

J.D. Power Reports: Auto Insurance Claims Make or Break the Customer Relationship with Their Insurance Provider

RBC Insurance Ranks Highest in Auto Insurance Claims Satisfaction in Canada

TORONTO: 29 July 2013 — How well auto insurance providers handle claims may make or break the relationship with their customers, according to the J.D. Power 2013 Canadian Auto Claims Satisfaction StudySM released today.

The inaugural study measures customer satisfaction with the claims experience for auto physical damage loss. Depending on the complexity of the claim, a claimant may experience some or all of the following factors that are measured in the study: first notice of loss; service interaction; appraisal; repair process; rental experience; and settlement. Settlement is the most important factor of overall satisfaction among both total loss and repair claimants.

Although settlement is the most important factor, the first notice of loss (FNOL)—the first phone call a customer makes to their insurance provider after they have been in a vehicle accident or experienced damage to their car—sets the tone for the rest of the claims process. The first phone call averages 18 minutes, according to the study.

“The first call to notify the provider of the damage is critical to customer satisfaction with the entire claims process,” said Jeremy Bowler, senior director of the insurance practice at J.D. Power. “If that initial call goes well, odds are good that the claims process will go well and also bodes well for the long-term relationship with the customer.”

Bowler notes that anyone involved in an accident or who experiences damage to their vehicle should contact their insurer or agent as soon as possible after the incident, even if the damage is not their fault. Before calling their provider, it’s a good idea to write down any questions regarding the claim and keep notes on the answers received.

The study finds that claimants who receive an explanation during the first call with their provider of what to expect during the claims process are significantly more satisfied than are claimants who do not receive this explanation. While a majority (87%) of claimants receive an explanation, overall satisfaction declines by a substantial 169 index points, on average, when claimants don’t receive an explanation of the process.

Additionally, overall satisfaction is higher when insurers are able to answer all claimant questions during the first call than when they are not able to answer all questions. Satisfaction among claimants who have all of their questions answered during the first call averages 810, compared with an average of 651 among claimants who do not get all of their questions answered during this call.

KEY FINDINGS

- Overall customer satisfaction with the auto claims experience averages 787 (on a 1,000-point scale).
- Satisfaction varies greatly by province, ranging from a high of 840 in Quebec to a low of 753 in Manitoba.
- The study finds that 90 percent of customers are satisfied with the settlement of their auto insurance claim.

“Filing a claim can be a stressful situation, so it’s easy to forget to ask key questions or get confused about the information the insurer provides during the call,” said Bowler. “Keeping good records of all calls regarding the incident is helpful for reference later in the claims process, if necessary. It is also advisable for claimants to take pictures of the vehicle damage for their records.”

The settlement process focuses on identifying the expenses the insurance company will cover, including damage to the vehicle, the facility where repairs will be made, and, if needed, a tow truck and rental car. Managing claimants’ expectations regarding the settlement—and avoiding surprises—is critical to a satisfying settlement experience. The study finds that, overall, 90 percent of claimants are satisfied with the settlement—which is the largest contributor to overall satisfaction with the claims process. However, when expectations are not met, settlement satisfaction declines dramatically, by more than 250 index points, on average.

“Communication between the provider and the claimant is critical during the settlement phase,” said Bowler. “The claimant wants to know what is and isn’t covered by their policy, the extent of the damage to the vehicle, and how and when it will be repaired or replaced. It’s really about setting claimants’ expectations and then meeting them.”

While claimants are most satisfied with the repair process, which averages 805 index points, satisfaction with the appraisal process—when the vehicle’s damages are assessed by a representative of the insurer — is lower than for any other factor in the study.

“Insurance is a product people buy because they have to, but hope they never need to use,” said Bowler. “They really see the value of their investment if they need to file a claim. If the appraisal of damages comes in lower than what they expect, they are naturally going to be disappointed.”

Regional Findings

Overall customer satisfaction with the auto claims experience in among Canadian provinces included in the study averages 787. Satisfaction varies greatly by province, ranging from a high of 840 in Quebec to a low of 753 in Manitoba. Among other provinces, Ontario averages 800; Alberta 770; British Columbia 767; and Saskatchewan 760.

Provider Results

Among the eight rank-eligible insurance providers included in the study, RBC Insurance ranks highest in overall customer satisfaction with the claims process with an index score of 815. RBC Insurance performs particularly well in the first notice of loss and settlement factors.

Intact Insurance ranks second with 806, followed by Aviva Insurance (803), State Farm (802) and TD Insurance (796).

Making the Auto Insurance Claims Process Smoother and Easier

J.D. Power offers the following tips to auto insurance customers when filing a claim:

- Call the police for any auto accident that results in more than minor damage to the vehicle (more than \$500 is a suggested amount).
- Take down the names and addresses of individuals involved; the accident location; the make, model and plate number of the vehicle(s); names and contact information of any witnesses; and make note of any injuries sustained.

