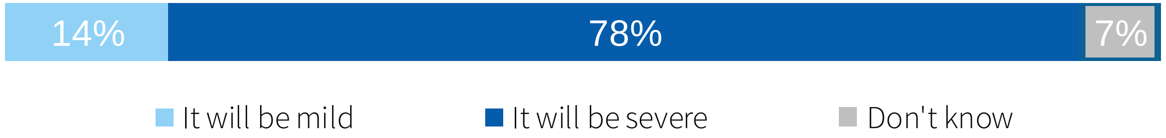
67%
Consumers – Sept. 2022

68%
Consumers – April 2023

∆ from 2022 **+1**

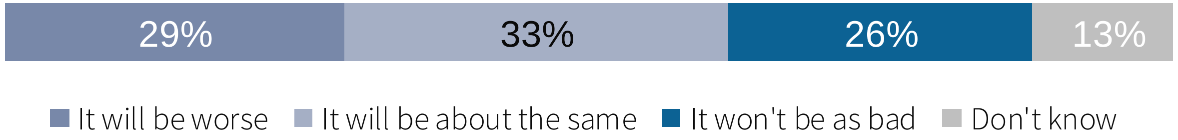
17% Women
12% Men

Recession Expected Severity
(Shown % Select, of those expecting a recession)



31% Men
21% Women

Comparison to the Great Recession of 2007-2009
(Shown % Select, of those expecting a recession)



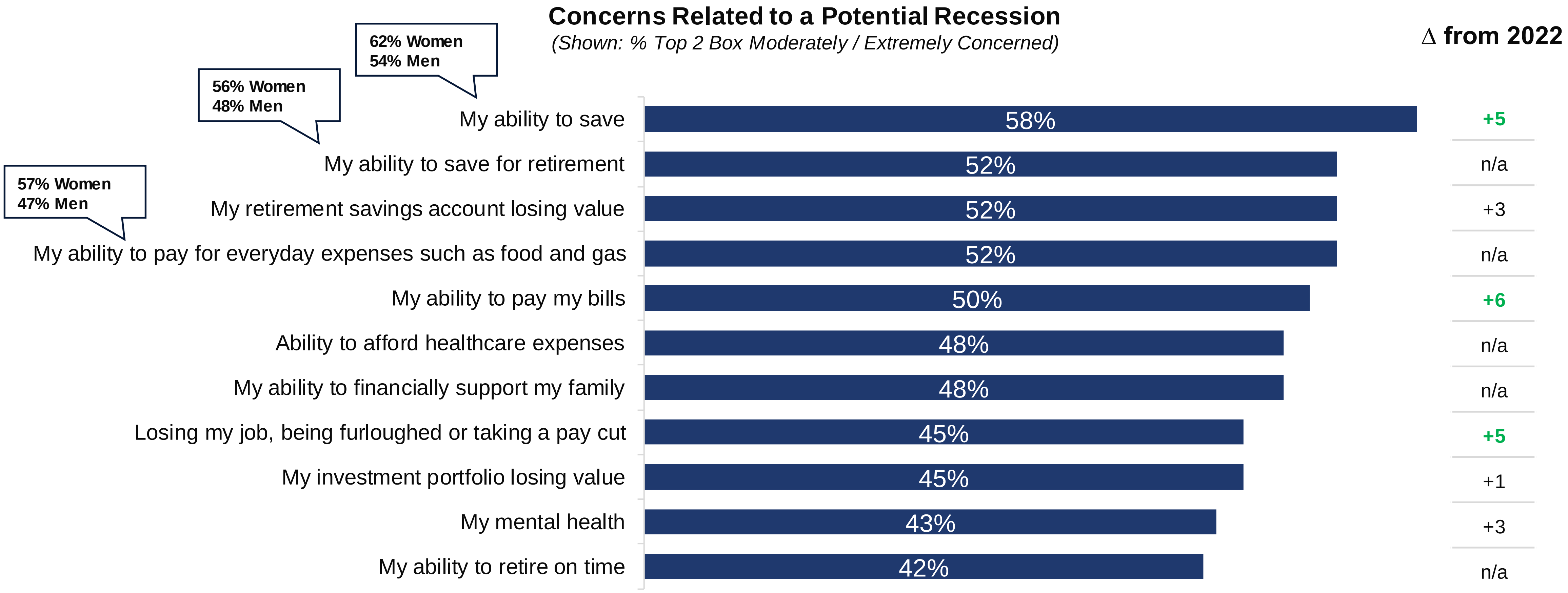
Do you have a plan for adjusting your personal finances?
(Shown % Select, of those expecting a recession)

60% Men
54% Women

Q4. Do you expect the US economy will be in recession within the next six months? Base: Gen Pop Consumers (n=2,000) Q5: If there is a recession in the next six months, how severe do you expect it will be? Base: Gen Pop who expect a recession (n=1,353) Q6: If there is a recession, how do you expect it will compare to the Great Recession of 2007-2009? Base: Gen Pop who expect a recession (n=1,353) Base: Gen Pop who expect a recession (n=1,353) Q7: If there is a recession, do you have a plan for adjusting your personal finances? Tracked Data from P&C Economic Pressure September 2022 Survey

Ability to save remains the top concern in the event of a recession

Women are significantly more likely than men to be concerned about each category except for their retirement account or investment portfolio losing value, and their ability to retire on time. Women are most concerned about their ability to save (62%), pay for everyday expenses (57%), and ability to save for retirement (56%).



Q8. Thinking about how a potential recession or economic downturn in the US may impact you personally, how concerned are you about the following? Base: Gen Pop Consumers (n=2,000) Tracked Data from P&C Economic Pressures September 2022 Survey

Inflation, interest rates, living expenses, and unemployment are all expected to increase over the next 12 months

Expected Changes: Next 12 Months

(Shown % T2B 'Go up'; B2B 'Go down')

	Consumers			
	Expect an Increase ↑	∆ from Spring 2022	***Expect a Decrease ↓***	∆ from Spring 2022
Inflation	**73%**	-2	**13%** (16% Men, 11% Women)	-
Interest rates	**72%**	+3	**11%**	-1
Gas prices	**71%**	**-5**	**13%**	-1
Housing costs/rent	**70%**	**-5**	**10%**	-
Income tax rates	**56%**	+1	**7%**	-4
Unemployment	**56%** (55% Men, 53% Women)	**+10**	**15%**	**-12**
The stock market	**22%** (27% Men, 18% Women)	**-8**	**44%**	**+5**

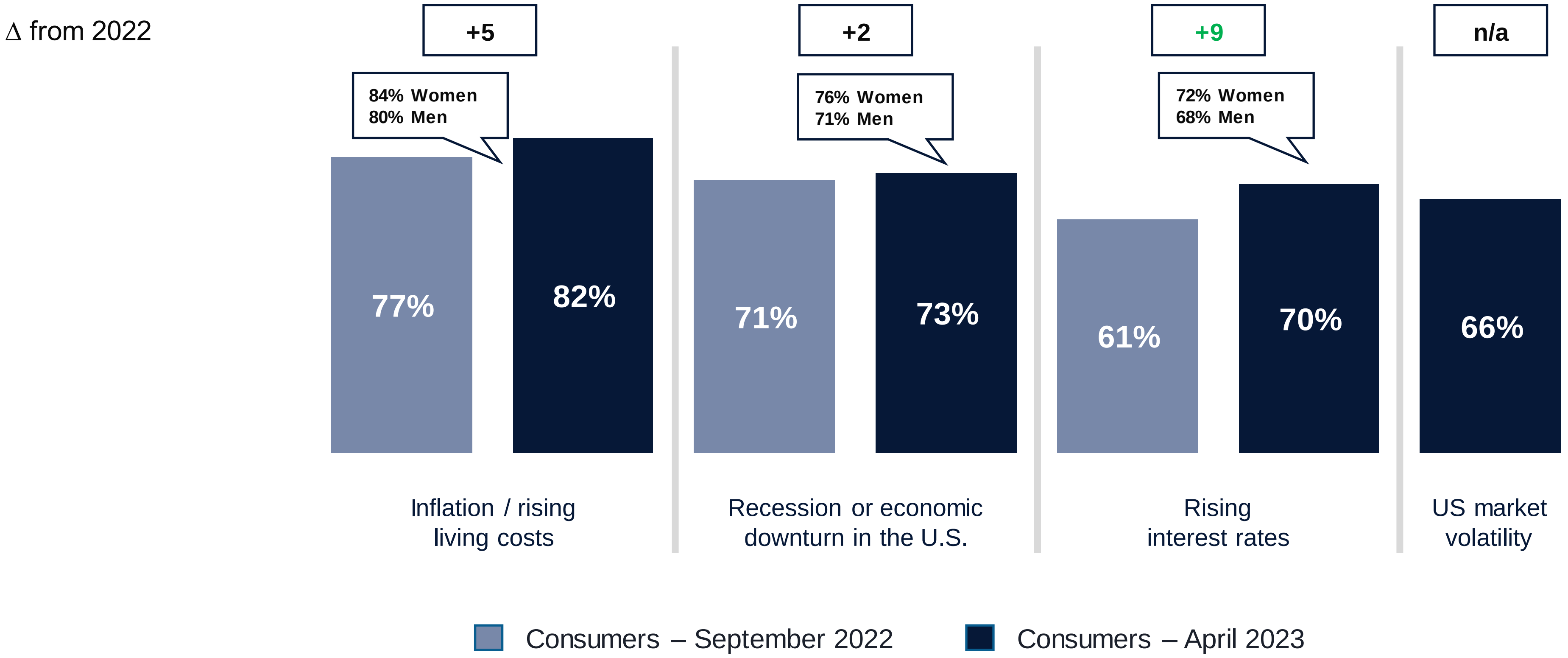
Q14: How do you expect each of the following to change over the next 12 months? (n=2,000) Tracked Data from NF Inflation Flash Poll March 2022 Survey

Concern about the impact of rising interest rates has increased significantly since September

Women are significantly more concerned than men about how economic issues will affect their personal finances, with 84% being concerned about inflation, 76% about a recession, and 72% about rising interest rates.

