



## Press Release

### **J.D. Power and Associates Reports: Overall Customer Satisfaction with Homeowners Insurance Claims Experience Increases, Despite Record Number of Storm Losses**

#### Amica Mutual Ranks Highest in Overall Satisfaction among Property Insurance Claimants

**WESTLAKE VILLAGE, Calif.: 2 April 2012** — Despite a record number of catastrophic storms and some of the largest payouts ever in the U.S. property insurance industry in 2011, overall customer satisfaction with the property claims experience has significantly increased from last year, according to the J.D. Power and Associates 2012 U.S. Property Claims Satisfaction Study<sup>SM</sup> released today.

The study, now in its fifth year, measures satisfaction with the property claims experience among insurance customers who filed a claim for damages covered under their homeowners policy by examining five factors: claim settlement; first notice of loss; estimation process; service interaction; and repair process.

After four years of relatively stable customer satisfaction with the insurance claims experience, overall satisfaction in 2012 improves to 833 on a 1,000-point scale, an increase of 10 points from 2011. This increase is noteworthy, as the claims experiences measured in the 2012 study are based on claims filed during 2011, when there were 99 weather-related disasters in the country, 14 of which totaled more than \$1 billion in damages each, according to the Insurance Information Institute.

“A period of tremendous volatility in the industry, caused by a large number of devastating storms, led us to anticipate that satisfaction would decline, but that clearly was not the case,” said Jeremy Bowler, senior director of the insurance practice at J.D. Power and Associates. “The industry as a whole did well in not only handling the day-to-day claims, but also the large volume of claims associated with those major events.”

According to the study, high wind claims, which include tornado and hurricane damage, accounted for 33 percent of all claims filed, an increase from 21 percent in the 2011 study. Yet, among those who filed a claim for high wind damage, satisfaction remained stable relatively unchanged with the 2011 study.

However, when examining the claims experience by region, there are mixed results in overall satisfaction in those regions with large increases in particular weather events. For example, satisfaction in the South Atlantic and Northeast regions, both of which had increases in high wind claims due to hurricanes in 2011, improved 36 points and 18 points, respectively, compared with the 2011 study. In contrast, overall satisfaction in the East North Central Region, which also had an increase in high wind claims due to tornado damage, satisfaction has declined by 14 points from 2011. In addition, an increase in hail-related claims in the West South Central has resulted in an eight-point drop in satisfaction year over year.

“The way in which carriers ramp up for a major natural catastrophe can have a major impact on customer satisfaction,” Bowler said. “Having a plan in place to handle the increased volume of claims helps carriers, but so does having time to prepare for an oncoming storm. There usually is some advance warning for a hurricane, so carriers have a few days to prepare and be proactive with their customers. However, since there is little warning for tornado or hail storms, carriers are forced to react in trying to manage claims associated with this type of storm damage.”

The study finds that a positive claims experience fosters significantly higher long-term loyalty among claimants, while a negative claims experience may cause claimants to be more likely to switch insurers. Among highly satisfied claimants (satisfaction scores of 901 or higher), 84 percent say they “definitely will” recommend their insurer, and 81 percent say they “definitely will” renew with their insurer. Conversely, among claimants with low satisfaction (scores of 550 or lower), only 12 percent say they “definitely will” renew with the carrier that handled the claim, and 18 percent indicate that they have already switched carriers.

Amica Mutual ranks highest in overall satisfaction with the homeowners insurance claims experience, achieving a score of 894. Amica Mutual also performs particularly well in all five factors. Auto-Owners Insurance follows in the rankings with a score of 873, performing particularly well in service interaction, while Nationwide ranks third with 872. USAA also achieves high levels of customer satisfaction, although it is not included in the rankings due to the closed nature of its membership.<sup>1</sup>

Bowler offers the following tips for homeowners insurance customers:

- Read and make sure you understand your homeowners insurance policy and make sure the coverage limits are adequate to cover the replacement value of your home and its contents.
- Big-ticket items, such as valuable art work, expensive jewelry or collectables, should be declared on your policy. Often, insurers will require an independent appraisal to verify valuations.
- Maintain an inventory of the contents of your home—at least the 10 most expensive items—and store it in a safe place. Some insurance carriers offer apps to help with this process.
- Take pictures or videos of the damage.
- Try to be at your home when the adjuster arrives to assess the damage.
- Ask your insurance carrier to explain how the claims and repair process will work, and how long it is expected to take.

