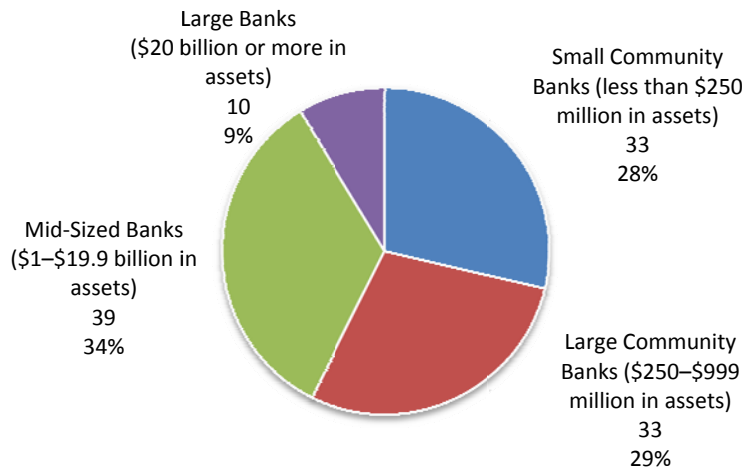


## SURVEY METHODOLOGY

In the second and third quarters of 2009, the ABA contacted a sample of banking institutions stratified by asset size to obtain data about their corporate insurance function. The *2009 Bank Insurance Survey* was conducted online with email follow-up procedures. By the response cut-off date, 115 banking institutions had completed the survey. Of this year’s survey participants, 57.4 percent reported having assets of less than \$1 billion (community banks), 33.9 percent with assets of \$1 to \$20 billion (mid-sized banks), and 8.7 percent having \$20 billion or more in assets (large banks) (Figure 1).

**Figure 1: DISTRIBUTION OF SURVEY PARTICIPANTS**



### Profile of Survey Participants

Exhibits 1–3 provide demographic information for this year’s survey participants by eight asset size groups.

- Group 1: Less than \$100 million in assets
  - Group 2: \$100 million to \$249 million
  - Group 3: \$250 million to \$499 million
  - Group 4: \$500 million to \$999 million
- } Community Banks
- Group 5: \$1 billion to \$4.9 billion
  - Group 6: \$5 billion to \$19.9 billion
- } Mid-Sized Banks
- Group 7: \$20 billion to \$49.9 billion
  - Group 8: \$50 billion or more
- } Large Banks

The average assets of survey participants ranged from \$59 million to \$233 billion; the number of offices from 2 to 1,503; the number of full-time equivalent employees (FTEs) from 20 to 29,770. Survey participants reported using 1 (at community banks) to 4 (at the largest banks) brokers/agents for their corporate insurance coverage.

**Exhibit 1: FOR WHICH UNITS IN YOUR BANKING ORGANIZATION ARE YOU REPORTING THE INFORMATION?  
(percentage of banks)**

	Community Banks				Mid-Sized Banks		Large Banks	
	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7	Group 8
Reporting consolidated information for the holding company	18.2%	36.4%	53.3%	55.6%	77.8%	91.7%	100.0%	83.3%
Reporting for this bank only, including branches	81.8%	63.6%	46.7%	44.4%	22.2%	8.3%	—	16.7%

**Exhibit 2: HOW IS YOUR BANKING ORGANIZATION CLASSIFIED?  
(check all that apply, percentage of banks)**

	Community Banks				Mid-Sized Banks		Large Banks	
	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7	Group 8
Independent bank	54.5%	65.0%	26.7%	38.9%	22.2%	—	—	16.7%
Single-bank HC	36.4%	50.0%	80.0%	72.2%	66.7%	66.7%	50.0%	16.7%
Bank part of multi-bank HC	—	—	—	5.6%	3.7%	8.3%	—	—
Multi-bank HC	—	—	—	11.1%	14.8%	25.0%	50.0%	66.7%
Bank owned by foreign entity	—	—	—	—	—	—	—	16.7%
Other	9.1%	—	—	—	—	—	—	—

**Exhibit 3: REPORT THE INFORMATION AS OF YEAR-END 2008 FOR THE ENTIRE BANKING ORGANIZATION THAT YOU ARE INCLUDING IN THIS SURVEY**

		Community Banks				Mid-Sized Banks		Large Banks	
		Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7	Group 8
Total assets (in \$ millions)	Median	\$65	\$152	\$373	\$704	\$1,740	\$10,138	\$26,867	\$146,835
	Mean	\$59	\$164	\$383	\$720	\$2,131	\$10,208	\$27,422	\$233,420
Number of offices (including branches and main office)	Median	1	3	7	13	25	131	261	1,133
	Mean	2	3	7	15	32	133	259	1,503
Number of ATMs	Median	2	2	8	17	38	151	458	1,752
	Mean	2	3	8	34	40	178	377	2,017
Number of full-time equivalent employees (FTEs) (domestic and international)	Median	20	33	104	218	450	2,267	5,496	24,462
	Mean	20	42	102	200	502	2,081	5,575	29,770
Number of FTEs in domestic offices	Median	20	33	104	218	386	2,226	5,493	17,950
	Mean	20	42	102	200	490	2,045	5,574	23,286
Number of FTEs working in bank's corporate insurance function*	Median	.0	.0	.0	.2	1.0	1.5	2.0	5.0
	Mean	.1	.1	.4	.6	1.3	2.1	2.1	5.0
Total annual salary expense for corporate insurance staff* (in \$ actual)	Median	—	\$7,000	\$100,000	\$92,500	\$90,000	\$120,000	\$159,123	\$275,000
	Mean	—	\$7,333	\$83,333	\$92,733	\$138,086	\$124,111	\$145,067	\$327,000
Number of brokers/agents used for corporate insurance coverage	Median	1	1	1	1	1	2	2	3
	Mean	1	1	1	1	1	2	2	4

\*Insurance sales function excluded.

The remainder of this report is divided into two sections. The Executive Summary section highlights 2008 premiums/premium adjustments and summarizes typical coverage for the following widely held policies:

- Financial Institution Bond
- Directors' and Officers' Liability
- Building and Contents
- General Liability
- Umbrella and Excess Liability
- Employment Practices Liability
- Automobile Insurance
- Bankers' Professional Liability
- Workers' Compensation

The Data Table section presents the complete survey results, including a summary table for each policy surveyed, by five asset size categories:

- Less than \$250 million in assets
- \$250 million to \$999 million
- \$1 billion to \$4.9 billion
- \$5 billion to \$19.9 billion
- \$20 billion and more

Both the median and mean statistics are presented for policy limits and annual premiums.<sup>1</sup> For the positive policy deductible amounts reported by the respondents, the minimum, median, and maximum values are reported. To facilitate peer comparisons, the following metrics are included in the analysis where appropriate:

<i>Policy Limits</i>	Coverage per \$1 million in total assets Coverage per \$1 million in discretionary trust assets Coverage for liability per owned/leased vehicle Coverage per \$1 million in total mortgage loan outstandings
<i>2008 Premiums</i>	Price per \$1 million coverage

In some tables/charts the percentages may not total to 100 percent due to rounding or multiple responses provided by the respondents.

---

<sup>1</sup> The mean values are more likely to be skewed by outliers.