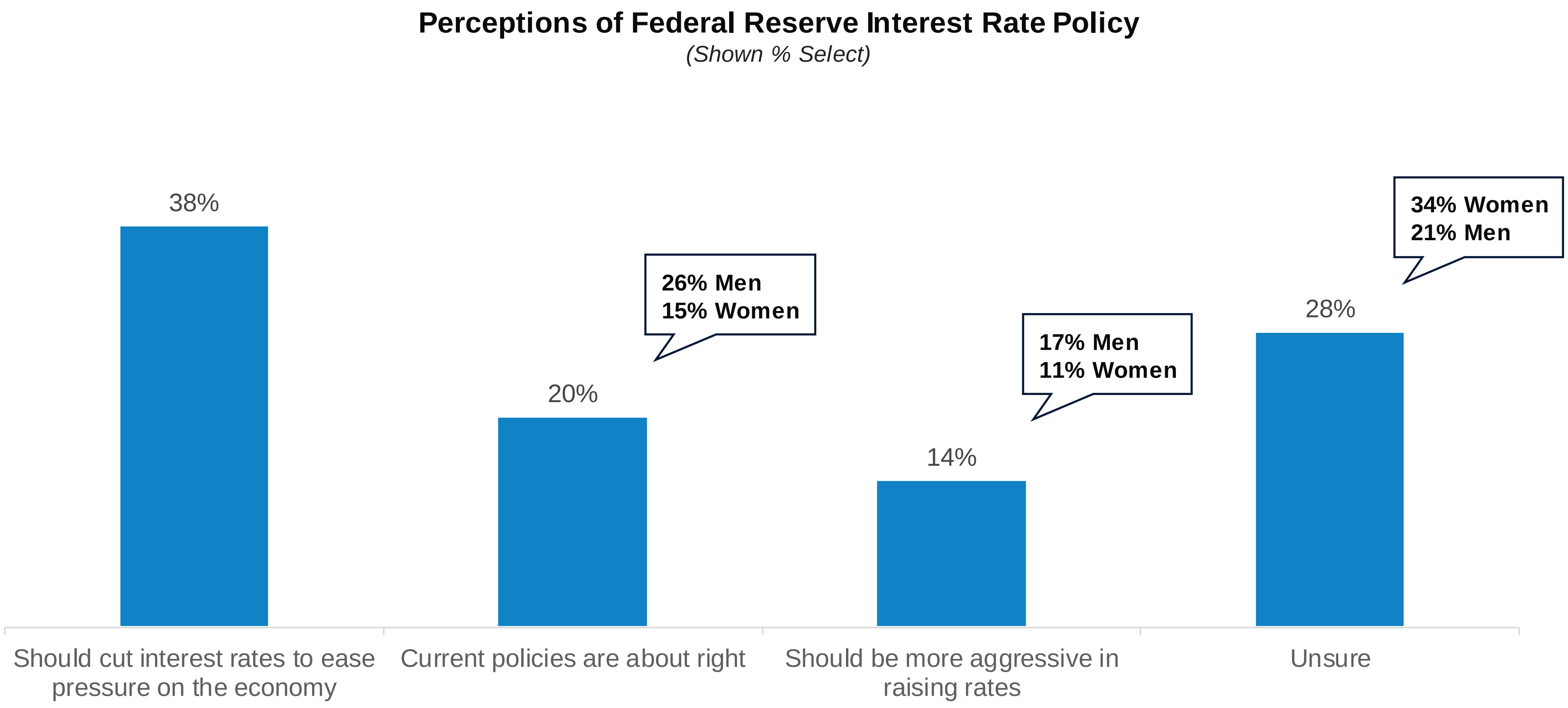
Concerned About …

(Shown % Select, Top 2 Box 'Concerned' on a 5-pt scale)



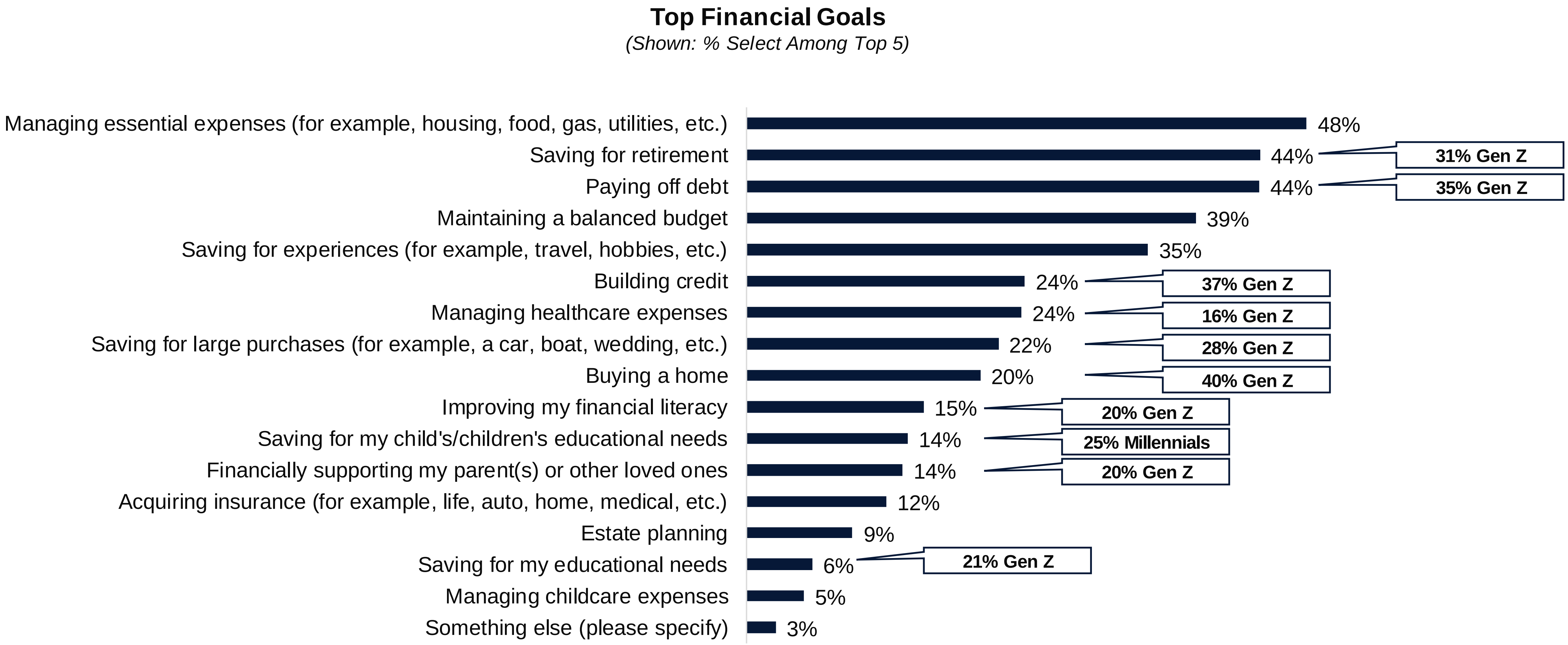
Q3. Thinking about your own personal finances, how concerned are you currently about the following? Base: Gen Pop Consumers (n=2,000)
Tracked Data from P&C Economic Pressure September 2022 Survey

A plurality of consumers want the Fed to begin cutting interest rates to ease pressure on the economy



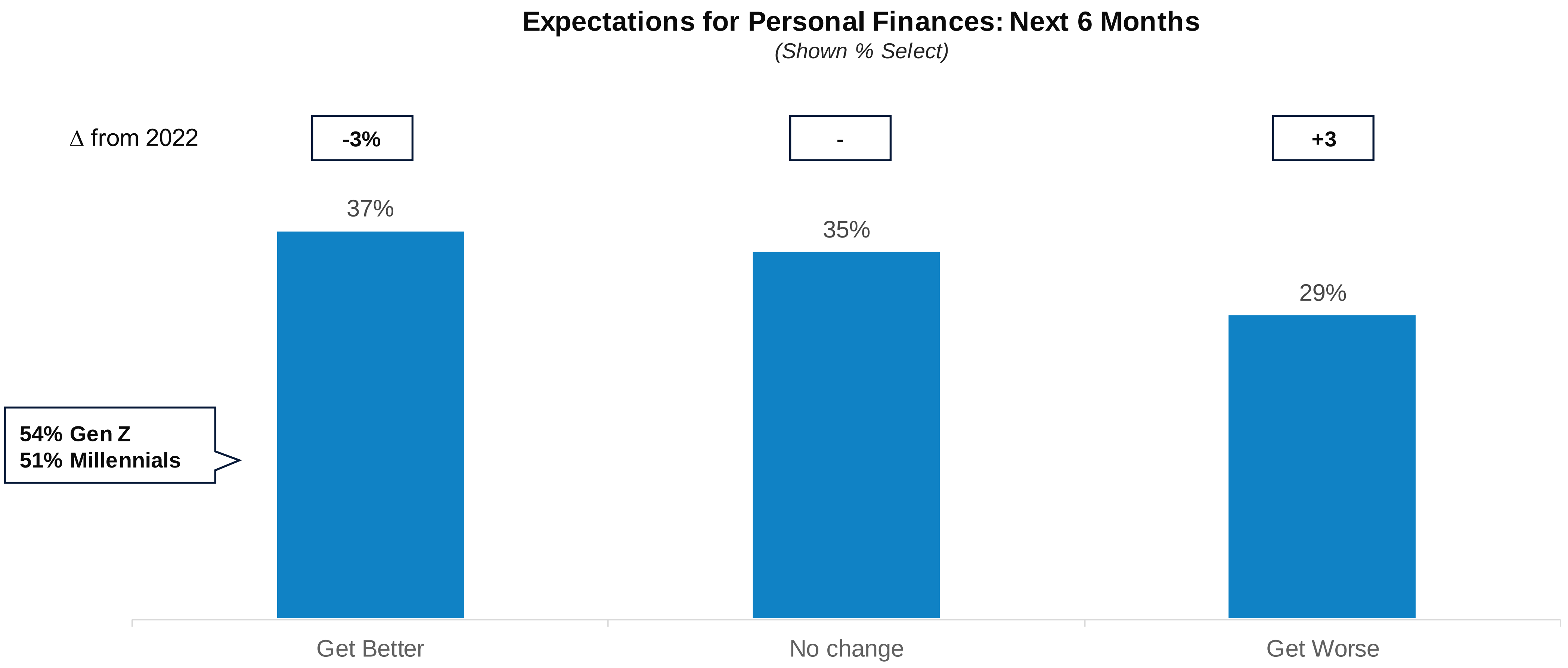
Q15: In your opinion, how should the Federal Reserve respond to inflation? Base: Gen Pop Consumers (n=2,000)

