



## Press Release

### **J.D. Power and Associates Reports: Overall Customer Satisfaction with Property Claims Experience Remains High, Despite A Second Consecutive Year of Historic Number of Settlements**

Amica Mutual Ranks Highest in Overall Satisfaction  
Among Homeowners Insurance Claimants for Second Consecutive Year

**WESTLAKE VILLAGE, Calif.: 1 April 2013** — Following two of the worst years of natural catastrophic event property claim settlements in the history in the United States, overall customer satisfaction with the property claims experience remains high, according to the J.D. Power and Associates 2013 Property Claims Satisfaction Study<sup>SM</sup> released today.

The study, now in its sixth 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: settlement; first notice of loss; estimation process; service interaction; and repair process.

Following 2011 and 2012, when insurance companies faced historic levels of catastrophic event claims settlements, customer satisfaction remains high and stable. Overall satisfaction in the 2013 study is 832 (on a 1,000-point scale), decreasing by one point year over year, but significantly increasing from 823 in 2011 and 818 in 2010.

In the 2013 study, among the approximately 8 percent of homeowners in the United States who filed a property claim, the average settlement amount is \$8,517, up from \$7,937 in 2012. While the amount of the settlement to cover contents increases by nearly \$250 year over year, the amount to cover the cost of repairs increases to \$7,844 in 2013 from \$7,151 in 2012. The average out-of-pocket expenses paid by homeowners nearly doubles to \$3,888 in 2013 from \$1,945 in 2012.

The most frequent reasons for filing a claim are tornado/hurricane (33%); hail (22%); and water damage not caused by weather (14%).

“Despite increases in both the frequency and average severity of property damage in the U.S. during the past two years, the fact that customer satisfaction remains high is a testament to how diligently the personal insurance industry has responded to its customers,” said Jeremy Bowler, senior director of the insurance practice at J.D. Power and Associates.

While overall satisfaction remains relatively stable year over year, satisfaction with the service interaction process declines by nine points in 2013, compared with 2012. Much of that drop in satisfaction likely is due to the continuing trend of homeowners filing their claim via direct channels—typically online or by calling a call center—rather than through an agent.

#### **Key Findings**

- Overall customer satisfaction with the insurance claims experience remains high and stable year over year
- The percentage of customers filing through direct channels continues to increase
- Satisfaction among claimants who file through an agent is 50 points higher than those who file a claim directly

The study finds that 68 percent of customers file their recent homeowners claim through direct channels, a significant increase from 57 percent in 2012. Satisfaction is 50 points higher among customers who file a claim through their agent, than among those who file a claim through direct channels.

“For the industry average, the call center experience fails to deliver the same level of service as an agent,” said Bowler. “Especially during times of hardship when someone’s house has been destroyed or their valuable possessions have been lost, it’s difficult for a call center representative to replicate the personal relationship customers get with an agent. However, a select few direct insurance companies buck this trend, achieving call center service scores that compete favorably with the best agency writers.”

Among customers surveyed for the 2013 study, 72 percent who filed with an agent say their agent helped put them at ease, while just 56 percent who filed direct say their call center representative did the same.

“The industry is definitely shifting toward direct channels,” said Bowler. “As that shift continues, the key for insurance companies is to ensure their call center representatives are fully trained to provide the claims experience their customers have come to expect. High customer satisfaction can be achieved through call centers, because some of the insurance companies that have the highest overall satisfaction in the study are direct providers, including Amica Mutual, this year’s highest-ranked insurer.”

### **Highest-Ranked Insurance Companies**

Amica Mutual ranks highest in overall satisfaction with the homeowners insurance claims experience for the second consecutive year, achieving a score of 907. Amica Mutual also performs particularly well in all five factors. CHUBB follows in the rankings with a score of 902, also performing particularly well across all five factors, while Encompass ranks third with a score of 867. USAA also achieves high levels of customer satisfaction, although it is not included in the rankings due to the closed nature of its membership.

J.D. Power and Associates offers the following tips for homeowners insurance customers:

- Be sure your homeowners policy provides sufficient coverage for your property. Consider not just the replacement value of your home, but of its contents, including jewelry, art, collectibles, electronics and other expensive items.
- Have your valuables appraised, photographed and declared on your policy. Keep a record of what you have done to protect them from theft or damage. This could include a home security system, storage in a safe, or secure storage off-premises.
- Keep an inventory of your personal property, include model and serial numbers, at least of your most expensive items. Keep a copy of this document in a safety deposit box at your bank, and give a copy to your insurer. If you’ve suffered property damage, photograph the situation as soon as possible, before cleanup or restoration has begun. Be at home when the adjuster arrives, so that you can provide explanations of the value of the lost/damaged property.