- Ask the police to file an accident report, or at least an incident report, so that there is a record to provide to your insurance company.
- Always get a copy of the police report if you are involved in a multiple-vehicle accident.
- Contact your insurer or agent as soon as possible after the incident, even if the other party is at fault. This will allow your insurer to be better able to protect your interests.
- If possible, contact your insurer or agent from the location where the incident occurred.
- Take photos of damage to your vehicle using a device such as a cell phone or tablet or a regular camera.
- Keep records of all calls regarding the incident.
- If you have questions about the insurance adjustor's appraisal, contact your insurer or agent directly.

The 2013 Canadian Auto Claims Satisfaction Study is based on responses from 2,458 auto insurance customers in Canada who settled an auto insurance claim within the past 18 months. The study excludes claimants whose vehicle incurred only glass/windshield damage or was stolen, or who filed a roadside assistance claim only. The study was fielded between April and June 2013.

About J.D. Power

J.D. Power 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. Headquartered in Westlake Village, Calif., J.D. Power has offices in North America, Europe and Asia Pacific. For more information on [car reviews and ratings](#), [car insurance](#), [health insurance](#), [cell phone ratings](#), and more, please visit JDPower.com. J.D. Power is a business unit of McGraw Hill Financial.

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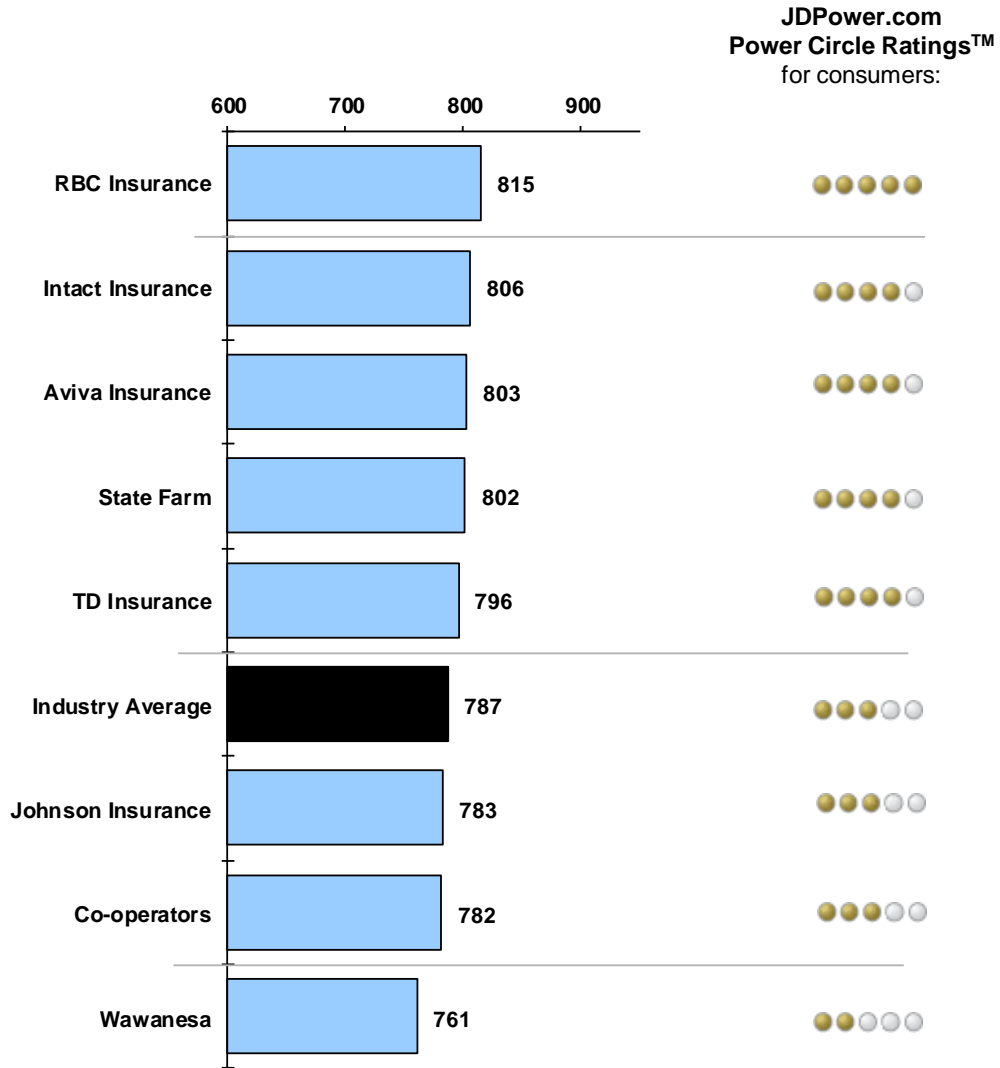
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Note: One chart follows.

J.D. Power and Associates 2013 Canadian Auto Claims Satisfaction StudySM

Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



*Included in the study but not ranked due to small sample are: Allstate; Belairdirect; Desjardins General Insurance; Dominion of Canada; Economical Insurance; The Personal; and RSA.

^Included in the study but not ranked because they are government-owned and/or regional insurance providers are: BCAA; Canadian Direct; ICBC; MPI; and SGI.

Source: J.D. Power 2013 Canadian Auto Claims Satisfaction StudySM

Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

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