



Press Release

J.D. Power and Associates Reports: A Growing Number of Shoppers Are Switching Auto Insurance Providers

The Hartford Ranks Highest in Customer Satisfaction with the Auto Insurance Shopping Experience

WESTLAKE VILLAGE, Calif.: 30 April 2012 — The auto insurance shopping rate has reached the lowest point in the past five years, with only 25 percent of insurance customers indicating they shopped for a new insurer in the past 12 months, down eight percentage points from 2011, according to the J.D. Power and Associates 2012 U.S. Insurance Shopping StudySM released today.

The study, now in its sixth year, examines consumer shopping and purchasing behaviors and [overall satisfaction among buyers](#) who recently purchased insurance across three factors (in order of importance): distribution channel; policy offerings; and price.

While only one-fourth of auto insurance customers shopped for a new policy, 43 percent of those shoppers switched providers—the highest rate since the study first began measuring retention in 2008, and an increase of 3 percentage points from 2011.

“Although fewer consumers are shopping for insurance, more current customers who do are willing to make a switch based on competitive quotes,” said Jeremy Bowler, senior director of the global insurance practice at J.D. Power and Associates. “The increase in the proportion of shoppers actually switching suggests that fewer price-checkers are gathering quotes they are less likely to act upon, perhaps a direct result of the lower typical savings derived from switching, which has decreased from an average of \$412 in 2010 to only \$359 in the past 12 months.”

Bowler notes that customer retention rates are increasing at a time when auto insurance companies are spending more money to entice customers to switch insurers. Industry-wide, advertising expenditures increased by 12 percent in 2011, compared with 2010, according to an analysis of statutory filings data for 2011 performed by Dowling and Partners, LLC.

“The industry spent \$5.7 billion on advertising and allowances in 2011, but this increased spend does not appear to have generated a commensurate increase in market churn,” said Bowler.

The study finds that 52 percent of auto insurance shoppers start their shopping process online, and 73 percent visit at least one insurer’s Web site at some point during their shopping experience. More significantly, 32 percent of customers solely obtain quotes online, and today 34 percent of all recent shoppers state they would most prefer to purchase their new policy online.

“Shoppers now expect to be able to visit an insurer’s Web site and complete their purchase in the same visit,” said Bowler. “In most cases, shoppers can compare many policies online and narrow down their search field entirely via this self-service paradigm. From that point, they can then decide if they need to speak with an agent or to continue their online purchase process.”

Insurance Shopper Customer Satisfaction Rankings

The Hartford ranks highest among auto insurers in providing a satisfying shopping experience, and receives a score of 857 (on a 1,000-point scale). The Hartford performs particularly well in policy offerings and price. Rounding out the top three highest-ranked insurers are Liberty Mutual (850) and American Family (845).

This year's report management discussion is available for download, [please click here](#). The management discussion examines the role of the Web in consumer shopping behavior, and highlights the strategic choices available to insurers as they strive to adapt their traditional sales models to better align with rapidly evolving customer preferences.

The 2012 U.S. Insurance Shopping Study is based on responses from more than 16,100 shoppers who requested an auto insurance price quote from at least one competitive insurer in the past 12 months and includes more than 50,000 unique insurer evaluations. The study was fielded from January to February 2012.

About J.D. Power and Associates

Headquartered in Westlake Village, Calif., J.D. Power and Associates is a global marketing information services company providing forecasting, performance improvement, social media and customer satisfaction insights and solutions. The company's quality and satisfaction measurements are based on responses from millions of consumers annually. For more information on car reviews and ratings, car insurance, health insurance, cell phone ratings, and more, please visit JDPower.com. J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

