



## Press Release

### **J.D. Power and Associates Reports: Many Canadians are Under-Insured or Not Covered From Catastrophic Loss From Earthquake or Flooding**

**TORONTO: 9 November 2012** — Recent severe weather and environmental events, such as Hurricane Sandy and the earthquakes in British Columbia highlight that many Canadian insurance customers lack catastrophic loss coverage, according to the J.D. Power and Associates 2012 Canadian Home Insurance Study<sup>SM</sup> released today.

The study finds that 35 per cent of Canadian insurance customers indicate that they have some form of added flood coverage to their home insurance policy—which is interpreted as sewer backup protection since over-land flood insurance is not offered—while only 22 per cent add earthquake coverage, leaving a large percentage of insurance customers without coverage in the occurrence of a catastrophic event.

“Home insurance customers who discover the limitations of their basic coverage after a major event occurs, have waited too long. With more than three-fourths of Canadian home insurance customers uninsured for earthquakes, many may find themselves in a lengthy discussion with their insurer in the event of an earthquake,” said Jeremy Bowler, senior director of the insurance practice at J.D. Power and Associates. Furthermore, in the case of sewer backup claims, it is a common misperception among homeowners that their basic home insurance policy provides this coverage.”

A regional comparison shows that 31 per cent of insurance customers in both the Quebec and Western regions purchase earthquake coverage, while only 10 per cent do so in the Atlantic/Ontario Region. Specifically, insurance customers in the province of British Columbia have the highest penetration of earthquake coverage, primarily due to the region’s susceptibility to earthquakes. However, only 56 per cent of customers in this province state they purchase earthquake insurance.

“In comparison, earthquake-prone states in the United States, such as California, have far fewer home insurance customers carrying earthquake insurance on their policy, only 21 percent,” said Bowler. “In fact, the national average of U.S. insurance customers who have earthquake insurance is 6 per cent, which is 16 percentage points lower than the Canadian national average.”

Sewer backup insurance is purchased nationally at a higher rate than earthquake insurance. Customers in the Quebec Region have the highest rate of purchasing sewer backup insurance at 44 per cent, compared with 37 per cent of Western Region customers and 28 per cent of customers in the Atlantic/Ontario Region.

Customers appreciate the extra peace of mind in having these types of environmental events covered, as satisfaction levels are notably higher among customers who purchase sewer backup and/or earthquake policies from their insurer. Among customers who do not have either a flood or earthquake policy with their insurer, overall satisfaction is 763 (on a 1,000-point scale). However, among customers who do purchase at least one of these policies, satisfaction is 780. Among customers who purchase both policies, overall satisfaction is 808—which is 45 points higher than among customers who do not purchase either of these policies.

## **Canadian Home Insurance Rankings and Results**

The study measures customer satisfaction with home insurance companies by examining five factors: billing and payment; claims; interaction; policy offerings; and price.

While satisfaction has increased in each region, the degree of improvement and key drivers vary. Customer satisfaction with home insurers has improved the most in the Atlantic/Ontario Region to 760, up a significant 21 points from 2011. Increased satisfaction with billing and payment, policy offerings, and interaction are primary contributors to improvement in this region, compared with 2011. Overall satisfaction in the Western Region (754) has increased by 12 points year over year due to increases in both policy offerings and interaction. Overall satisfaction in the Quebec Region has stayed level year over year, increasing 1 point to 809 from 2011.

### **Western Region:**

BCAA ranks highest in this region with a score of 788. Following BCAA in the rankings are Canadian Direct (762) and Johnson Insurance (756).

### **Atlantic/Ontario Region:**

Belairdirect (778) ranks highest in the Atlantic/Ontario Region. State Farm and Co-Operators follow in the rankings with scores of 769 and 768, respectively.

### **Quebec Region:**

Le Capitale (834) ranks highest in the Quebec Region, closely followed by Belairdirect (829) and Personal (827).

The 2012 Canadian Home Insurance Study is based on responses from more than 7,716 home insurance customers. Survey data was collected from May through June 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](http://JDPower.com). J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

## **About The McGraw-Hill Companies:**

McGraw-Hill announced on September 12, 2011, its intention to separate into two companies: McGraw-Hill Financial, a leading provider of content and analytics to global financial markets, and McGraw-Hill Education, a leading education company focused on digital learning and education services worldwide. McGraw-Hill Financial's leading brands include Standard & Poor's Ratings Services, S&P Capital IQ, S&P Dow Jones Indices, J.D. Power and Associates and Platts, a leader in commodities information. With sales of \$6.2 billion in 2011, the Corporation has approximately 23,000 employees across more than 280 offices in 40 countries. Additional information is available at <http://www.mcgraw-hill.com/>.