Beyond managing basic living costs, top financial goals include saving for retirement, paying off debt and managing a balanced budget



Q10: What are your top financial goals? Base: Gen Pop Consumers (n=2,000)

Looking ahead to the next 6 months, more see their personal finances improving than getting worse



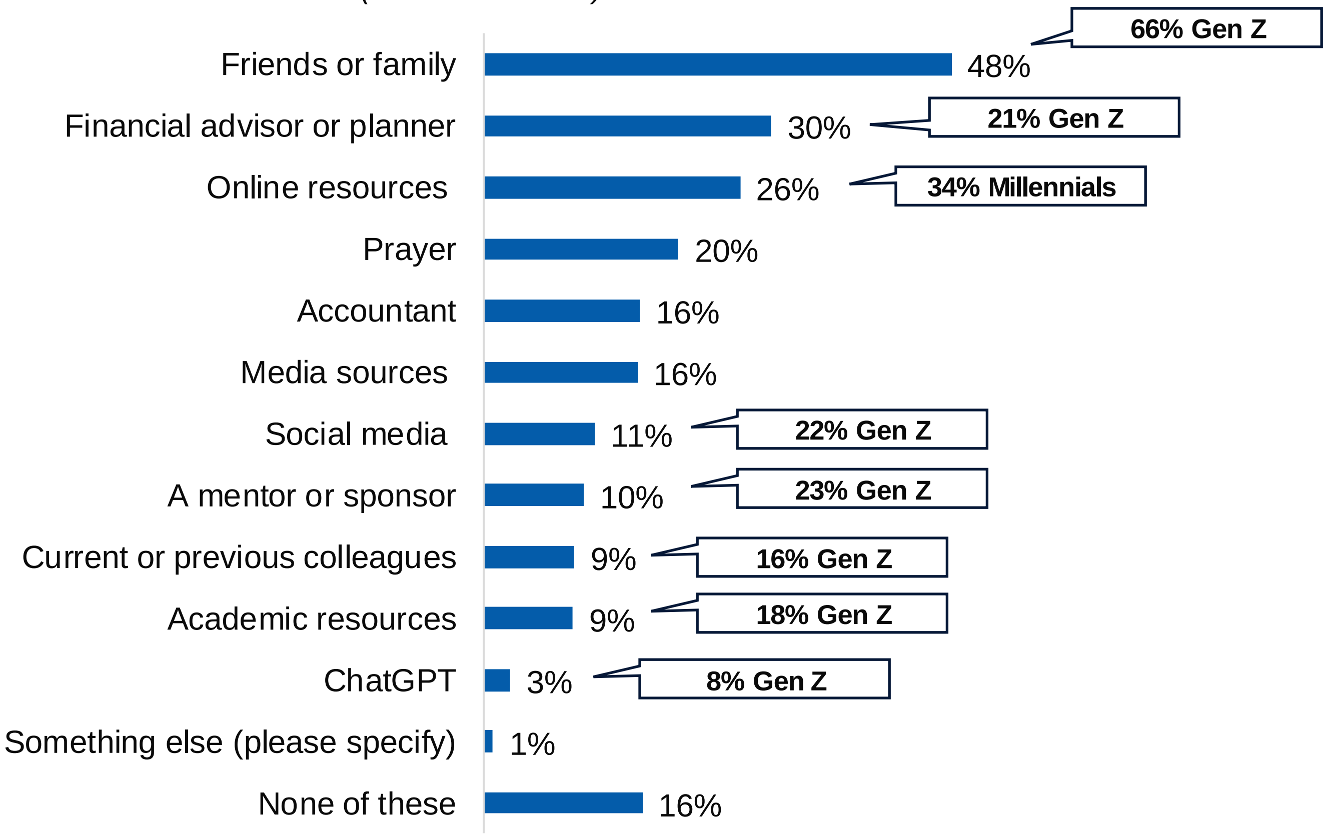
Q2. How do you expect your personal financial situation to change over the next six months? Base: Gen Pop Consumers (n=2,000)
Tracked Data from P&C Economic Pressure September 2022 Survey

Top sources of financial advice include friends and family, financial advisors, online resources, and prayer

Cost and lack of assets are the most common perceived barriers to working with a financial advisor.

Advice and Support on Personal Finances

(Shown: % Select)



Why do you not use a financial advisor?

(Shown: % Select)

46%	It costs too much
37%	I don't have enough assets to work with an advisor
22%	I don't know who to go to
21%	I don't need advice - I can handle my finances myself
16%	I don't trust the financial services industry
11%	I'm too busy / haven't gotten around to it
5%	I don't pay much attention to my finances
2%	Other (please specify)

Q18: Which of the following do you turn to for advice or support on your personal finances? Base: Gen Pop Consumers (n=2,000) Q19: Why do you not use a financial advisor or planner? Base: Gen Pop Consumers who do not self report use a financial advisor or planner (n=1,080)

As consumers evaluate personal finances, half are looking for ways to save money on their existing insurance policies

71% of Consumers Have reviewed current insurance policies or plan to in the next six months

66% Gen Z

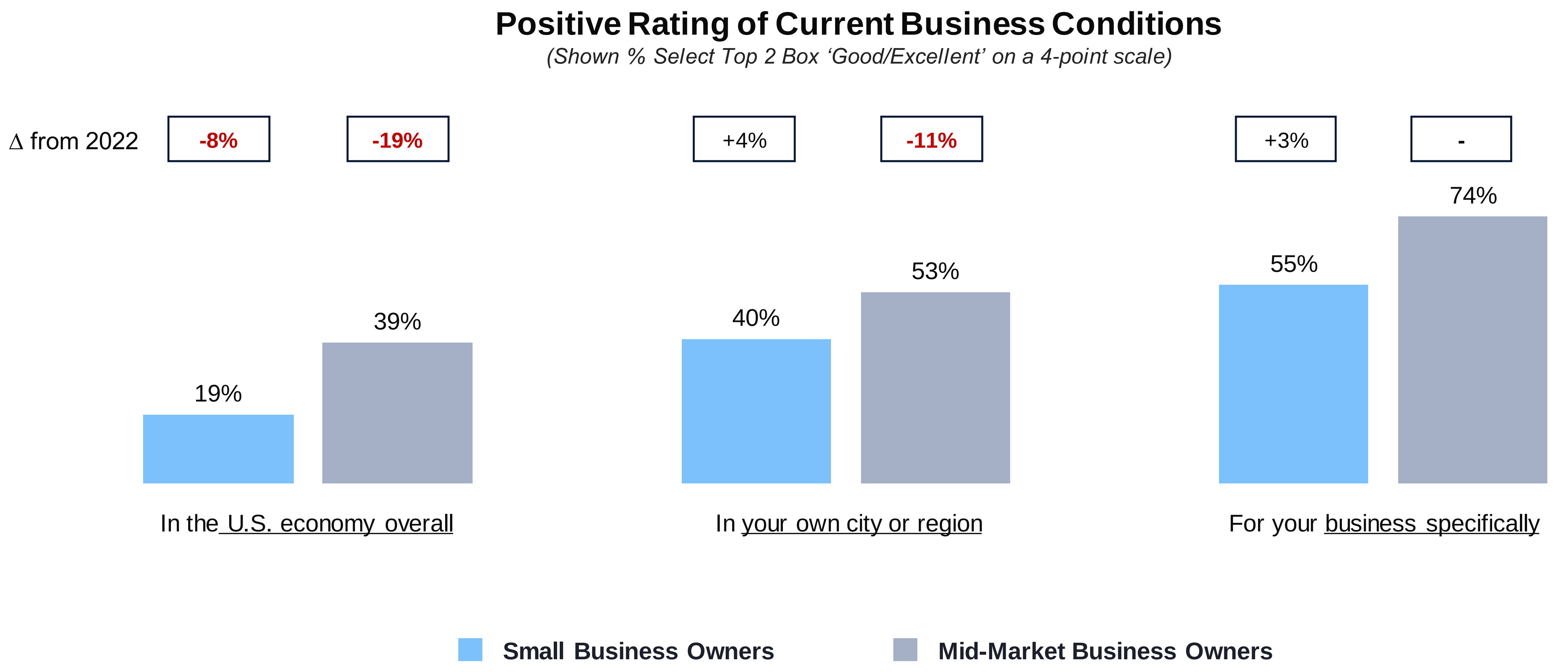
Δ from Fall 2022
-7%

Actions Taken / Planned to Take in Response to Current Economic Conditions to Meet Financial Needs *(Shown: % Selected)*	**NET Done/Plan to Do**			**Done in Past 6 Months**		**Plan to Do in Next 6 Months**	
	Gen Pop		Δ from 2022	**Gen Pop**	Δ from 2022	**Gen Pop**	Δ from 2022
Check my insurance policies online	51%	60% Millennials	-5	30%	-	20%	-4
Look for ways to save money on my premiums with my existing policies	51%		-4	23%	+1	27%	-7
Contact my insurance agent to discuss my coverage	45%		-12	20%	-10	25%	-7
Decrease coverage/limits on my existing policies	26%	34% Gen Z	-	10%	+2	16%	-2
Switch to a new insurance agent	23%	28% Gen Z	-1	7%	-	16%	-2
Increase coverage/limits on my existing policies	22%	28% Gen Z	-3	8%	-1	14%	-3
Remove a policy from my coverage	20%	29% Gen Z	-3	8%	-1	12%	-1
Add another type of policy to my coverage	20%	29% Gen Z	-3	7%	-3	13%	+1

Q16: Thinking about your current insurance policies, have you reviewed any of the policies in the past 6 months? Q17: Which, if any, of the following actions have you taken regarding your insurance policies within the past 6 months or plan to take within the next 6 months? Base: Gen Pop Consumers (n=2,000) Tracked Data from NF Inflation Flash Poll March 2022 Survey

Detailed Findings – Business Owners

Business owners are pessimistic about economic conditions nationally, but perceptions remain more positive for their own firms

