



Press Release

J.D. Power and Associates Reports: Auto Insurance Claims Satisfaction Declines as Out-of-Pocket Expenses Increase

Appraisal and Settlement Times Are Taking Longer

WESTLAKE VILLAGE, Calif.: 18 April 2013 — Satisfaction with the auto claims experience declines in early 2013, as claimants indicate paying more to have their vehicle repaired, according to the J.D. Power and Associates 2013 Auto Claims Satisfaction StudySM—Wave 2 released today.

Overall customer satisfaction has declined by 11 points to 850 on a 1,000-point scale, compared with Wave 1. Additionally, out-of-pocket expenses, such as the deductible and vehicle rental, have increased to an average of \$499, up from \$469 in Wave 1 of the study.

“There is a seasonal trend in claimant satisfaction, which declines significantly during the winter months,” said Jeremy Bowler, senior director of the insurance practice at J.D. Power and Associates. “When consumers have an accident and need to repair their vehicle around the holidays, it’s an inconvenience, and road conditions tend to batch accidents, causing volume peaks for the repair industry. Furthermore, for those claimants who incur personal out-of-pocket expenses, having to dip into their holiday savings to pay for repairs is frustrating.”

The study also finds that appraisal and settlement times are taking longer. On average, claimants wait 3.3 days for an insurance appraisal, up from 2.9 days in Wave 1, while settlements take an average of 6.6 days, up from 5.8 days in Wave 1. Settlement payments are also taking longer, averaging 14.9 days in Wave 2, compared with 13.9 days in Wave 1.

Claimants who use a body shop in their insurance company’s dedicated repair network get their vehicle back 1.3 days faster, on average, than those who use an out-of-network shop (8.6 days vs. 9.9 days, respectively). Further, claimants who have their vehicle repaired at a dealership wait an average of 11.9 days, compared with 11.0 days for those who have repairs at an independent or chain shop.

“While using a shop that’s in the insurer’s network may limit where claimants can take their vehicle for repairs, it generally speeds up the repair process,” said Bowler. “The insurance companies may have priority at their network shops, where individual claimants may find themselves at the back of the line at an independent shop.”

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

- In the event of a multiple-vehicle accident, always get a copy of the police report. Call 911 only if someone has been seriously injured, but do call the police for any incident that results in more than minor damage to a vehicle. Ask the police to file an accident report or at least an incident report, so you’ll have something to show your insurance company.

KEY FINDINGS

- Overall satisfaction with the auto insurance claims process dips to 850 in Wave 2 from 861 in Wave 1.
- Claimants pay an average of \$499 out of pocket for repairs, compared with \$469 in 2012.
- Vehicles repaired at a body shop in an insurer’s dedicated repair network are repaired more than one day faster than those repaired at an out-of-network shop

- Contact your insurer as soon as possible after the damage has been incurred. Some insurers have operators available around the clock, so, if possible, call from the location where the damage occurred. In any event, report the incident within 24 hours of occurring. Even when the other party is at fault, notify your insurer first, who will be more likely to look after your interests than the other party's insurer will.
- Write down the details of the incident as accurately as you can as soon as possible. The more accurate your report of what happened, and the more consistent you are in repeating it, the better. Keep records of all calls you make and receive regarding the incident. Take photos of the damage to your vehicle.
- If you believe your adjuster is not treating you fairly, or if you have other problems, contact your agent directly, as it will be in the agent's best interest to make sure that you're well taken care of.

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

The 2013 U.S. Auto Claims Satisfaction Study—Wave 2 is based on 2,878 responses from auto insurance customers who settled a claim within the past 6 months. The study excludes claimants whose vehicle only incurred glass/windshield damage or was stolen, or who only filed roadside assistance claims. Wave 2 of the study was fielded between November and December 2012.

About J.D. Power and Associates

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J.D. Power and Associates Media Relations Contacts:

Jeff Perlman; Brandware Public Relations; Woodland Hills, Calif.; (818) 598-1115; jperlman@brandwarepr.com
John Tews; Troy, Mich.; (248) 312-4119; media.relations@jdpa.com

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