## **J.D. Power and Associates Media Relations Contacts:**

Gal Wilder; Cohn & Wolfe; Toronto, Canada; (647) 259-3261; [gal.wilder@cohnwolfe.ca](mailto:gal.wilder@cohnwolfe.ca)  
Beth Daniher; Cohn & Wolfe; Toronto, Canada; (647) 259-3279; [beth.daniher@cohnwolfe.ca](mailto:beth.daniher@cohnwolfe.ca)  
John Tews; J.D. Power and Associates; Troy, Mich; (248) 312-4119; [media.relations@jdpa.com](mailto:media.relations@jdpa.com)

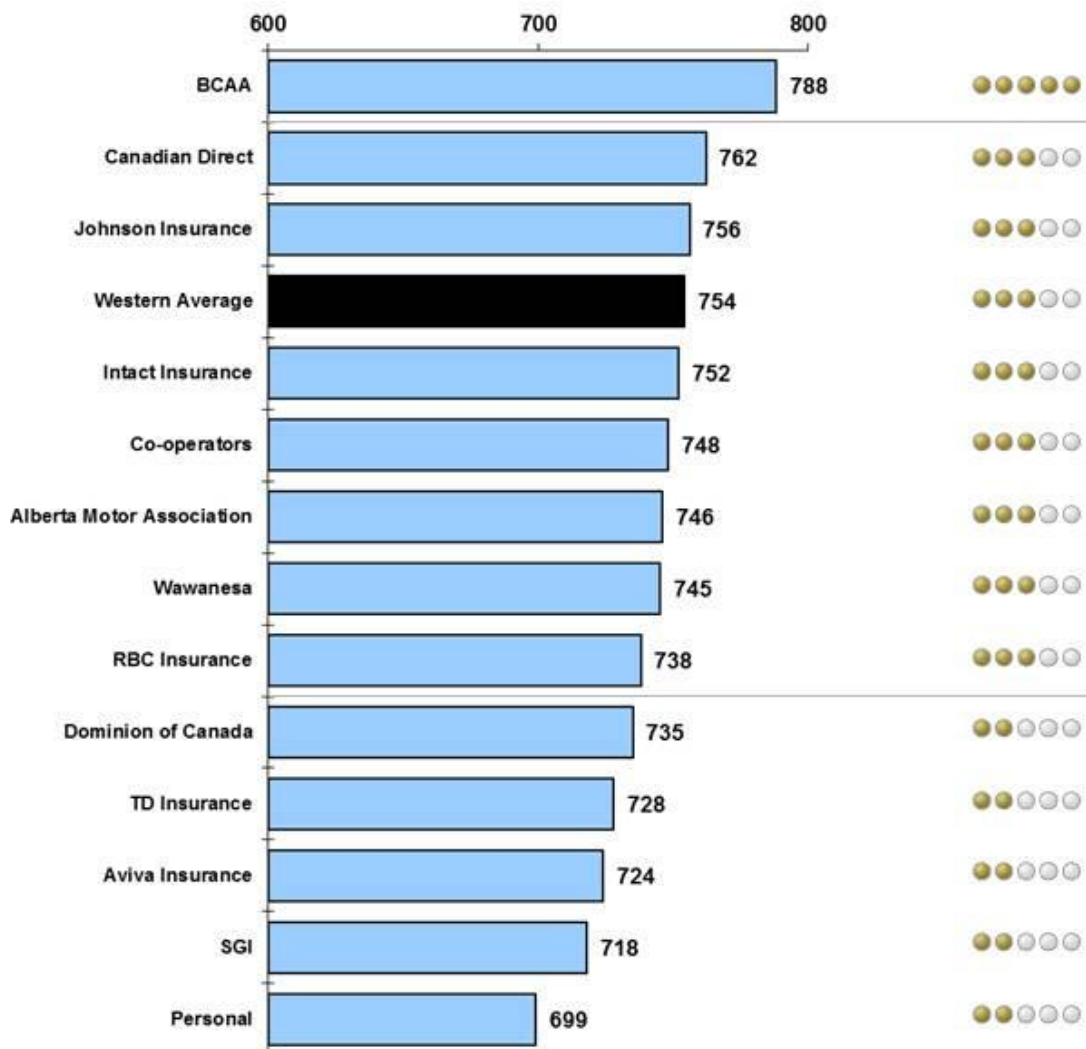
No advertising or other promotional use can be made of the information in this release without the express prior written consent of J.D. Power and Associates. [www.jdpower.com/corporate](http://www.jdpower.com/corporate)

# J.D. Power and Associates 2012 Canadian Home Insurance Study<sup>SM</sup>

## Customer Satisfaction Index Ranking Western Region

(Based on a 1,000-point scale)

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



Note: Included in this study, but not ranked due to low sample size are State Farm, Portage Mutual Insurance, Allstate and Economical Insurance.