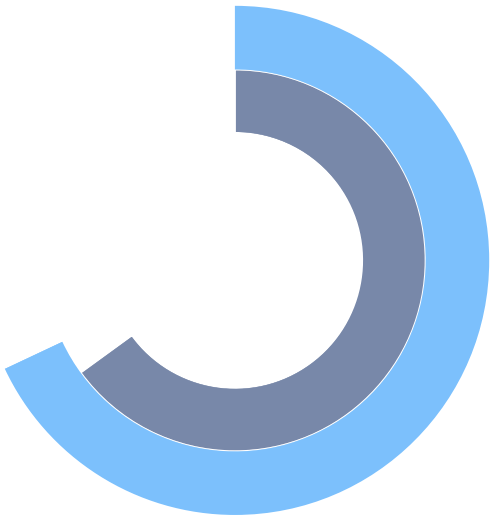


Q23. How would you rate current business conditions…? Base: Total (Small Business Owners n=400, Mid-Market Business Owners n=400)
Tracked Data from P&C Economic Pressure September 2022 Survey

Two-thirds expect a recession before the end of 2023, though most say inflation still poses a bigger risk to their business

Recession Expected in Next 6 Months

(Shown % Select 'Yes')



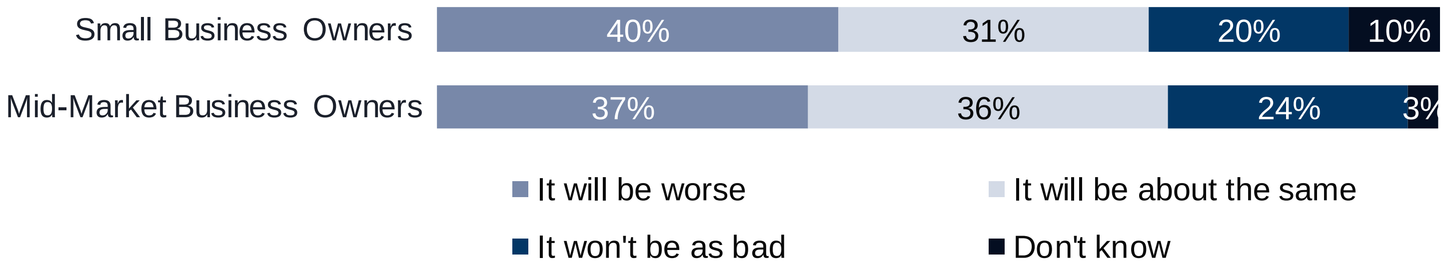
68% Small Business Owners

65% Mid-Market Business Owners

∆ from 2022	+2%	-1%

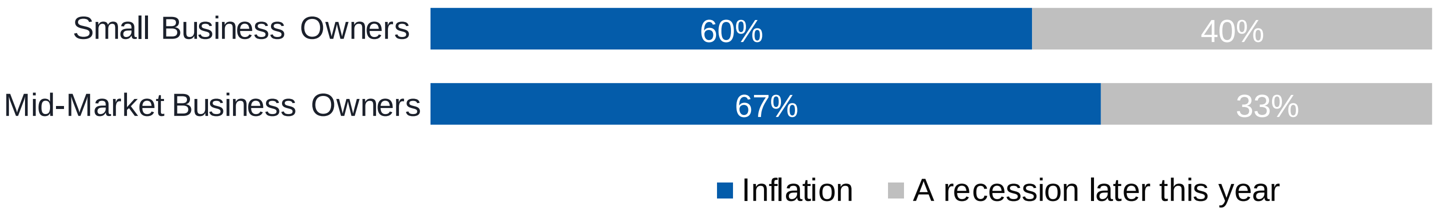
Comparison to the Great Recession of 2007-2009

(Shown % Select, of those expecting a recession)



Bigger Risk to their Business

(Shown % Select)

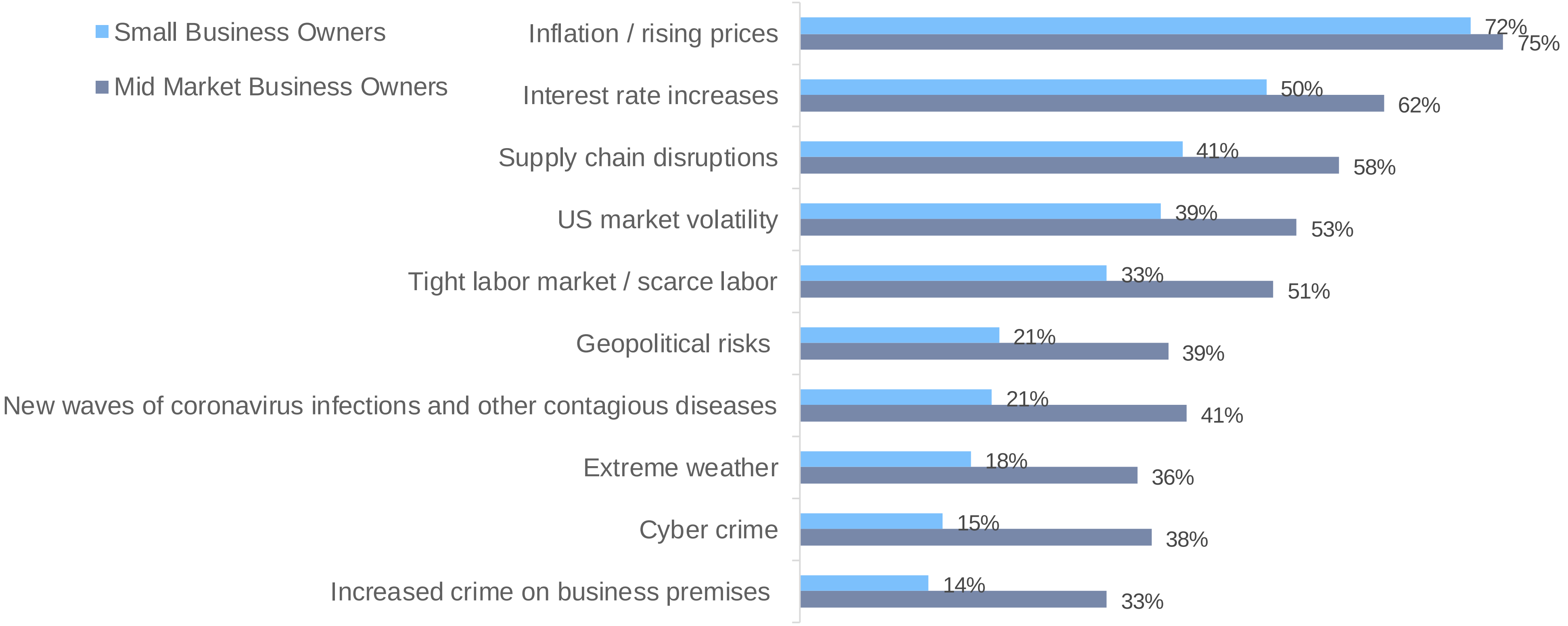


Q26. Do you expect the US economy will be in recession within the next six months? Base: Total (Small Business Owners n=400, Mid-Market Business Owners n=400); Tracked Data from P&C Economic Pressure September 2022 Survey Q27. How do you expect the coming recession will compare to the Great Recession of 2007-2009? Base: Total who expect a recession within the next 6 months (Small Business Owners n=270, Mid-Market Business Owners n=259) Q28. In your opinion, what is a bigger risk to your business – inflation or the possibility of a recession later this year? Base: Total (Small Business Owners n=400, Mid-Market Business Owners n=400)

Inflation remains firms' top business obstacle, though rising interest rates have also posed significant challenges

Negative Business Impact in Past Six Months

(Shown % Selected Top 2 Box 'Moderately/Extremely Impacted')



∆ from 2022

SBOs	MMBOs
+11%	+11%
+15%	+4%
-	+5%
N/A	N/A
+7%	-
N/A	N/A
+1%	-5%
-	-5%
+4%	-1%
-	-7%

Q24. Thinking about the past six months, how much has your business been negatively impacted by each of the following conditions? Base: Total (Small Business Owners n=400, Mid-Market Business Owners n=400); Tracked Data from P&C Economic Pressure September 2022 Survey

Almost two-thirds of small business owners have looked for ways to reduce business expenses over the past six months

There are signs that economic pressures may be slightly easing, the shares of businesses reporting reductions in hours, worker furloughs, or using personal savings to support the business have all declined since September.

Business Actions Taken Within The Past 6 Months
(Shown: % Selected)

	Small Business Owners		Mid-Market Business Owners	
		∆ from 2022		∆ from 2022
Look for ways to reduce business expenses	63%	+5	49%	+9
Use personal savings to support the business	31%	-7	26%	-2
Meet with a financial advisor or financial planner	27%	N/A	43%	N/A
Pause hiring	26%	-	27%	-6
Hire new workers	21%	+8	42%	+18
Cancel or postpone a major business investment	17%	-5	24%	-4
Ask more out of current workers to manage payroll expenses	13%	-1	22%	-6
Apply for a business loan	12%	-	29%	+2
Conduct a risk management audit	11%	N/A	32%	N/A
Reduce the business's hours	10%	-7	14%	-11
Apply for a personal loan to help support the business	9%	-4	20%	-4
Furlough workers or reduce workers' hours	8%	-6	14%	-11
Add retirement plan offerings	7%	N/A	24%	N/A
Relocate/downsize office space	6%	-2	15%	-5
Lay off workers	6%	-4	18%	-5
Connect with new risk management partners	6%	N/A	27%	N/A

Q31. Which of the following actions relating to your business's operations have you done in the past six months or do you plan to do in the next six months? Base: Total (Small Business Owners n=400, Mid-Market Business Owners n=400); Tracked Data from P&C Economic Pressure September 2022 Survey

Looking ahead to the next 6 months, business owners expect inflation and rising interest rates will continue posing major challenges

