

Auto Insurance Customer Satisfaction Reaches Record High, J.D. Power Finds

Improvements in Digital Interactions, Billings/Payment, Policy Offerings Drive Increase

COSTA MESA, Calif.: 14 June 2018 — Despite steadily increasing premiums, auto insurance customers are more satisfied with their carriers than ever. The reason? According to the J.D. Power 2018 U.S. Auto Insurance Study,SM released today, insurers are beginning to get the customer interaction formula right, offering a mix of digital and live interactions that keep customers engaged with their brands across all channels.

“Cost is not the sole indicator of customer satisfaction in the auto insurance industry,” said **Robert Lajdziak, Insurance Practice Business Consultant at J.D. Power**. “Low prices may attract new customers, but it’s service that keeps them. The auto insurers that increase customer satisfaction across all facets of the customer experience make price just one part of the overall relationship.”

More frequent use of digital interaction channels—particularly for monthly billing—also has played a major role in driving higher levels of satisfaction. “Customer satisfaction is at its highest when customers take care of transactions themselves and save the high-value interactions for live channels,” Lajdziak said. “However, the increasing demand and use of digital self-service options is putting pressure on agents to evolve their value proposition to offer more products and services to help customers with complex needs and risks.”

Following are some of the key findings of the 2018 study:

- **Record-high customer satisfaction breeds loyalty:** Overall customer satisfaction with U.S. auto insurers improves in 2018 and is now at a record-high level of 826 (on a 1,000-point scale). This increase in customer satisfaction is inversely correlated with a decline in auto insurance shopping rates, which have reached a record low.¹
- **Insurers delivering strong omnichannel experience:** Customer satisfaction improves across all factors measured in the study, with the biggest gains in billing process and policy information (+11 points); policy offerings (+10); price (+6); and interaction (+3). The gain in the billing process and policy information factor is partly driven by increased satisfaction with electronic statements and monthly billing.
- **Preference for digital interaction channels grows:** Overall satisfaction tends to be highest when customers interact via a mix of online and offline methods of communication. The preference for digital forms of communication is greatest for low touch-point interactions, such as verifying payment receipt (73% digital preference); making payment (70% digital preference); and ordering proof of insurance cards (66% digital preference).

¹ J.D. Power 2018 U.S. Insurance Shopping StudySM

- **Transparency is key when premium increases are introduced:** When there is an insurer-initiated premium increase, it is important to communicate that an increase is coming. When customers are pre-notified of a premium increase, overall satisfaction is 797. When they are not notified—which happens 49% of the time—overall satisfaction drops 49 points to 748.
- **Usage-based insurance programs grow significantly:** Usage-based insurance programs, which leverage telematics technology to set insurance premiums based on how far and how safely a customer drives, are gaining converts. This year, 10% of insurance customers indicate participating in usage-based insurance programs, up from 8% in 2016 and 2017. While the most common reason for participating in a usage-based program is to obtain a discount, speeding alerts, vehicle tracking and driver coaching are gaining importance among customers currently using such programs.

Study Rankings

Following are the highest-ranked auto insurance brands by region:

California: **Ameriprise**

Central: **Shelter**

Florida: **MetLife**

Mid-Atlantic: **Erie Insurance**

New England: **Amica Mutual**

New York: **New York Central Mutual**

North Central: **Auto-Owners Insurance**

Northwest: **PEMCO Insurance**

Southeast: **Farm Bureau Insurance—Tennessee**

Southwest: **CSAA Insurance Group**

Texas: **Texas Farm Bureau**

The 2018 U.S. Auto Insurance Study examines customer satisfaction in five factors (in order of importance): interaction; policy offerings; price; billing process and policy information; and claims. The study is based on responses from 44,622 auto insurance customers and was fielded from February-April 2018.

For more information about the U.S. Auto Insurance Study, visit

<http://www.jdpower.com/resource/jd-power-us-auto-insurance-satisfaction-study>.

See the online press release at <http://www.jdpower.com/pr-id/2018084>.