Source: J.D. Power and Associates 2012 Canadian Home Insurance Study<sup>SM</sup>

**Power Circle Ratings Legend**

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

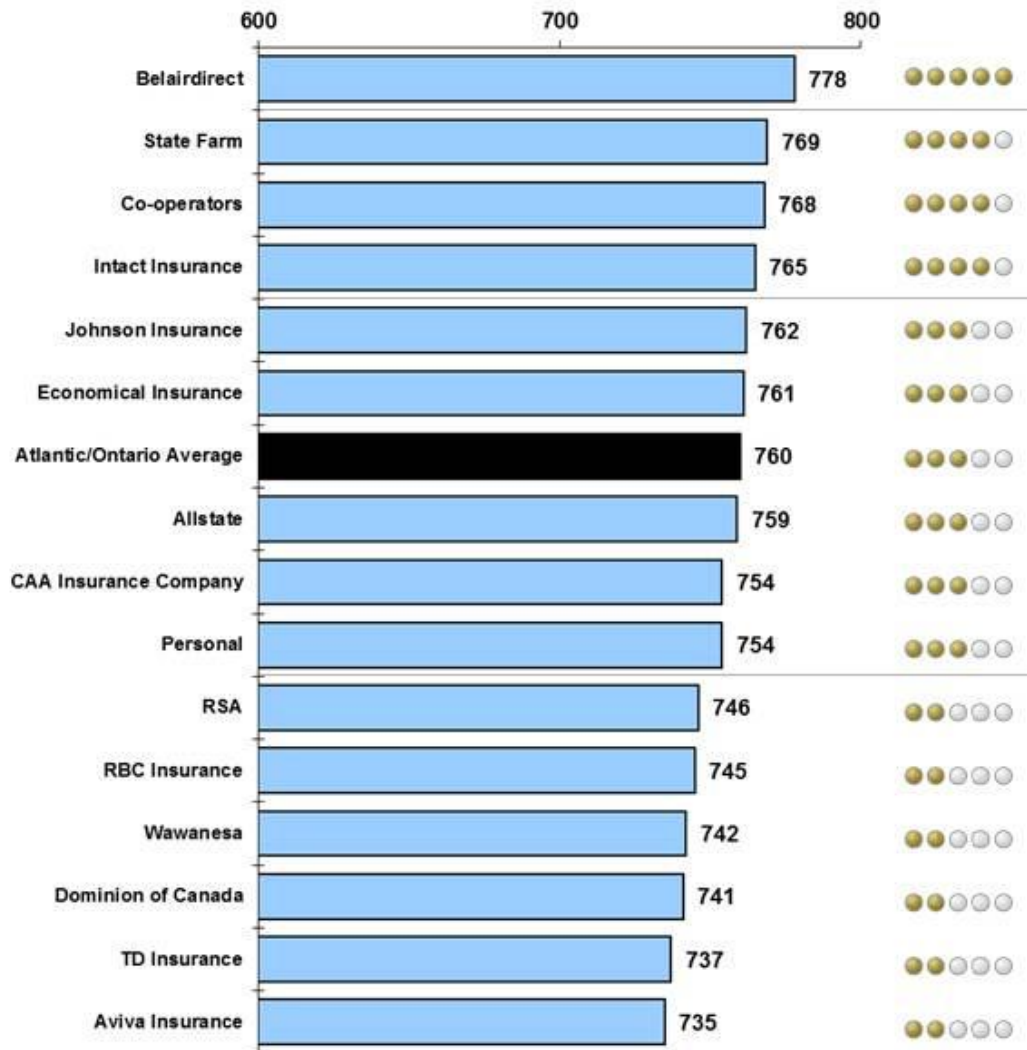
Charts and graphs extracted from this press release must be accompanied by a statement identifying J.D. Power and Associates as the publisher and the J.D. Power and Associates 2012 Canadian Home Insurance Study<sup>SM</sup> as the source. Rankings are based on numerical scores, and not necessarily on 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.

# J.D. Power and Associates 2012 Canadian Home Insurance Study<sup>SM</sup>

## Customer Satisfaction Index Ranking Atlantic/Ontario Region

(Based on a 1,000-point scale)

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



Note: Included in this study, but not ranked due to low sample size are Grey Power, Desjardins General Insurance and Gore Mutual.

Source: J.D. Power and Associates 2012 Canadian Home Insurance 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 Canadian Home Insurance 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.

# J.D. Power and Associates 2012 Canadian Home Insurance Study<sup>SM</sup>

## Customer Satisfaction Index Ranking Quebec Region

(Based on a 1,000-point scale)

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



### Power Circle Ratings Legend

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

Source: J.D. Power and Associates 2012 Canadian Home Insurance Study<sup>SM</sup>

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 Canadian Home Insurance 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.