

**J.D. Power Reports:  
Auto Insurance Claims Satisfaction Remains Stable Overall, Despite Decline in Total Loss Satisfaction**

Appraisal, Settlement Satisfaction Dip with Spike in Total Loss Claims from Storm Events in the Mid-Atlantic Region

**WESTLAKE VILLAGE, Calif.: 18 July 2013** — Satisfaction with the auto claims experience held steady in the second quarter of 2013, compared with the first quarter. Small improvements in satisfaction with repairable claims were offset by significant declines in satisfaction among total loss-claimants, according to the J.D. Power 2013 Auto Claims Satisfaction Study<sup>SM</sup>—Wave 3 released today.

The declines may be due to the impact of more claims filed in the Mid-Atlantic region after damages from Superstorm Sandy at the end of October 2012 and a powerful nor'easter storm in February 2013.

Overall claimant satisfaction has edged up by 2 points to 852 on a 1,000-point scale in Wave 3, compared with 850 in Wave 2 of the study [January – March 2013]. On a positive note, out-of-pocket expenses for repairable claims, such as the deductible and vehicle rental, have dropped to an average of \$461 vs. \$499 in Wave 2. However, out-of-pocket expenses for total losses have increased slightly to an average of \$600 in Wave 3 from \$592 in Wave 2.

“While overall auto claim satisfaction is up 2 points, and satisfaction in four of the six factors<sup>1</sup> is also up from Wave 2, satisfaction with the appraisal process among total loss claimants declines by 25 points,” said Jeremy Bowler, senior director of the insurance practice at J.D. Power.

“For total loss vehicles, satisfaction with the claims process has declined by a significant 57 points in the Mid-Atlantic region, which was devastated by major storm events. In that region, satisfaction with the appraisal process declines by 71 points, and satisfaction with the settlement process declines by 76 points,” said Bowler.

The Wave 3 study finds that claimants wait an average of 2.8 days for an insurance appraisal of repairable vehicles, which is nearly the same as in Wave 2 (3.1 days). However, the appraisal process for total loss vehicles takes longer than in Wave 2—averaging 4.8 days, up from 4.2 days.

## KEY FINDINGS

- Overall satisfaction with the auto insurance claims process increases to 852 in Wave 3 from 850 in Wave 2 [January –March 2013].
- Claimants pay an average of \$461 out of pocket for repairs in Wave 3, compared with \$499 in Wave 2.
- Satisfaction with the appraisal process for total loss vehicles declines by a significant 25 points from Wave 2, primarily due to steep declines in satisfaction with the claims process in the Mid-Atlantic region following severe storm events.

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<sup>1</sup> The study measures customer satisfaction with the claims experience for auto physical damage loss. Depending on the complexity of a claim, a claimant may experience some or all of the following six factors 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 both total loss and repair claimants.

Further, it takes an average of 5.3 days in Wave 3 to provide claims settlement terms for vehicles that are deemed repairable, which is slightly shorter than 5.8 days in Wave 2. However, the time it takes to provide settlement terms for total loss claims has risen in Wave 3 to an average of 12.3 days from 10.5 days in Wave 2.

In addition, receiving settlement payments takes considerably longer for total loss claims in Wave 3 than in Wave 2. In Wave 3, receiving a settlement averages 20.9 days, which is up by 4.3 days from 16.6 days in Wave 2. The time it takes to receive a settlement payment for repairable claims remains virtually unchanged—14.5 days in Wave 3, compared with 14.1 days in Wave 2.

“Our findings highlight how important it is for insurers to efficiently manage their customers through the appraisal process. There are more than 70 percent of auto insurance claimants who had some form of interaction with their insurer related to an appraisal. Among these claimants, overall satisfaction is 30 points higher than among those who did not interact with their insurer or agent,” said Bowler.

### **Making the Auto Insurance Claims Process Smoother and Easier**

J.D. Power offers the following tips to auto insurance customers when filing a claim:

- Call the police for any auto accident that results in more than minor damage to a vehicle (more than \$500 is a suggested figure).
- Call 911 if someone involved in the incident has been injured.
- Take down the names and addresses of individuals involved; the accident location; the make, model and plate number of the vehicle(s); names and contact information of any witnesses; and notes of any injuries.
- Always get a copy of a police report when involved in a multiple-vehicle accident.
- Ask the police to file an accident report or at least an incident report, so there’s a record to show your insurance company.
- Contact your insurer or agent as soon as possible after the incident, even if the other party is at fault. Your insurer will be better able to protect your interests.
- If possible, contact your insurer or agent from the location where the damage occurred.
- Keep records of all calls regarding the incident.
- Take photos of damage to your vehicle, even with a cell phone.
- If you have questions about your adjustor’s appraisal, contact your insurer or agent directly.

The 2013 U.S. Auto Claims Satisfaction Study—Wave 3 is based on 3,009 responses from 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. Wave 3 of the study was fielded between April and mid-June 2013.

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J.D. Power 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. Headquartered in Westlake Village, Calif., J.D. Power has offices in North America, Europe and Asia Pacific. 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 is a business unit of McGraw Hill Financial.

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