



## Press Release

### **J.D. Power and Associates Reports: Overall Satisfaction with Homeowners Insurance Companies Reaches An All-Time High Due to Policy Bundling**

#### Amica Mutual Ranks Highest in Customer Satisfaction With Homeowners Insurance for an 11th Consecutive Year

**WESTLAKE VILLAGE, Calif.: 27 September 2012** — Satisfaction improves among customers who bundle other policies with their homeowners policy, contributing to higher overall customer satisfaction with homeowner insurance companies, according to the J.D. Power and Associates 2012 U.S. National Homeowners Insurance Study<sup>SM</sup> released today.

Now in its 12th year, the study measures [customer satisfaction with homeowners insurance companies](#) by examining five factors: billing and payment; claims; interaction; policy offerings; and price.

Overall satisfaction with homeowners insurance companies averages 785 in 2012 (on a 1,000-point scale), the highest level in the history of the study, and improves by 16 points from 2011. Additionally, satisfaction improves by 19 points among customers who bundle their auto and homeowners policies with the same insurer, compared with an improvement of 10 points among customers who have their auto policy with another insurer. Satisfaction is higher in all five factors year over year, with the greatest gains in the policy offerings and billing and payment factors (+35 points and +27 points, respectively). The gains in policy offerings are more pronounced among customers who bundle their auto and homeowners policies than among those who have their auto policy with another insurer (+39 points vs. +25 points, respectively). The competitiveness of discounts and the variety of coverage options are key differentiators among those customers who bundle their insurance.

“The increase in satisfaction with policy offerings is directly related to customer perceptions that insurers are doing a better job in offering the right coverage options at competitive prices when policies are bundled,” said Jeremy Bowler, senior director of the insurance practice at J.D. Power and Associates. “Bundled policies not only may provide a reduced premium for customers, but may also be advantageous to both parties, as it allows customers to interact with a single insurer, potentially streamlining both billing and payment.”

While auto is the most typically bundled policy with homeowners, the study finds a direct relationship between bundling any additional products and higher satisfaction. Satisfaction among customers who insure only their home with their homeowners insurer is 712. However, when one additional product is bundled (typically an auto policy), satisfaction increases to 792. When four or more products are bundled with the insurer, satisfaction further increases to 861.

Not only does bundling increase satisfaction with homeowners insurance companies, but it also increases customers’ intent to renew their policy. Among customers who have homeowners insurance only, just 28 percent say they “definitely will” renew with their insurer. Among customers who bundle two policies, 46 percent say they “definitely will” renew with their insurer, and increases to 66 percent when four or more policies are bundled.

“Insurance companies have a tremendous opportunity to create loyal customers by delivering a satisfying bundling experience and deepening their penetration into the household,” said Bowler. “Once established,

customers are inclined to keep their policies bundled. Additionally, they are more likely to add more products to their policy in the future.”

For more information on how bundling different products impact satisfaction and customer loyalty, [click here to download the management discussion](#).

Amica Mutual ranks highest in satisfaction (859) for an 11th consecutive year among homeowners award-eligible insurance companies and performs particularly well in all five factors that contribute to overall customer satisfaction. Following Amica Mutual in the rankings are ACSC (AAA) (824) and Erie Insurance (822), respectively. USAA, an insurance provider open only to U.S. military personnel and their families and therefore not included in the rankings, also achieves a high level of customer satisfaction.

J.D. Power and Associates offers the following tips to homeowners insurance customers:

- **Seek an annual policy review.** Changes in the value of your home and personal possessions may have an impact on your homeowners insurance policy. A good agent will offer to review your policy annually to ensure that it covers the current estimated cost to rebuild your home. If you have remodeled, purchased expensive jewelry or artwork, or live in an area where home construction costs have risen, your current policy may no longer provide adequate coverage.
- **Consider bundling multiple policies to save money.** Most insurance companies that sell insurance products other than homeowners insurance will offer discounts for buying more than one policy. For example, if your auto insurance company also sells homeowners insurance, you may get a discount of up to 15% for buying both products from the same insurer.
- **Research company performance when considering a new insurer.** Research the financial strength and customer service performance of insurers through independent third-party sources, such as state insurance departments, A.M. Best, Standard & Poor's, and Power Circle Ratings™ at JDPower.com. In addition, ask your family, friends and neighbors for insurance companies they can recommend.
- **Do your homework when shopping for insurance.** Obtain quotes from different insurers, and make sure you compare coverage on an apples-to-apples basis so you are able to determine whether a lower price represents less coverage. Also, understand what is included in your policy. While all homeowners insurance policies include coverage for fire, theft or vandalism, among other perils, coverage for some natural disasters, such as floods and earthquakes, may not be included in the regular policy.