J.D. Power is a global leader in consumer insights, advisory services and data and analytics. These capabilities enable J.D. Power to help its clients drive customer satisfaction, growth and profitability. Established in 1968, J.D. Power is headquartered in Costa Mesa, Calif., and has offices serving North/South America, Asia Pacific and Europe. J.D. Power is a portfolio company of XIO Group, a global alternative investments and private equity firm headquartered in London, and is led by its four founders: Athene Li, Joseph Pacini, Murphy Qiao and Carsten Geyer.

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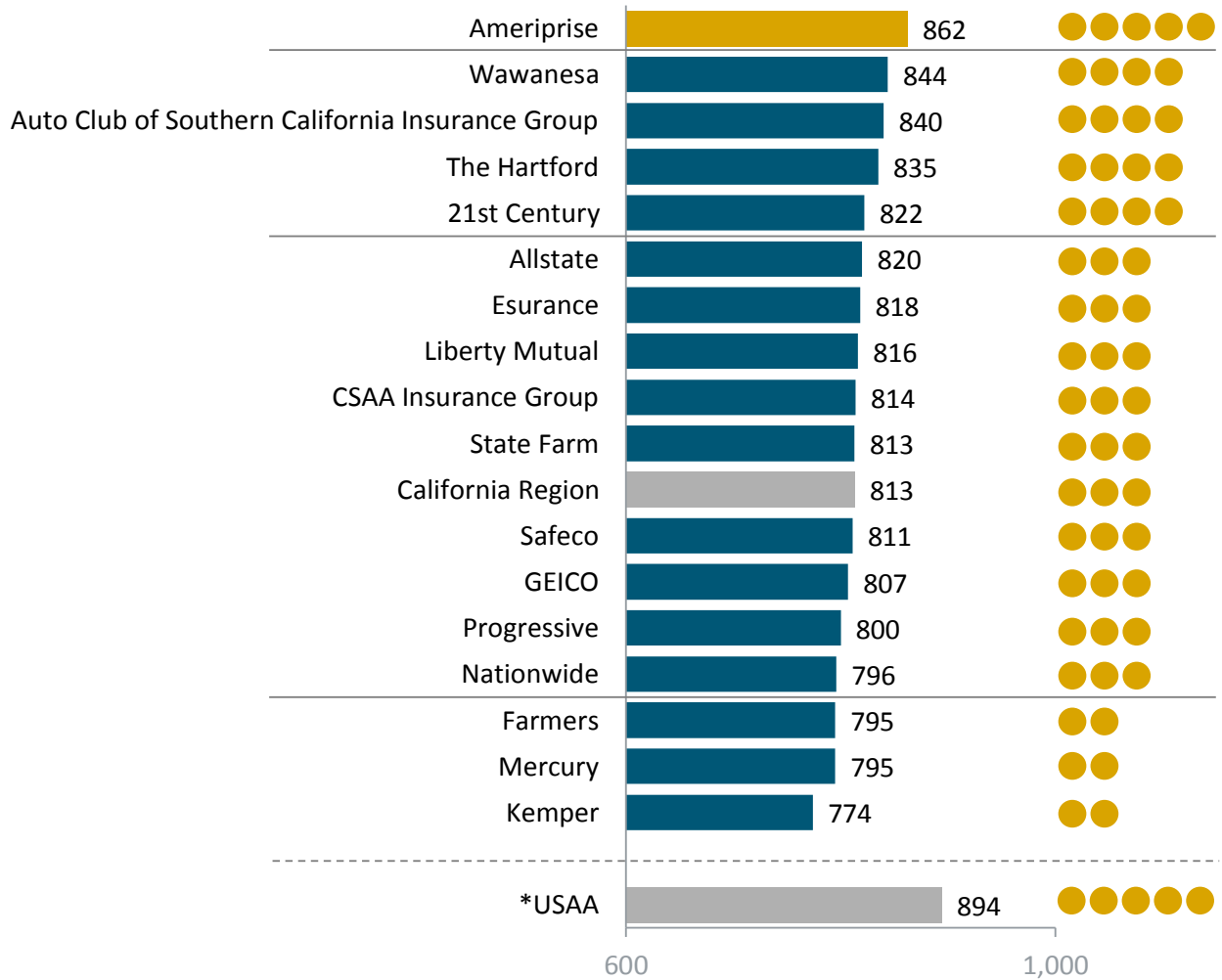
NOTE: 11 charts follow.