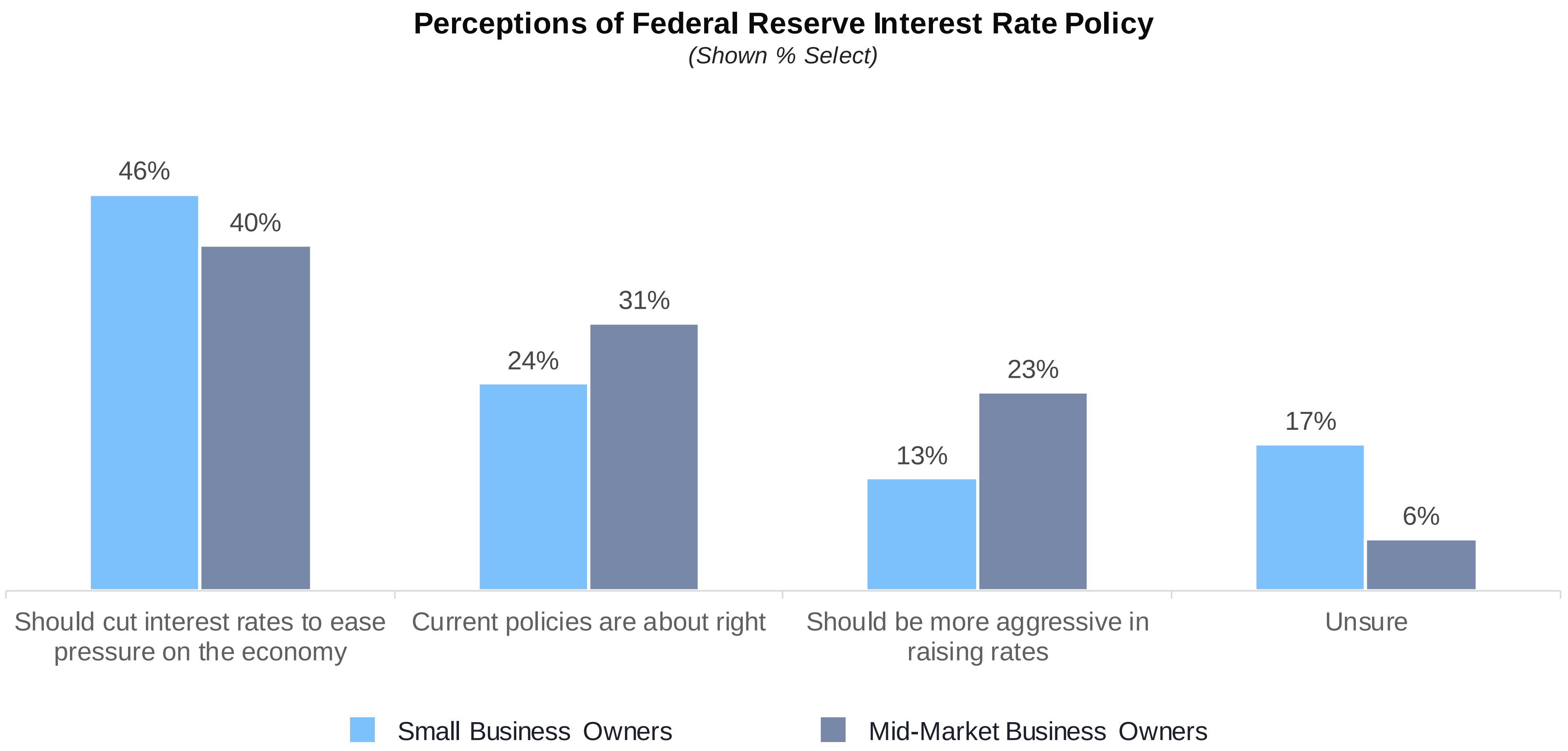
Small business owners are more likely to be concerned about inflation, economic uncertainty and customer attraction, while mid-market business owners are more likely to feel factors like supply chain disruptions and financial market volatility will be their largest business hurdles for the remainder of 2023.

Biggest Business Challenges Expected: Next Six Months
(Shown % Selected)

	Small Business Owners		Mid-Market Business Owners	
		∆ from 2022		∆ from 2022
Inflation and rising prices	64%	**+6**	50%	+4
Rising interest rates	30%	**+11**	31%	-1
Uncertain economic environment	29%	-3	19%	+2
Reaching new customers	23%	-4	17%	-1
Supply chain disruptions	21%	**-8**	31%	+5
Taxes and government regulations	17%	+3	18%	+4
Declining consumer demand	16%	-	14%	+2
Cash flow / managing revenue	15%	-1	13%	-6
Uncertain political environment	14%	-	10%	-2
Ability to attract and retain good employees	12%	+1	17%	+1
Financial market volatility	9%	-	16%	-5
Access to capital	8%	+1	9%	-2
New waves of coronavirus infections or other contagious diseases	6%	**-7**	9%	-2
Geopolitical tensions	5%	n/a	9%	n/a
Commercial insurance coverage	4%	n/a	7%	n/a
Risk management	4%	n/a	12%	n/a

Q25. What do you see as the biggest challenges facing your business over the next six months? Base: Total (Small Business Owners n=400, Mid-Market Business Owners n=400); Tracked Data from P&C Economic Pressure September 2022 Survey

A plurality of business owners want the Fed to begin cutting interest rates to ease pressure on the economy



Q30. In your opinion, how should the Federal Reserve respond to inflation? Base: Total (Small Business Owners n=400, Mid-Market Business Owners n=400)

Business owners are reviewing their current insurance policies in light of current economic conditions

18% of small businesses and 27% of mid-market businesses have asked their agent to requote an existing policy with a different carrier to find a better price.

Have reviewed current insurance policies or plan to in the next six months
- **88%** of Small business owners (+4% since 2022)
- **96%** of mid-market business owners (same as 2022)

Actions Taken Regarding Business' Insurance Policies Within The Past 6 Months *(Shown: % Selected)*	**Small Business Owners**	∆ from 2022	**Mid-Market Business Owners**	∆ from 2022
Checked my insurance policies online	39%	**-6**	47%	-2
Contacted my insurance agent to discuss my coverage	28%	-1	34%	+4
Asked my insurance agent to have my policy requoted by different carriers to find a better price or coverage	18%	**+8**	27%	**+10**
Talked with my agent about the impact of inflation or supply chain disruptions on my insurance rates	15%	**+5**	30%	**+11**
Increased coverage/limits on my existing insurance policies	13%	+3	30%	-2
Added another type of policy to my coverage	9%	+4	25%	-
Decreased coverage/limits on my existing insurance policies	8%	-3	13%	**-6**
Removed a policy from my coverage	5%	-1	13%	-3
Switched to a new insurance agent	2%	n/a	9%	-7
None of the above	30%	+4	8%	+1

Q35. Thinking about your business's current insurance policies, have you reviewed any of the policies in the past 6 months? Q37. Which, if any, of the following actions have you taken regarding your business' insurance policies within the past 6 months? Please select all that apply. Base: Total (Small Business Owners n=400, Mid-Market Business Owners n=400); Tracked Data from P&C Economic Pressure September 2022 Survey

Beyond insurance, firms report investing in contingency planning and cybersecurity monitoring to reduce business risk

Mid-market business owners are more likely than small business owners to be taking any of the following actions – especially when it comes to cybersecurity training for employees and performing a risk management audit.

Steps Taken to Reduce Business Risk

(Shown % Selected 'Yes')

Q39. Beyond insurance coverage, are you taking any of the following steps to reduce business risk? Base: Total (Small Business Owners n=400, Mid-Market Business Owners n=400)

Mid-market business owners are more engaged with insurance agents than small business owners

Small business owner interest in discussing the effects of rising interest rates and market volatility with an agent has increased significantly since the Fall.

Currently work with an insurance agent
- **62%** of Small Business Owners (**+9%** since 2022)
- **81%** of Mid-Market Business Owners (**+11%** since 2022)

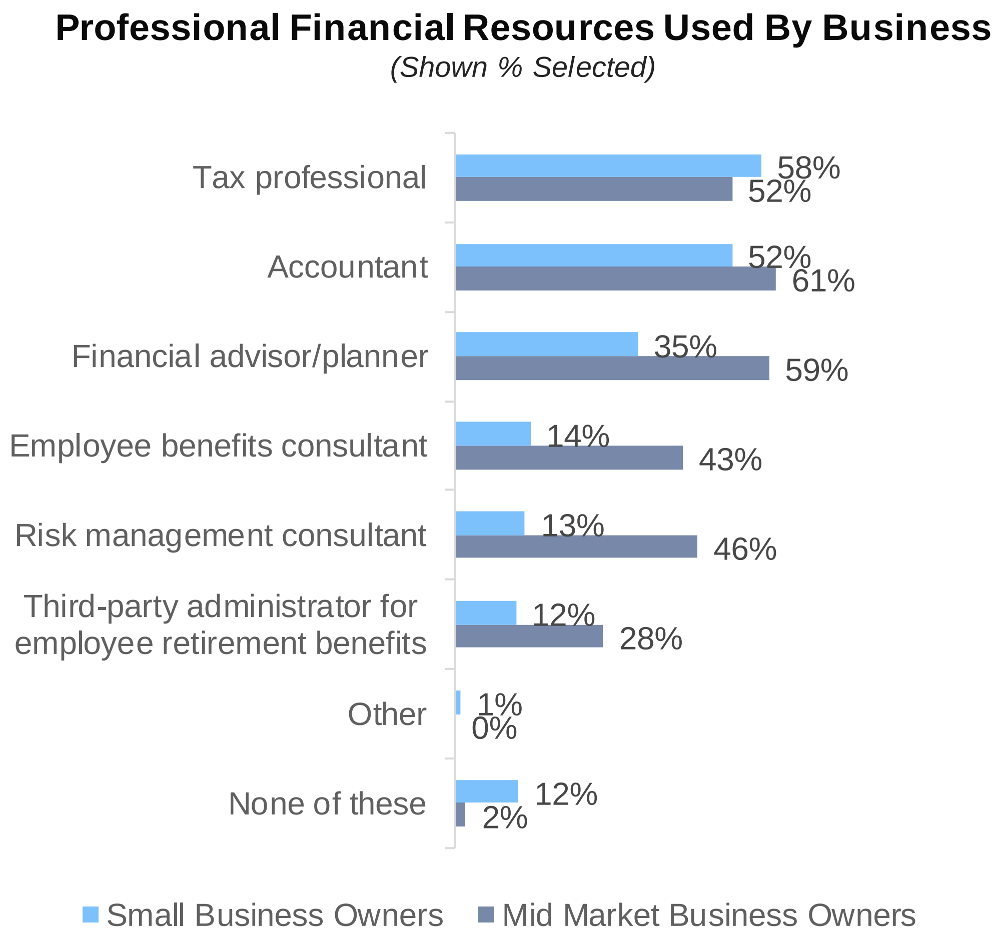
Likelihood to Talk to Business's Insurance Agent About the Impact of the Following Topics *(Shown: % Selected Top 2 Box "Very/Moderately Likely)*	Small Business Owners		Mid-Market Business Owners	
		∆ from 2022		∆ from 2022
Inflation	55%	+9	80%	+4
Rising interest rates	49%	+8	76%	-1
Financial market volatility	39%	+8	70%	-3
US market volatility	38%	n/a	67%	n/a
Supply chain disruptions	34%	-	67%	-7

Q36. Do you currently work with an insurance agent to manage your business's insurance needs? Base: Total (Small Business Owners n=400, Mid-Market Business Owners n=400) Q38. How likely would you be to talk with your business's insurance agent about the impact of the following topics on your business's operations and insurance policies? Base: Total who currently work with an insurance agent (Small Business Owners n=249, Mid-Market Business Owners n=323); Tracked Data from P&C Economic Pressure September 2022 Survey

NF

While most firms work with tax professionals and accountants, small business owners are less likely to leverage financial advisors/planners

Of those who do not work with a financial advisor, most are hesitant because they feel they can handle their business's finances on their own, or because financial advisors/planners are too costly.



