



Press Release

J.D. Power and Associates Reports: Auto Insurance Claims Satisfaction Declines Following Increases in Two Consecutive Quarters

WESTLAKE VILLAGE, Calif.: 18 April 2012 — Customer satisfaction with the auto claims experience declined for the first time in three calendar quarters, according to the J.D. Power and Associates 2012 U.S. Auto Claims Satisfaction StudySM—Wave 2 released today.

Overall customer satisfaction has declined 13 points to 842, the lowest satisfaction level in the past three calendar quarters. The largest driver of lower satisfaction scores is a 19-point decline in first notice of loss—when the customer first notifies the insurance provider of damage to their vehicle. Other key factors with significant declines are service interaction (-16 points); appraisal (-16 points); and the repair process (-15 points).

“Forty-seven percent of claimants delayed dropping off their vehicle at the body shop to wait for a more convenient time, and 20 percent indicated waiting for weekends or holidays,” said Jeremy Bowler, senior director of the insurance practice at J.D. Power and Associates. “However, these customers tend to also have lower satisfaction as a result of having to wait an extra day and a half, on average, to get their vehicle to the shop compared to results from the prior quarter. This suggests insurers need to do a better job of managing customer expectations for claims processing and vehicle repair times.”

Overall, the claims repair cycle time has increased nearly one full day to 15.8 days in the first quarter of 2012 from 15.0 days in the fourth quarter of 2011. Nearly one-half of the increase is attributed to customers waiting approximately one-half day longer to bring their vehicle to the body shop once the appraisal has been conducted.

“Repair times have also increased slightly from the last quarter,” said Bowler. “This, in addition to customers waiting longer for a more convenient time, or the weekend, to bring their vehicle to the repair shop, has contributed to the overall lower satisfaction scores.”

The study measures customer 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, which are measured in the study: first notice of loss; service interaction; appraisal; repair process; rental experience; and settlement. Settlement is the most important factor in overall satisfaction among repair claimants as well as total loss claimants.

The 2012 U.S. Auto Claims Satisfaction Study—Wave 2 is based on responses from more than 3,700 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. Data for Wave 2 of the study was fielded between January and February 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

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