



Press Release

J.D. Power and Associates Reports: Auto Insurance Claims Satisfaction Rebounds after Declining Significantly In the First Quarter of 2012

WESTLAKE VILLAGE, Calif.: 17 July 2012 — Customer satisfaction with the auto claims experience has returned to levels similar to those in the second half of 2011, after a notable decrease in the first quarter of 2012, according to the J.D. Power and Associates 2012 U.S. Auto Claims Satisfaction StudySM—Wave 3 released today.

The study measures customer satisfaction with the claims experience for auto physical damage loss. Depending on the complexity of the claim, an individual may experience some or all of the following, which are measured in the study: first notice of loss; claim service interaction; damage appraisal; repair process; rental experience; and settlement.

Overall customer satisfaction has increased by 10 points (on a 1,000-point scale) to 852 from the first quarter of 2012. Satisfaction with settlement, the largest driver of increased satisfaction, is one of the most improved among the six factors, with a 12-point increase from the first quarter of 2012. Satisfaction in all factors has increased in the second quarter, compared with the first quarter.

The study finds the amount paid out-of-pocket (the amount of money paid over and above the deductible) decreases by \$36 to an average of \$218 in the second quarter of 2012, compared with the first quarter. Among the 21 percent of claimants who had an out-of-pocket expense, the percentage that spent more than \$300 has decreased to 22 percent, compared with 25 percent in the first quarter. Settlement satisfaction falls significantly among claimants paying in excess of \$300 above and beyond their deductible, with satisfaction 89 index points lower than among those who pay only their insurance deductible.

“The amount spent out-of-pocket most definitely affects the perception of fairness of a settlement, further influencing satisfaction with the overall auto claims process,” said Jeremy Bowler, senior director of the insurance practice at J.D. Power and Associates. “Additionally, the settlement factor is influenced highly by the clarity and thoroughness of the settlement explanation given to the customer by the insurance company. If the customer understands the process and what they are paying for, they tend to have higher satisfaction with their experience.”

After increasing steadily for two consecutive quarters, the average claim duration for a repairable vehicle (from reporting the claim to the vehicle being returned to the customer, is now 13.7 days, a slight improvement from 14 days in the first quarter of 2012. Most of this improvement is due to customers taking their vehicle to the repair facility quicker. In the first quarter findings, claim duration had increased due to customers waiting nearly one day longer, on average, to take their vehicle in for repair, perhaps influenced by the holiday season. This increase is reduced by nearly one-half day in the second quarter and may have influenced the improved performance of insurers in managing expectations for the length of the claims process. Satisfaction with the repair process has rebounded from the first quarter by 10 points.

“While average damage severity and, hence, the repair time is relatively unchanged from last quarter, we are seeing an increase in satisfaction,” said Bowler. “This increase may be due to the perception that the claims

process is moving faster. From the time a person notifies their insurer of the accident or loss, on average, vehicles were getting to the repair facility half a day faster, expediting appraisals such that settlement explanations also occurred an average of half a day sooner—both key metrics for delivering a satisfying claims experience.”

The 2012 U.S. Auto Claims Satisfaction Study—Wave 3 is based on responses from more than 2,600 auto insurance customers who filed 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. Survey data for Wave 3 of the study was gathered between April and May 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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