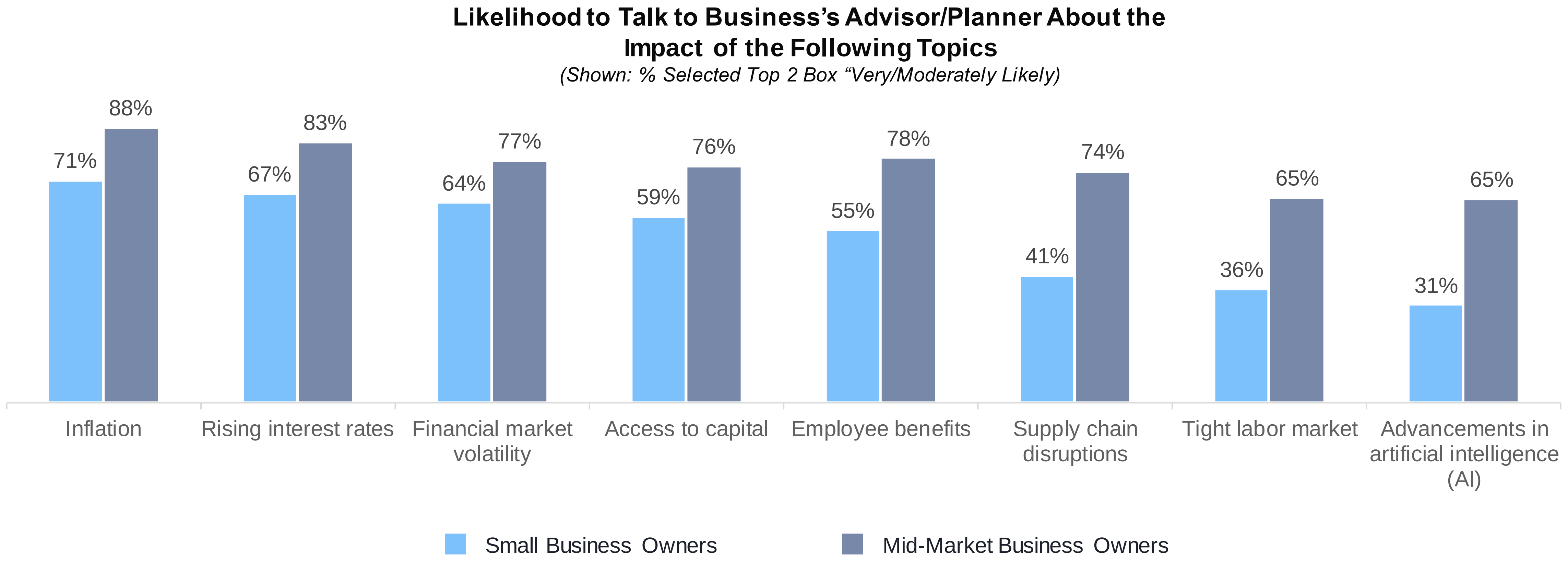
Why do you not use a financial advisor or planner?
(Shown: % Select among those who do not work with an advisor)

	SBOs	MMBOs
I don't need advice – I can handle my business' finances myself	51%	28%
It costs too much	32%	38%
I'm too busy / haven't gotten around to it	15%	25%
I don't know who to go to	12%	19%
I don't trust the financial services industry	11%	9%
Other	4%	2%

Q40. Do you use any of the following professional financial resources for your business? Base: Total (Small Business Owners n=400, Mid-Market Business Owners n=400) Q41. Why do you not use a financial advisor or planner? Base: Total who do not currently work with a financial advisor or planner (Small Business Owners n=262, Mid-Market Business Owners n=163)

Business owners are most likely to talk with their financial advisor about the impact of inflation and rising interest rates

Mid-market business owners are more likely than small business owners overall to talk with an advisor.



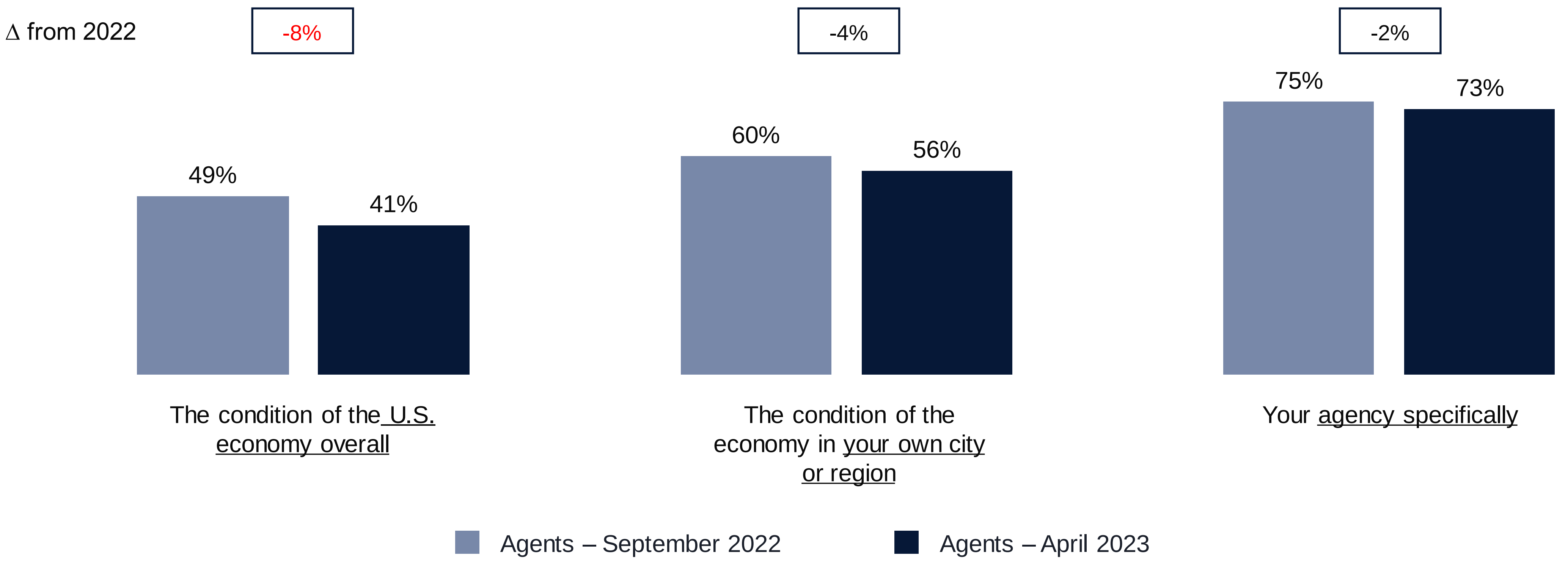
Q42. How likely would you be to talk with your business's advisor/financial planner about the impact of the following topics on your business's operations? Base: Total who do not currently work with a financial advisor or planner (Small Business Owners n=138, Mid-Market Business Owners n=237)

Detailed Findings - Agents

While Agents remain quite positive about business conditions for their own agencies, views of the overall economy have turned negative since the Fall

Positive Rating of Current Economic Conditions

(Shown % Select Top 2 Box 'Good/Excellent' on a 4-point scale)



Q48. How would you currently rate the following? Base: Independent Insurance Agents (n=400)
Tracked Data from P&C Economic Pressure September 2022 Survey

More than half expect a recession before the end of 2023, virtually unchanged from Fall 2022

Among those who expect a recession, three quarters anticipate it will be severe.

Recession Expectations – Next 6 Months

(Shown % Select 'Yes')

57% expect a recession

Agents – April 2023

∆ from 2022 | +2%

Among those who expect a recession…

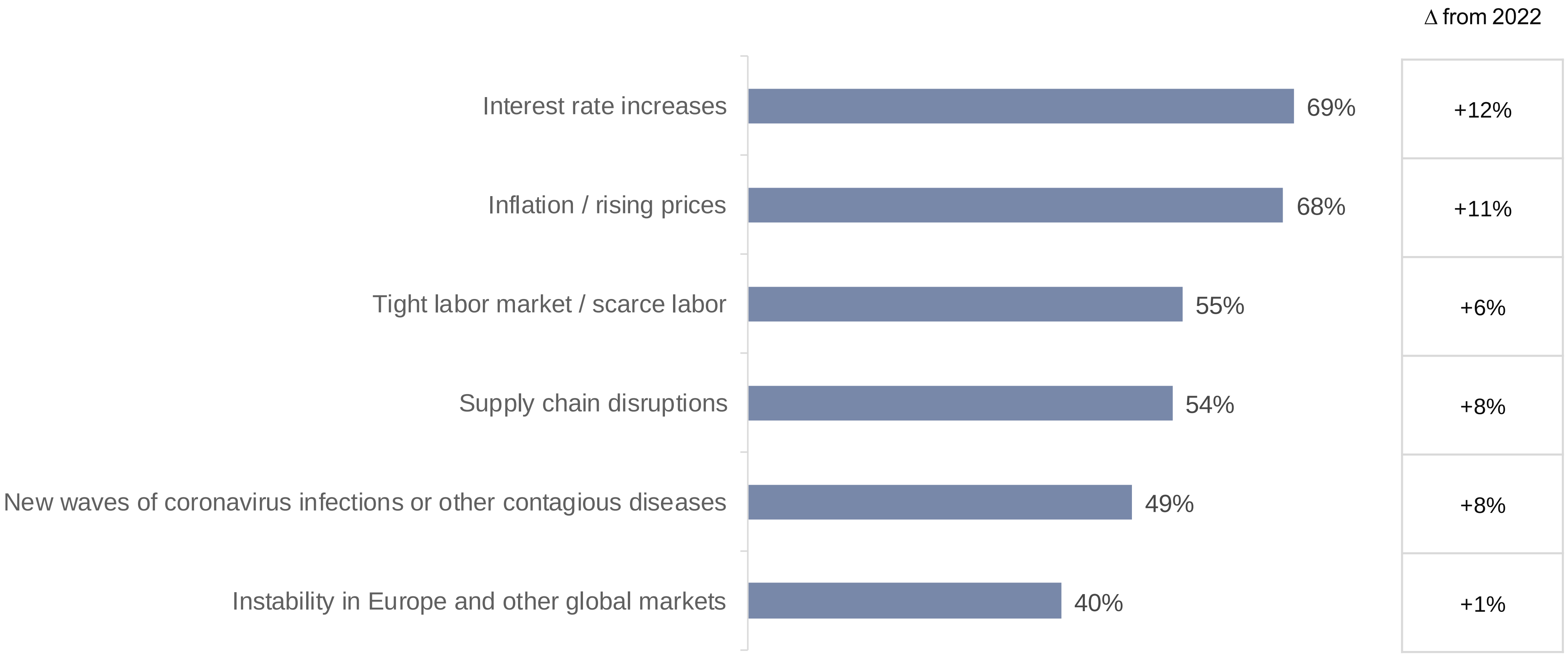
21%	Believe It will be mild
74%	Believe It will be severe
5%	Don't know

