



Press Release

J.D. Power and Associates Reports: Despite Consumers Paying More, Satisfaction with Fairness in the Settlement Drives Increase in Overall Satisfaction with Auto Insurance Claims

WESTLAKE VILLAGE, Calif.: 29 October 2012 — Claimant satisfaction with their auto claims experience has increased from last year, driven primarily by an improvement in their perceptions of the fairness of settlement terms, according to the J.D. Power and Associates 2012 U.S. Auto Claims Satisfaction StudySM released today.

The study measures claimant 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 measured in the study: first notice of loss; service interaction; appraisal; repair process; rental experience; and settlement.

For a fifth consecutive year, Auto-Owners Insurance ranks highest in overall satisfaction with a score of 887 (on a 1,000-point scale). Following Auto-Owners Insurance are Amica Mutual and Erie Insurance in a tie (876) and Automobile Club of Southern California (AAA) and COUNTRY in a tie (874).

Overall claimant satisfaction has increased significantly to 852 index points, a 6-point improvement from 2011. Satisfaction has increased in five of the six factors year over year, with settlement, the most important factor contributing to overall satisfaction, increasing by nine points to 846. Settlement satisfaction has increased by 16 points among claimants with a total loss. The average total loss settlement has increased by nearly \$690, compared with 2011, driven by increasing used-vehicle values throughout much of 2012.

“As used vehicle sale prices increase, the value of the loss settlement also increases,” said Jeremy Bowler, senior director of the insurance practice at J.D. Power and Associates. “According to our Power Information Network, a database of vehicle sales transactions, used-vehicle sales prices peaked in May and June of this year, averaging nearly \$18,500, compared with approximately \$17,700 in January of this year.”

Satisfaction with settlement has improved overall despite claimants spending more of their own money—the average out-of-pocket costs incurred have increased by \$26 from 2011, to \$403. Out-of-pocket costs include claimants’ deductible and any additional expenses incurred, such as rental car or repair costs. Settlement satisfaction relies heavily on claimants’ perceptions of the fairness of the settlement. In the 2012 study, this is an indication that insurers are managing claimants’ expectations more effectively, as satisfaction has increased despite the increase in costs incurred by claimants.

“Providing exceptional customer service is an important element in driving the perception of being treated fairly,” said Bowler “Claimants’ perception of fairness is more than just the amount of the settlement, especially for repairable vehicles, where claimants are more focused on their vehicle being returned in its pre-accident condition. Focusing on keeping claimants updated and quickly communicating what will be covered in the claim also have a major impact on their perceptions of how fairly they are treated.”

One area in which insurers improve the most this year is increasingly offering more options to keep claimants informed of the progress of their claim, with 64 percent of claimants indicating having been offered options,

compared with 61 percent in 2011. Failing to adequately explain and update claimants may lead to their questioning the settlement offer and potentially increasing the rate of negotiations, which negatively impact overall satisfaction.

The management discussion based on the study, [available for download here](#), provides an in-depth examination of how fairness impacts overall satisfaction with the automotive insurance claims process.

Automotive Insurance Claims Rankings

The 2012 U.S. Auto Claims Satisfaction Study is based on responses from more than 12,508 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. Survey data was collected between November 2011 and September 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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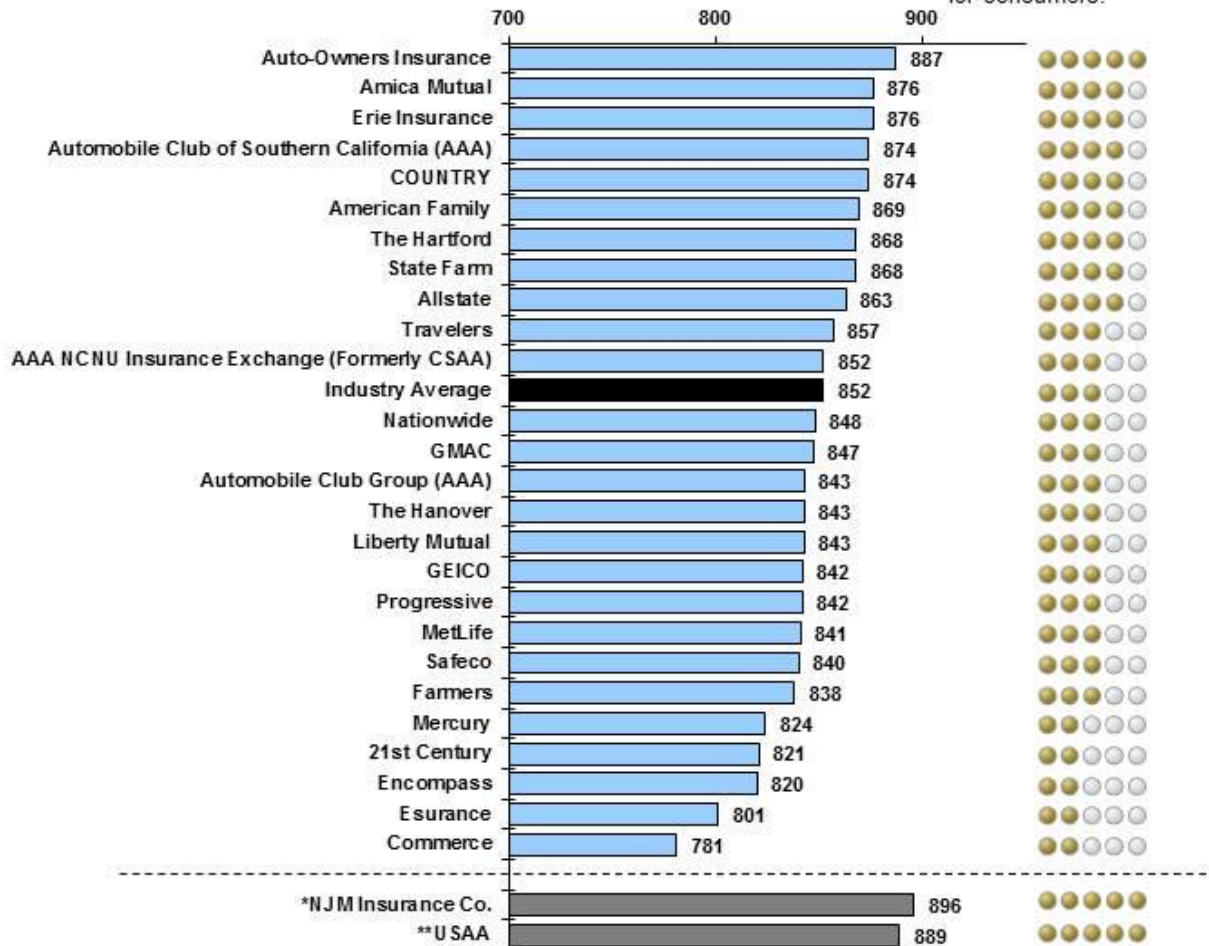
(Page 2 of 2)

J.D. Power and Associates 2012 U.S. Auto Claims Satisfaction StudySM

Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)

JDPower.com
Power Circle RatingsTM
for consumers:



*New Jersey Manufacturers Insurance Co. is an insurance provider open only to New Jersey Business & Industry Association members, State of New Jersey employees, NJM's previously insured drivers, and/or previous auto/homeowner policyholders and therefore is not included in the rankings.

**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 is Infinity P&C.

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

Power Circle Ratings Legend

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

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