J.D. Power 2018 U.S. Auto Insurance StudySM

Overall Customer Satisfaction Index Ranking California Region

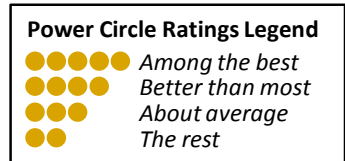
(Based on a 1,000-point scale)

JDPower.com
Power Circle RatingsTM
for consumers:



Notes: *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 sample size are Amica Mutual, Fred Loya Insurance, Infinity P&C, MAPFRE Insurance, MetLife, and National General. State included in region is California.

Source: J.D. Power 2018 U.S. Auto Insurance StudySM



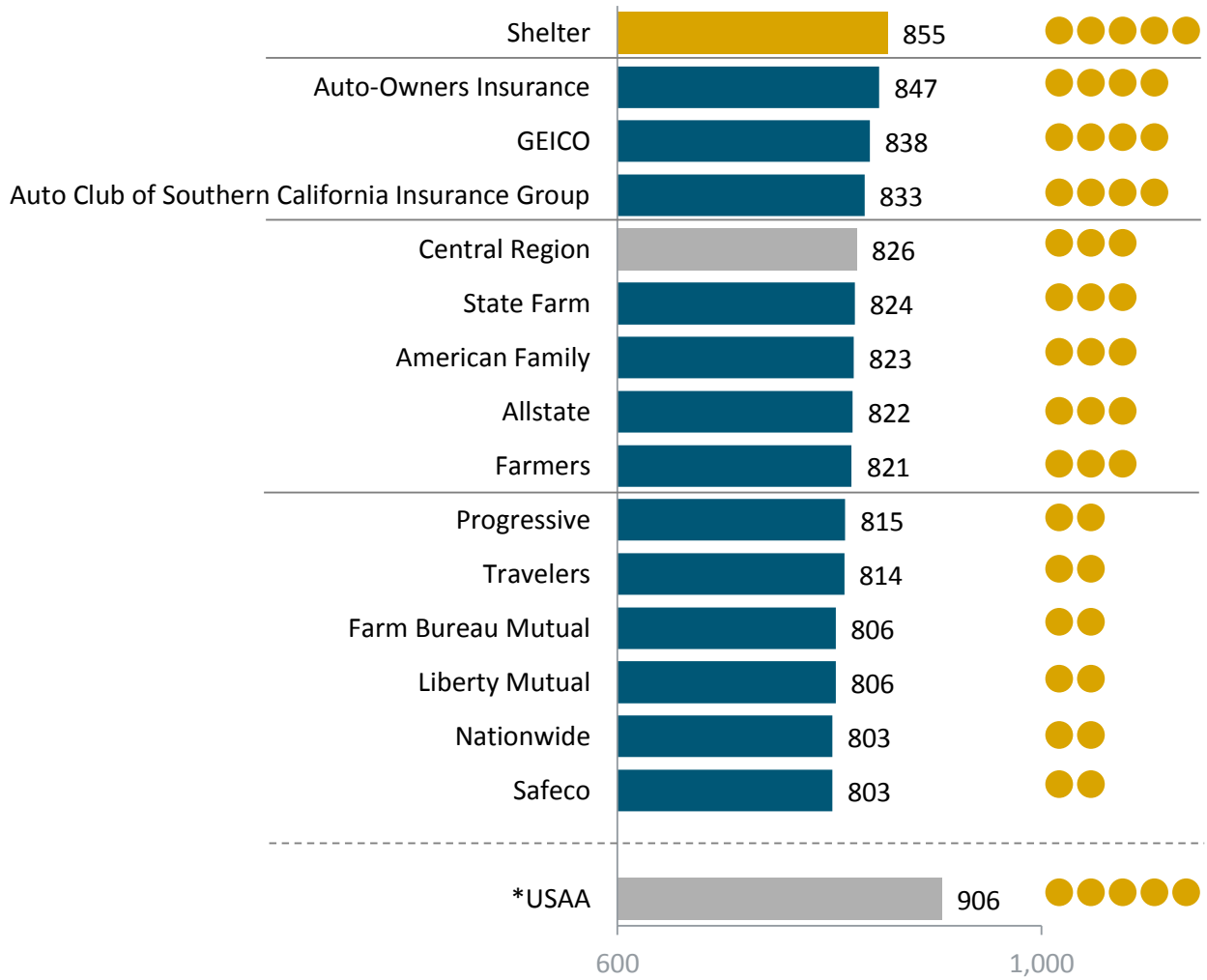
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Overall Customer Satisfaction Index Ranking Central Region