The [management discussion](#) based on the study, available for download [here](#), provides an in-depth examination of homeowners insurance claims and the claims process.

The 2012 Property Claims Satisfaction Study is based on more than 4,200 responses from homeowners insurance customers who filed a property claim between May 2010 and January 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](http://JDPower.com). J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

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<sup>1</sup> USAA is an insurance provider open only to U.S. military personnel and their families and therefore is not included in the rankings.

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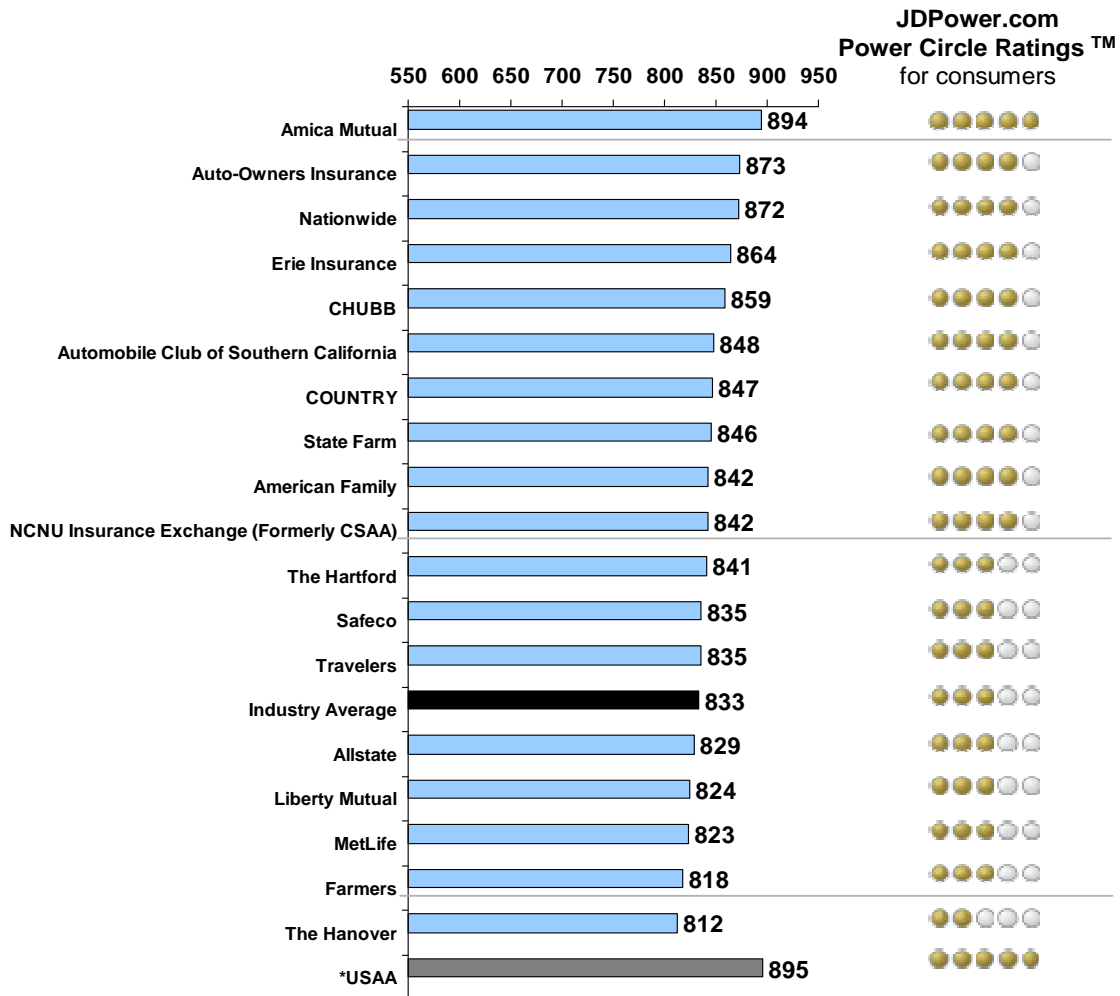
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NOTE: One chart follows.

# J.D. Power and Associates 2012 U.S. Property Claims Customer Satisfaction 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.

Included in the study but not ranked due to small sample size: Foremost.

Source: J.D. Power and Associates 2012 U.S. Property Claims Satisfaction 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. Property Claims Satisfaction 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.