The 2012 U.S. National Homeowners Insurance Study is based on responses from more than 12,600 homeowners insurance customers. The study was fielded between May and June 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 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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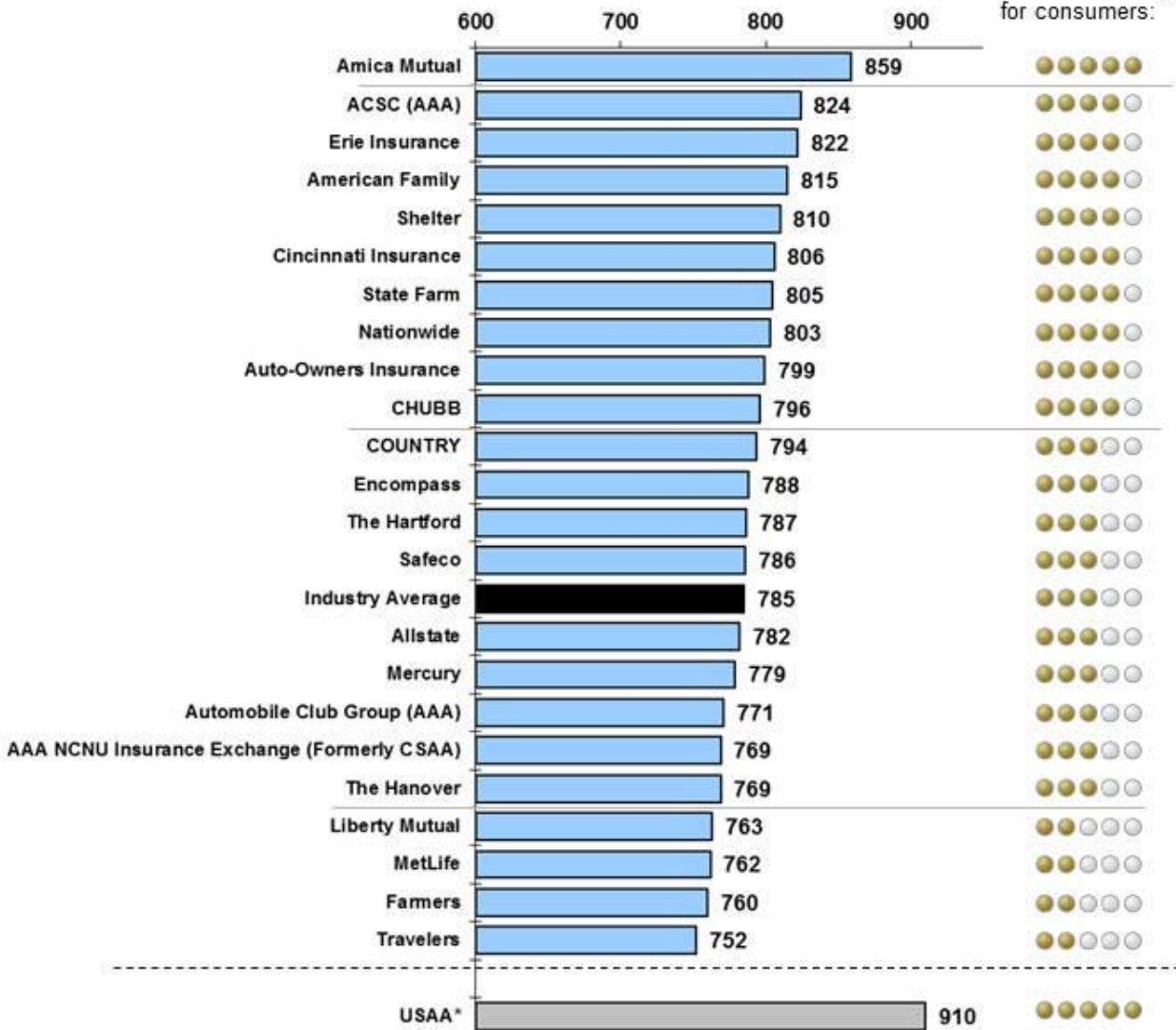
NOTE: One chart follows.

# J.D. Power and Associates 2012 U.S. National Homeowners Insurance Study<sup>SM</sup>

## Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)

JDPower.com  
Power Circle Ratings<sup>TM</sup>  
for consumers:



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

Included in the study but not award-eligible due to market share criteria and/or localized availability are: GEICO, North Carolina Farm Bureau, Progressive and Tennessee Farm Bureau.

Included in the study but not ranked due to not meeting minimum sample requirements are Alfa Insurance, American National Property & Casualty and Fireman's Fund.

Source: J.D. Power and Associates 2012 U.S. National Homeowners Insurance Study<sup>SM</sup>

### Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- 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. National Homeowners Insurance Study<sup>SM</sup> as the source. Rankings are based on numerical scores, and not necessarily on statistical significance. JDPower.com Power Circle Ratings<sup>TM</sup> are derived from consumer ratings in J.D. Power studies. For more information on Power Circle Ratings, visit [jdpower.com/faqs](http://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.