(Based on a 1,000-point scale)

JDPower.com
Power Circle RatingsTM
for consumers:



Notes: *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 sample size are 21st Century, Alfa Insurance, Cincinnati Insurance, COUNTRY Financial, CSAA Insurance Group, Esurance, and The Hartford. States included in region are Arkansas, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma, South Dakota.

Source: J.D. Power 2018 U.S. Auto Insurance StudySM

Power Circle Ratings Legend

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

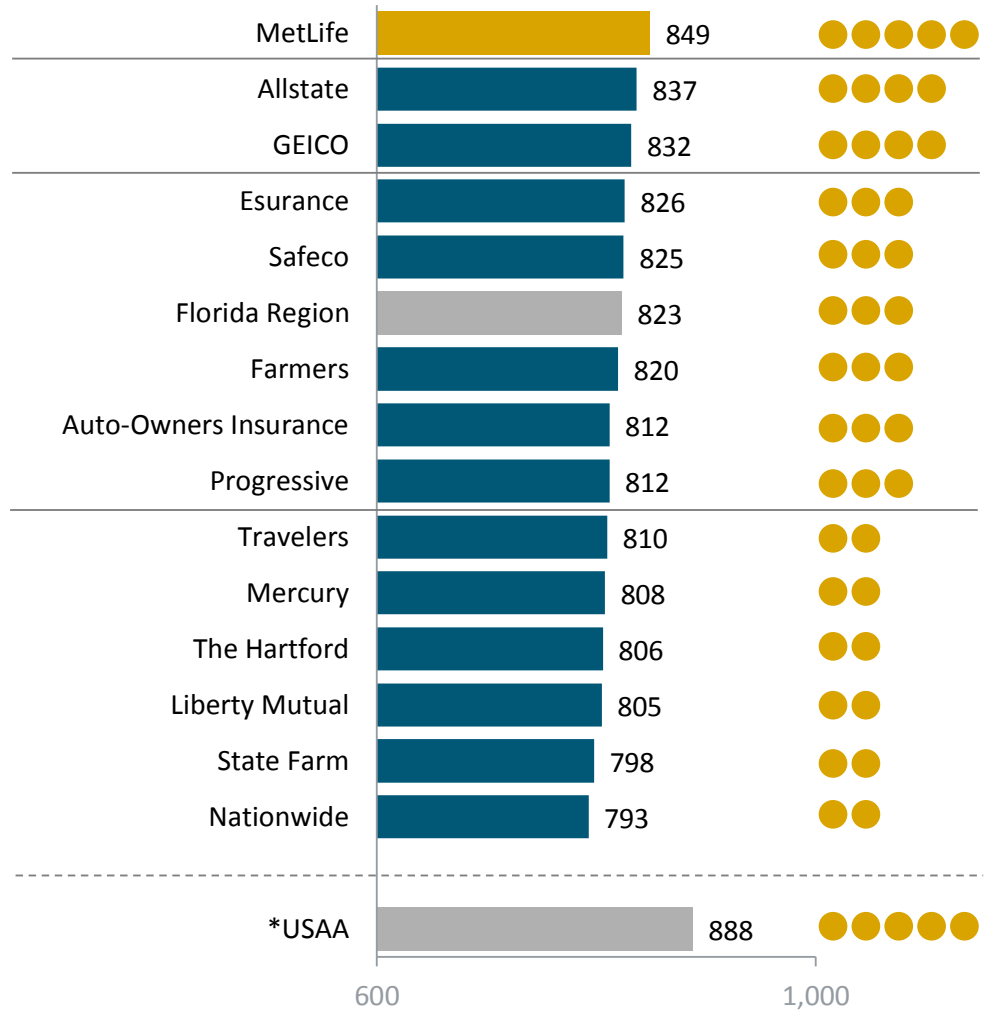
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Overall Customer Satisfaction Index Ranking Florida Region