Q54: Do you expect the US economy will be in recession within the next six months? Base: Independent Insurance Agents (n=400) Q55: How severe do you expect the upcoming recession will be? Base: Agents who expect a recession (n=227) Tracked Data from P&C Economic Pressure September 2022 Survey

Inflation and rising interest rates continue to negatively impact agencies

Negative Business Impact in Past 6 Months

(Shown % Selected Top 2 Box ‘Moderately/Extremely Impacted’ – Asked of Principals)



CAUTION: SMALL BASE SIZE – DIRECTIONAL FINDINGS ONLY

Q49: Again thinking about the past six months, how much has your business been negatively impacted by each of the following conditions? Base: Principals (n=78); Tracked Data from P&C Economic Pressure September 2022 Survey

Half of agencies are looking to reduce business expenses, though hiring has increased since the Fall

Reported Business Actions *(Shown % Select 'Yes')*	**Have Done, Past 6 Months**		**Plan to Do, Next 6 Months**	
		∆ from 2022		∆ from 2022
Look for ways to reduce business expenses	51%	-3	27%	**-**
Hire new workers	33%	**+13**	32%	-3
Add automation tools to increase efficiency	33%	N/A	35%	N/A
Apply for a business loan	31%	-	31%	-2
Furlough workers or reduce workers' hours	29%	**+7**	19%	**-9**
Delay investing in my business's processes	28%	-4	19%	-14
Pause hiring	24%	-3	19%	-11
Reduce the business's hours	23%	-2	24%	+4
Delay updating my business's technologies	22%	-11	27%	-3
Cancel or postpone a major business investment	21%	**-12**	22%	**-9**
Lay off workers	19%	-4	23%	+1

CAUTION: SMALL BASE SIZE – DIRECTIONAL FINDINGS ONLY

Q52: Which of the following actions relating to your business's operations have you done in the past six months or do you plan to do in the next six months? If an action is not applicable to your business please indicate that. Base: Principal Agents (n=78); Tracked Data from P&C Economic Pressure September 2022 Survey

Beyond inflation, customers switching insurance carriers, rising interest rates, economic uncertainty, and access to capital are top agency concerns

Top Business Challenges Expected – Next 6 Months

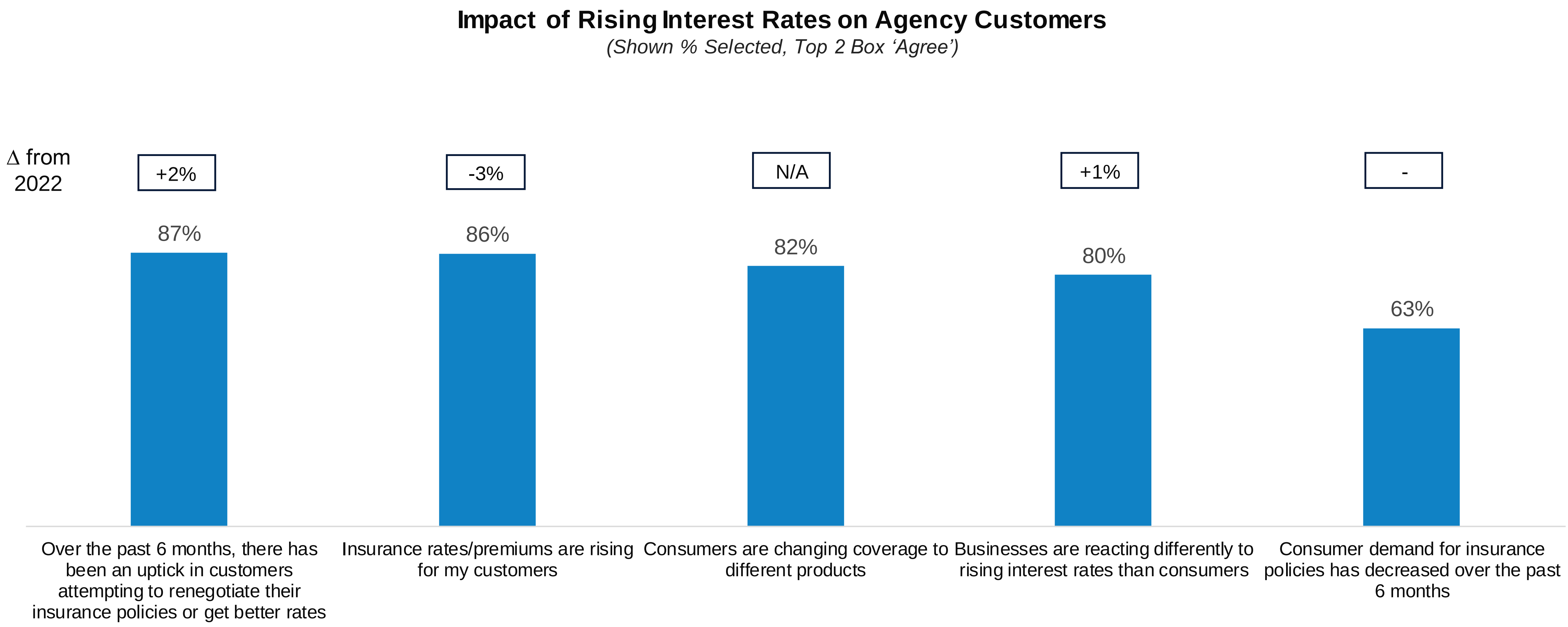
(Shown: % Selected in Top 3)

	Top 3 Concern	∆ from 2022
Inflation and rising prices	**46%**	**+11%**
Customers changing to other insurance carriers	29%	+3%
Uncertain economic environment	24%	+11%
Rising interest rates	22%	+2%
Access to capital	21%	+5%
Supply chain disruptions	18%	+5%
Reaching new customers	18%	-3%
Cash flow / managing revenue	18%	+1%
Ability to attract and retain good employees	17%	-1%
Global instability	15%	-5%
New waves of coronavirus infections or other contagious diseases	14%	-2%
Financial market volatility	14%	-9%
Taxes and government regulations	12%	+1%
Uncertain political environment	10%	-4%
Declining consumer demand	9%	-8%

CAUTION: SMALL BASE SIZE – DIRECTIONAL FINDINGS ONLY

Q51: What do you see as the biggest challenges facing your business over the next six months? Base: Principals (n=78); Tracked Data from P&C Economic Pressure September 2022 Survey

Rising interest rates are impacting customer demand as premiums rise

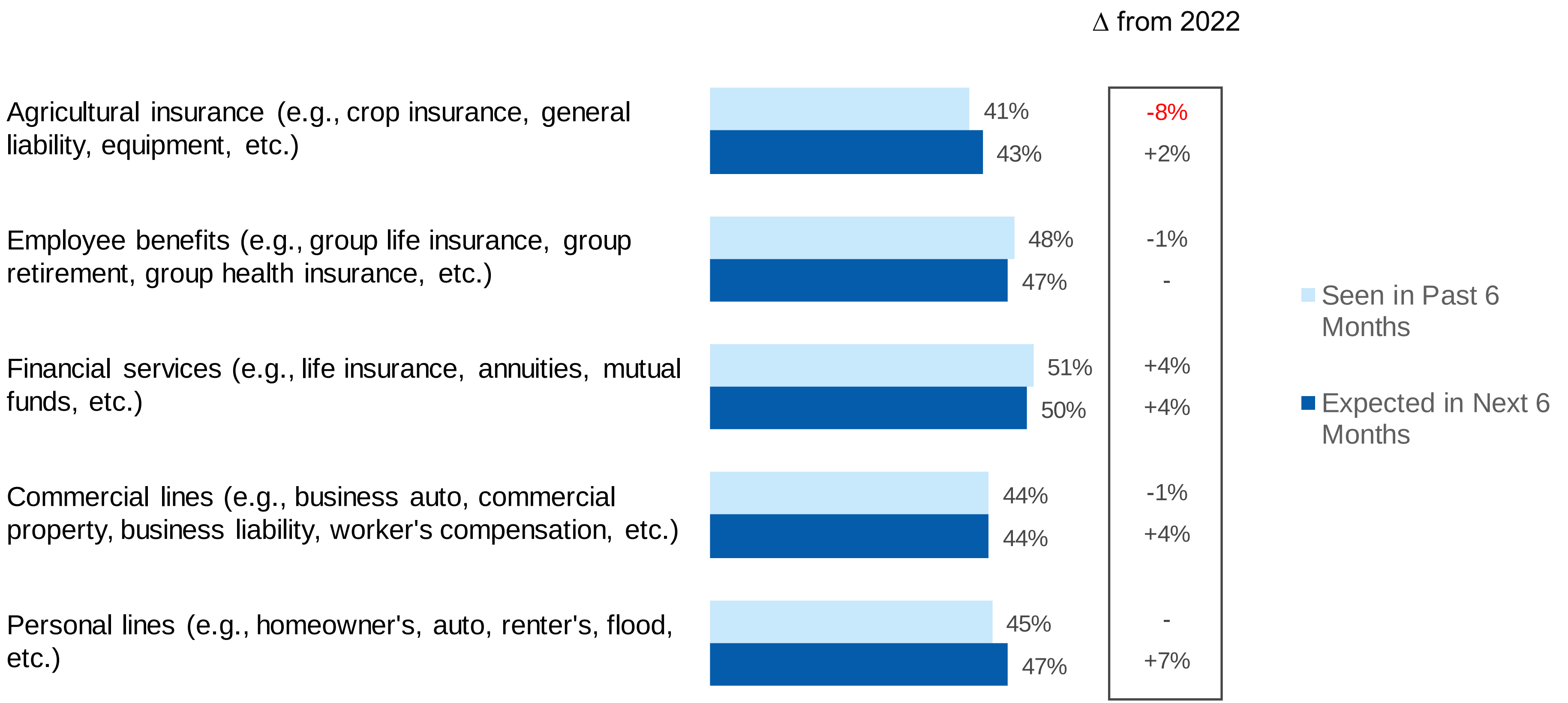


Q61: How much do agree or disagree with the following statements about how rising interest rates are impacting your business and customers? Base: Independent Agents (n=400); Tracked Data from P&C Economic Pressure September 2022 Survey