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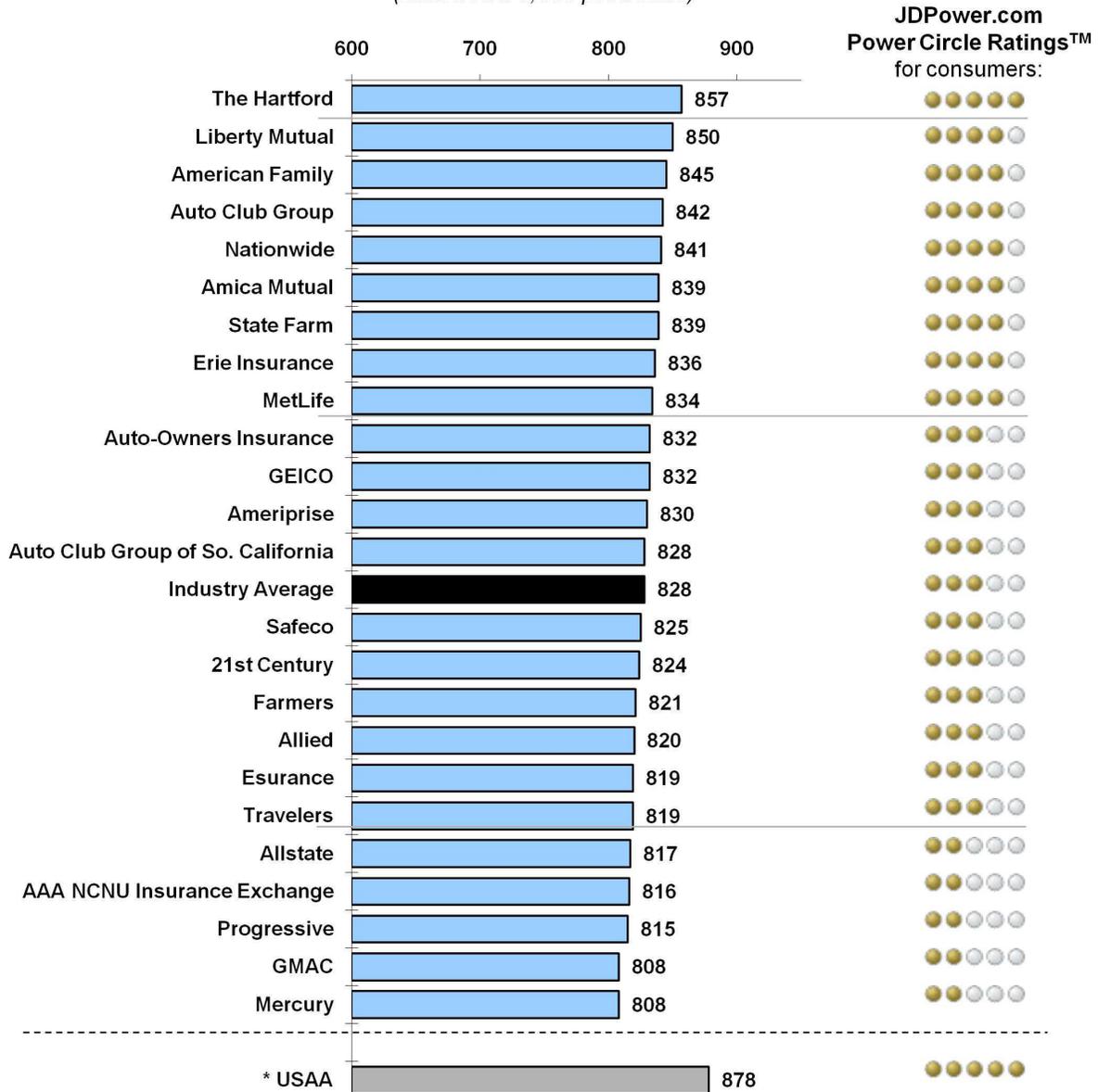
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NOTE: One chart follows.

J.D. Power and Associates 2012 U.S. Insurance Shopping StudySM

Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



*USAA is an insurance provider open only to U.S. military personnel and their families and therefore is not included in the rankings.

Source: J.D. Power and Associates 2012 U.S. Insurance Shopping StudySM

Power Circle Ratings Legend

- 5 Gold Circles: Among the best
- 4 Gold Circles: Better than most
- 3 Gold Circles: About average
- 2 Gold Circles: The rest

Charts and graphs extracted from this press release must be accompanied by a statement identifying J.D. Power and Associates as the publisher and the J.D. Power and Associates 2012 U.S. Insurance Shopping StudySM as the source. Rankings are based on numerical scores, and not necessarily on statistical significance. JDPower.com Power Circle Ratings™ are derived from consumer ratings in J.D. Power studies. For more information on Power Circle Ratings, visit jdpower.com/faqs. No advertising or other promotional use can be made of the information in this release or J.D. Power and Associates survey results without the express prior written consent of J.D. Power and Associates.