(Based on a 1,000-point scale)

JDPower.com
Power Circle RatingsTM
for consumers:



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Source: J.D. Power 2018 U.S. Auto Insurance StudySM

Power Circle Ratings Legend

- Among the best
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- About average
- The rest

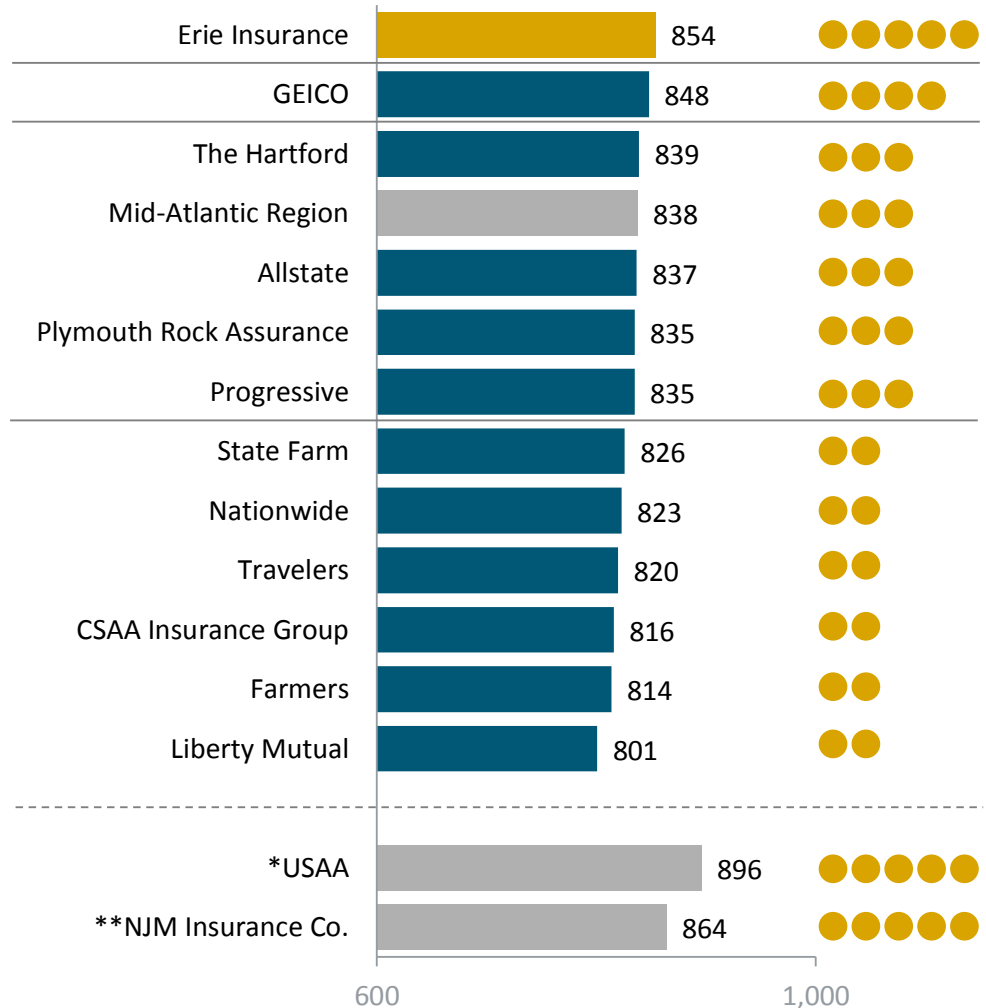
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Overall Customer Satisfaction Index Ranking Mid-Atlantic Region

(Based on a 1,000-point scale)

JDPower.com
Power Circle RatingsTM
for consumers:



Notes: *USAA is an insurance provider open only to U.S. military personnel and their families, and therefore is not included in the rankings. **NJM Insurance Co. is an insurance provider open only to New Jersey Business & Industry Association Members; employees of the state of New Jersey; employees of a New Jersey county, municipality or township; employees of a New Jersey public school; NJM's previously insured drivers; and/or previous/current auto/homeowner policyholders, and therefore is not included in the rankings. Included in the study but not ranked due to sample size are 21st Century, Alfa Insurance, Ameriprise, Amica Mutual, Cincinnati Insurance, Esurance, MetLife, and National General. States included in region are Delaware, District of Columbia, Maryland, New Jersey, Pennsylvania, Virginia, West Virginia.

