



## Press Release

### **J.D. Power and Associates Reports: Fewer Customers Are Shopping Auto Insurance; However, Nearly One-Half of Those Who Do Shop Switch Insurers**

#### Erie Insurance Ranks Highest in Customer Satisfaction with the Auto Insurance Purchase Experience

**WESTLAKE VILLAGE, Calif.: 29 April 2013** — While the percentage of auto insurance shoppers has reached a six-year low, the percentage of those shoppers who select a new insurer is at a six-year high, according to the J.D. Power and Associates 2013 U.S. Insurance Shopping Study<sup>SM</sup> released today.

The study, now in its seventh year, examines insurance shopping and purchase behavior and overall satisfaction among customers who recently purchased insurance across three factors (in order of importance): price, distribution channel, and policy offerings.

Among the 23 percent of customers who shopped auto insurance in the past 12 months, 45 percent ultimately switched insurers—the highest rate since the study first began measuring insurance customer retention in 2008. By comparison, the proportion of insurance customers who shop has decreased from a high of 33 percent in 2011, while the switching rate among shoppers has steadily increased from a low of 33 percent in 2010.

The decrease in shopping behavior comes at a time when overall customer satisfaction with auto insurance companies has improved to an all-time high of 804 (on a 1,000-point scale) in 2012.<sup>1</sup> Overall new-buyer satisfaction with the auto insurance shopping experience averages 828 for the third consecutive year, following a three-year decrease from 858 in 2008.

“Unlike many other industries we measure, policy retention rates for personal auto insurance in the U.S. market average 90 percent,” said Jeremy Bowler, senior director of the global insurance practice at J.D. Power and Associates. “With customer satisfaction generally high and climbing, this industry has witnessed fewer customers shopping, but those who are shopping are serious about switching insurers.”

Insurance shoppers are very cost-sensitive, and their satisfaction is less influenced by how they purchase their policy—from a local agent, a call center or online—placing more importance on price in their purchase experience when selecting a new insurer.

“Insurance companies need to be creative in order to differentiate themselves in this very competitive market,” said Bowler. “Providing customers the freedom to choose their preferred contact channel, providing and clearly communicating discount options and a variety of coverage options are just a few ways insurers can appeal to shoppers.”

<sup>1</sup> Source: J.D. Power and Associates 2012 U.S. Auto Insurance Study<sup>SM</sup>

#### **KEY FINDINGS**

- Overall customer satisfaction with the auto insurance purchase experience averages 828 for the third consecutive year.
- 23 percent of auto insurance customers shopped for a new insurer in the past 12 months.
- Insurer websites are becoming increasingly important in the new-buyer purchase experience, accounting for 24 percent of the purchase experience.

The study finds that the importance of the insurer website in the new-buyer purchase experience has increased to 24 percent in 2013, up from 22 percent in 2012. The call center representative is less influential among customers selecting a new insurer in 2013 (20%), compared with 2012 (22%), while the local agent remains as influential as in previous years.

“As more shoppers are buying their insurance online, it’s vital that insurance companies provide a high-quality and effective Web experience, whether customers are accessing the site on a desktop computer, a tablet or a smartphone,” said Bowler. “Customers want a site that’s easy to navigate, allows them to get a quote and even complete the purchase without having to speak with an agent or call center representative. If they’re not able to get that from one insurer’s website, they will quickly move to the next insurer’s site.”

### **Insurance Customer Satisfaction Rankings**

Erie Insurance ranks highest among auto insurers in providing a satisfying purchase experience with a score of 854. Erie Insurance performs particularly well in all three factors. Rounding out the five highest-ranked insurers are Ameriprise (846); Amica Mutual and Liberty Mutual in a tie (845 each); and State Farm (843).

The 2013 U.S. Insurance Shopping Study is based on responses from more than 16,900 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 in January 2013.