The 2013 Property Claims Satisfaction Study is based on more than 5,500 responses from homeowners insurance customers who filed a property claim between May 2011 and January 2013.

### **About J.D. Power and Associates**

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(Page 3 of 3)

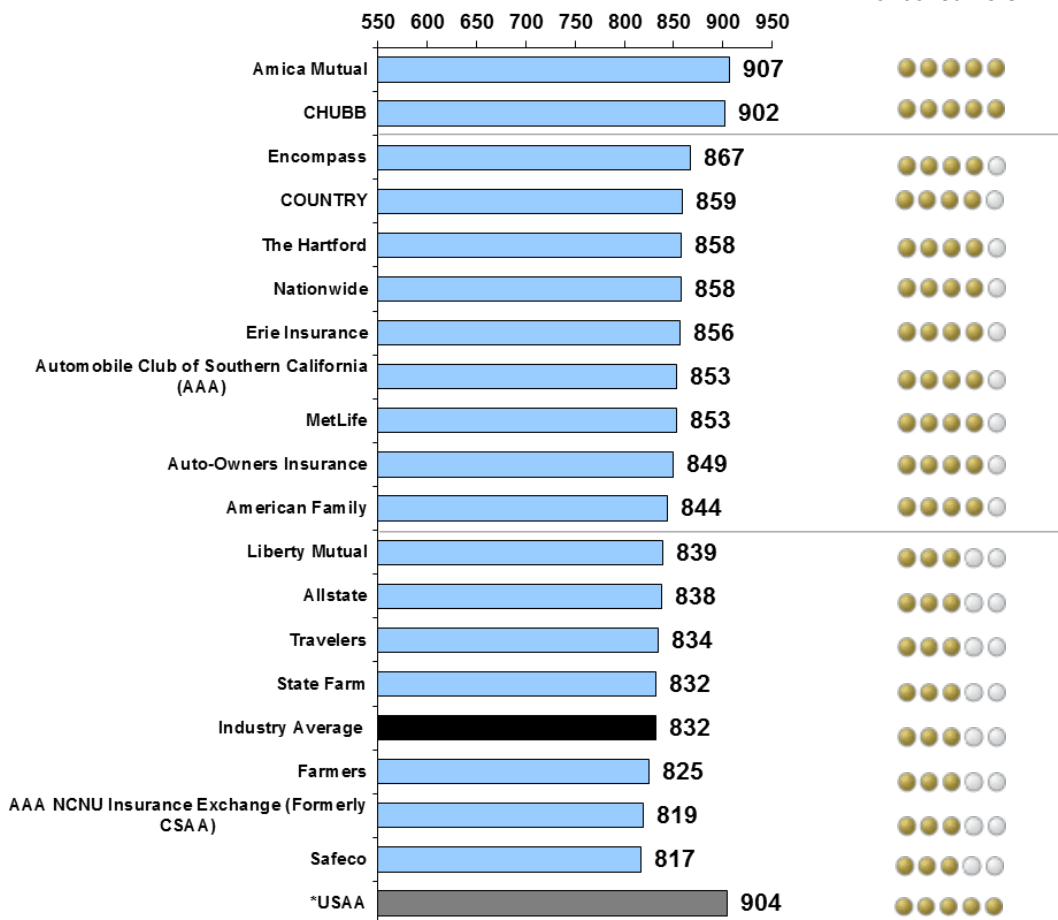
NOTE: One chart follows.

# J.D. Power and Associates 2013 Property Claims Customer Satisfaction Study<sup>SM</sup>

## Satisfaction Index Ranking

(Based on a 1,000-point scale)

**JDPower.com  
Power Circle Ratings<sup>TM</sup>  
for consumers**



\*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 are Alfa Insurance; Cincinnati Insurance; Fireman's Fund; The Hanover; and Shelter.

Source: J.D. Power and Associates 2013 Property Claims Satisfaction Study<sup>SM</sup>

**Power Circle Ratings Legend**

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

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