Roughly half of Agents report declining customer demand across business lines; depressed demand is expected to continue through 2023

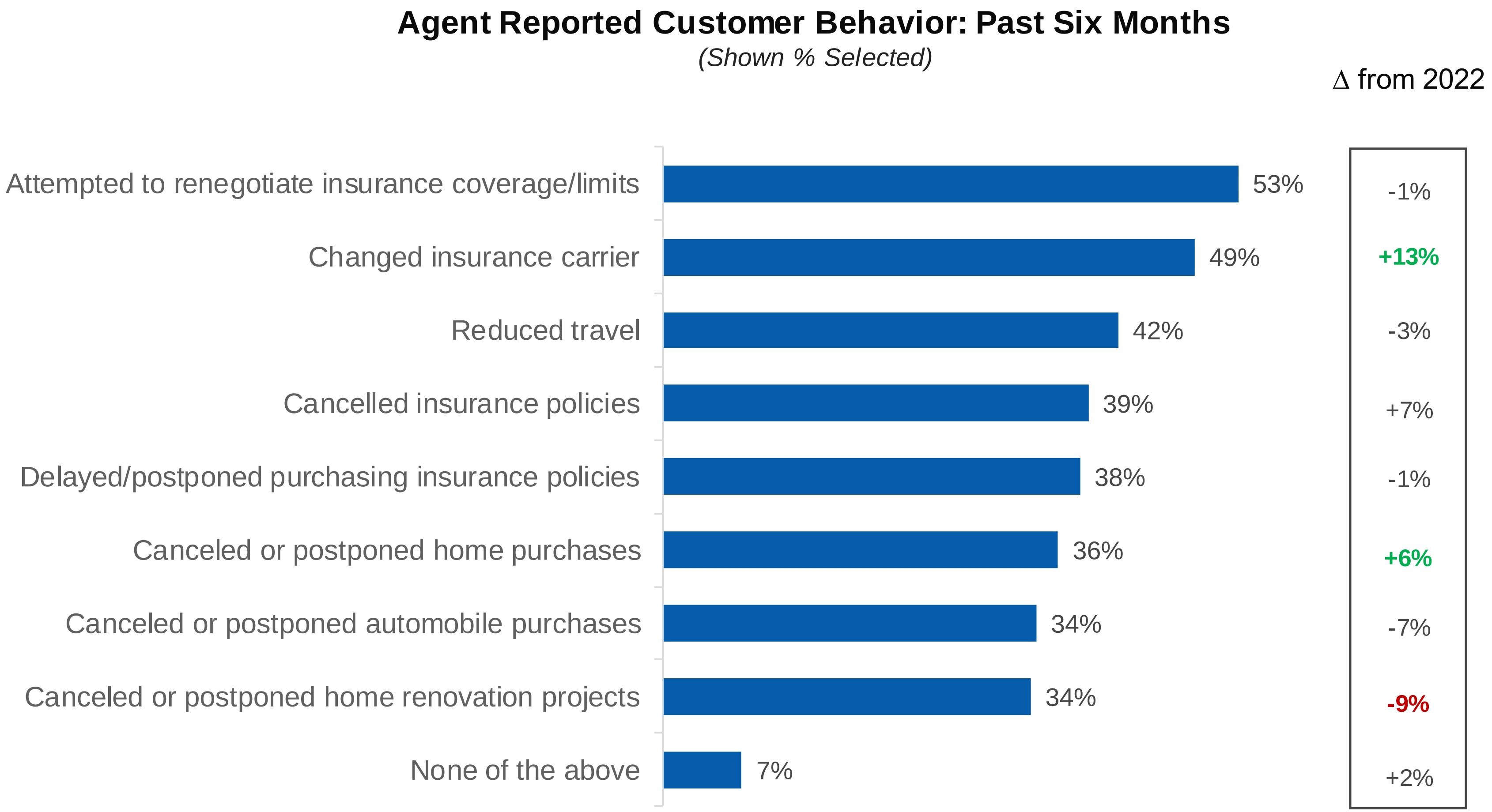
Decline in Customer Demand by Business Lines

(Shown % Selected 'Yes')



Q50: Has your company experienced a decline in performance/consumer demand in any of the following business lines over the past 6 months? Q57: Do you expect your company will experience a decline in performance/consumer demand in any of the following business lines over the next 6 months? Base: Independent Agents, bases vary by business line; Tracked Data from P&C Economic Pressure September 2022 Survey

Since September half have seen customers attempt to renegotiate their coverage or change their carrier



Q58: To the best of your knowledge, which of the following actions, if any, have your customers taken in the past 6 months in response to inflation and rising interest rates? Base: Independent Insurance Agents (n=400); Tracked Data from P&C Economic Pressure September 2022 Survey

Agents have advised customers to increase their deductibles, check for discounts, and maintain a safe driving record to help reduce costs

Agent Recommendations to Help Customers Reduce Costs
(Shown: % Selected)

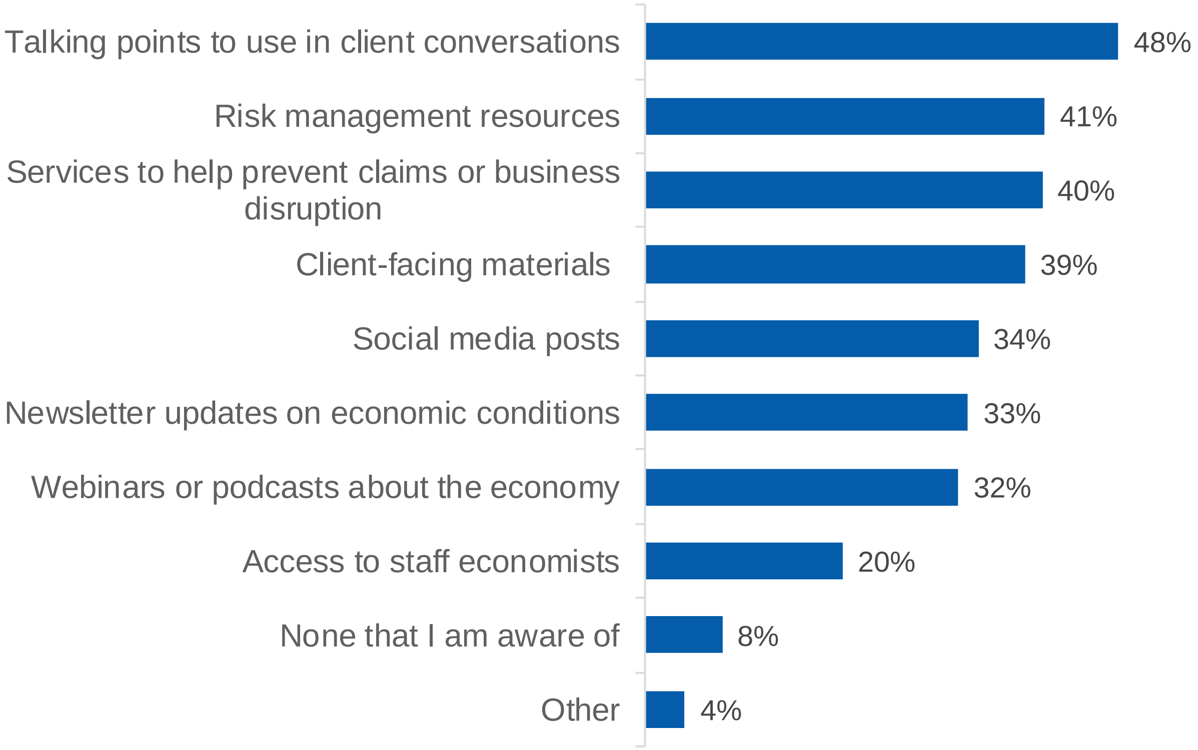
Increasing their deductible	62%
Checking the discounts they qualify for	56%
Maintaining a good driving record	51%
Participating in a safe driving program	44%
Changing insurance carrier	38%
Using risk management/mitigation services	34%
Changing to a different insurance product	33%
Renegotiating their lease	15%
Something else	2%

Q62: Which of the following actions have you recommended to customers in order to help them reduce costs? Base: Independent Insurance Agents (n=400)

Half of Agents are aware of talking points provided by carriers to support client conversations; beyond what is currently provided, more thought leadership and personalized support are seen as most helpful

Awareness of Carrier Resources Provided to Support Client Conversations about the Impact of Economic Conditions

(Shown % Selected)



Other Helpful Resources Carriers Could Provide Agents

(Shown Top 5 coded verbatim responses)

27%	Newsletters, direct communication, or other communications about the industry and relevant topics
18%	Personalized advice and support
17%	More/better online/website services
14%	Support to offset the impact of inflation on carrier products/services
8%	Expanded product offerings

Q59: What resources, if any, do insurance carriers provide you to support conversations with clients about the impact the economy is having on their insurance coverage? Q60: What other resources could insurance carriers provide you to support conversations with clients about the impact the economy is having on their insurance coverage? Base: Independent Insurance Agents (n=400)