### **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](http://JDPower.com). J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

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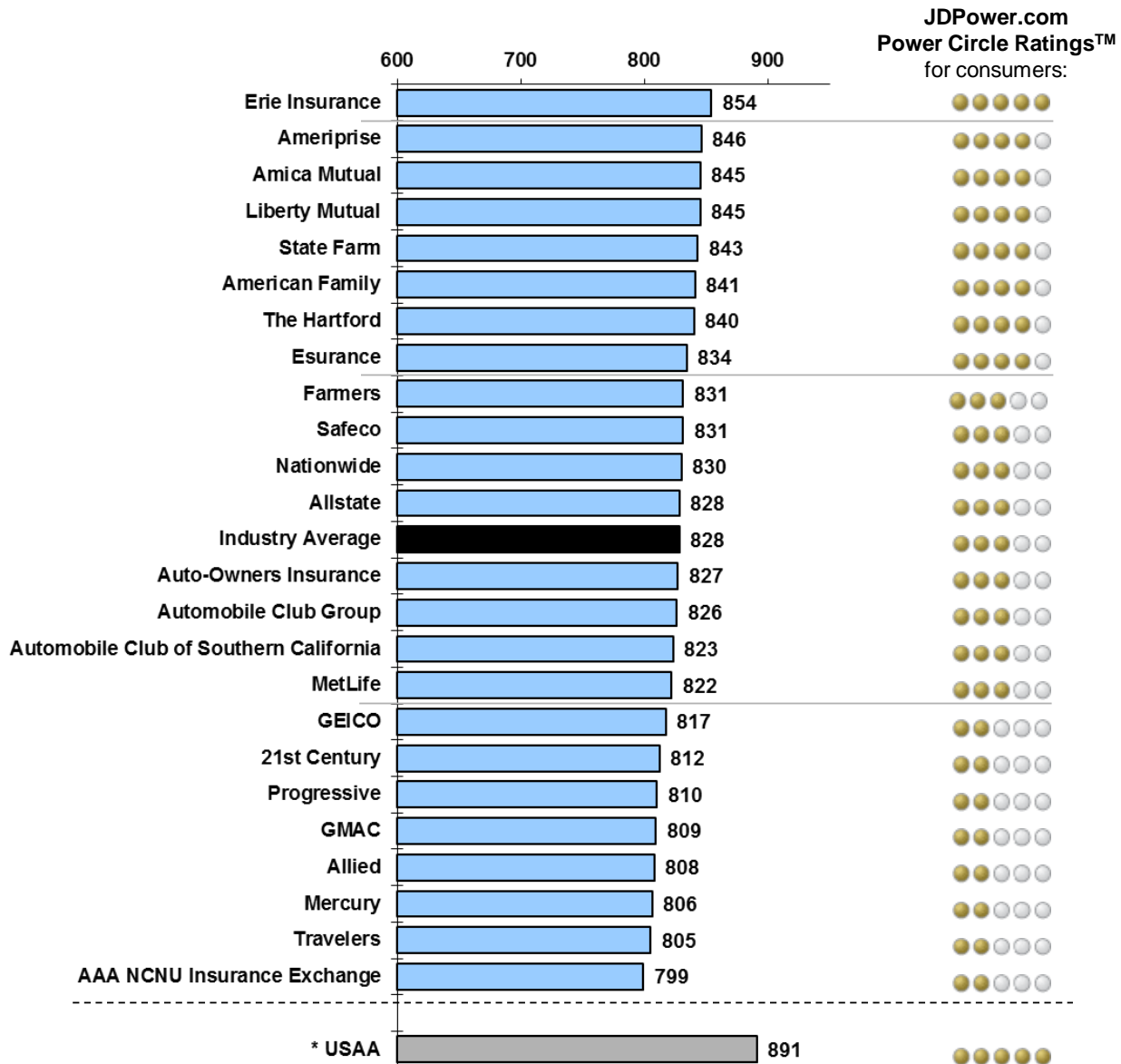
(Page 2 of 2)

NOTE: One chart follows.

# J.D. Power and Associates 2013 U.S. Insurance Shopping Study<sup>SM</sup>

## 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 2013 U.S. Insurance Shopping Study<sup>SM</sup>

**Power Circle Ratings Legend**

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

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