Source: J.D. Power 2018 U.S. Auto Insurance StudySM

Power Circle Ratings Legend

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

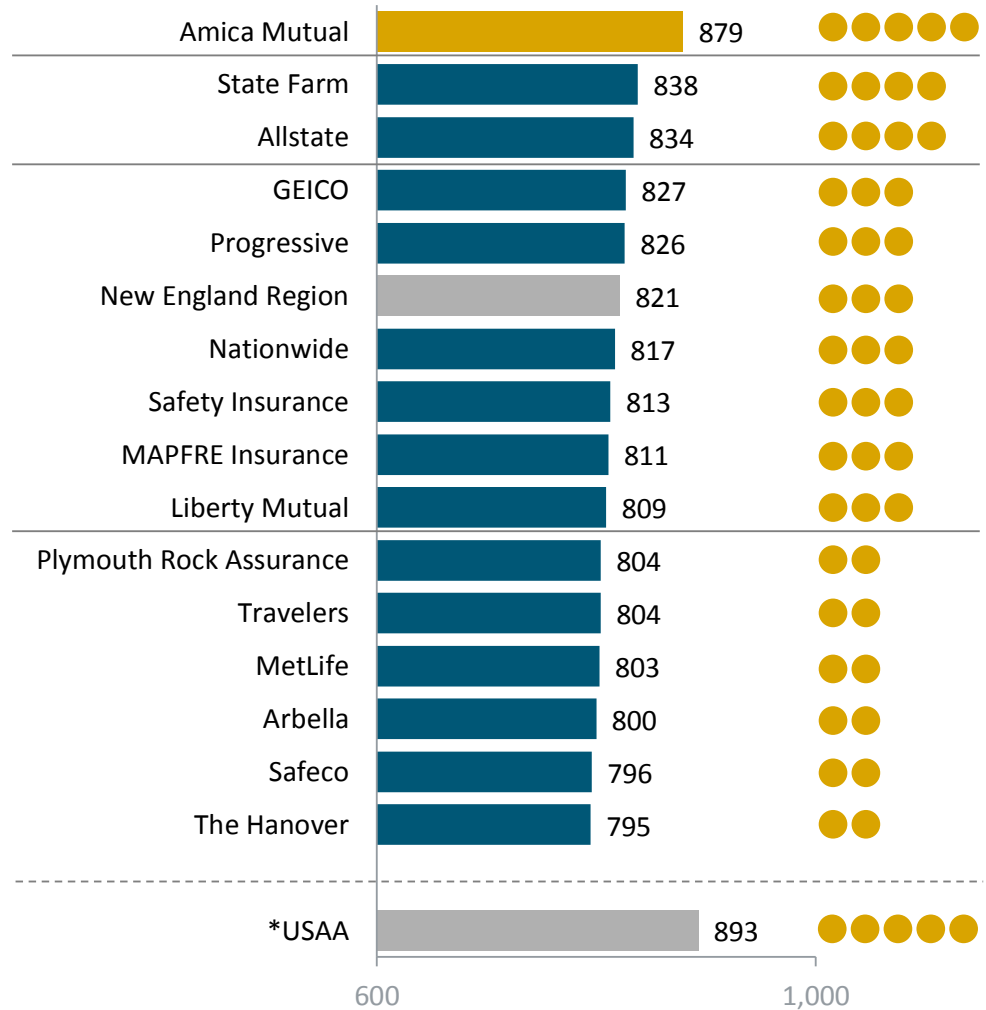
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J.D. Power 2018 U.S. Auto Insurance StudySM

Overall Customer Satisfaction Index Ranking New England Region

(Based on a 1,000-point scale)

JDPower.com
Power Circle Ratings™
for consumers:



Note: *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 sample size is Esurance. States included in region are Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont.

Source: J.D. Power 2018 U.S. Auto Insurance StudySM

Power Circle Ratings Legend

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

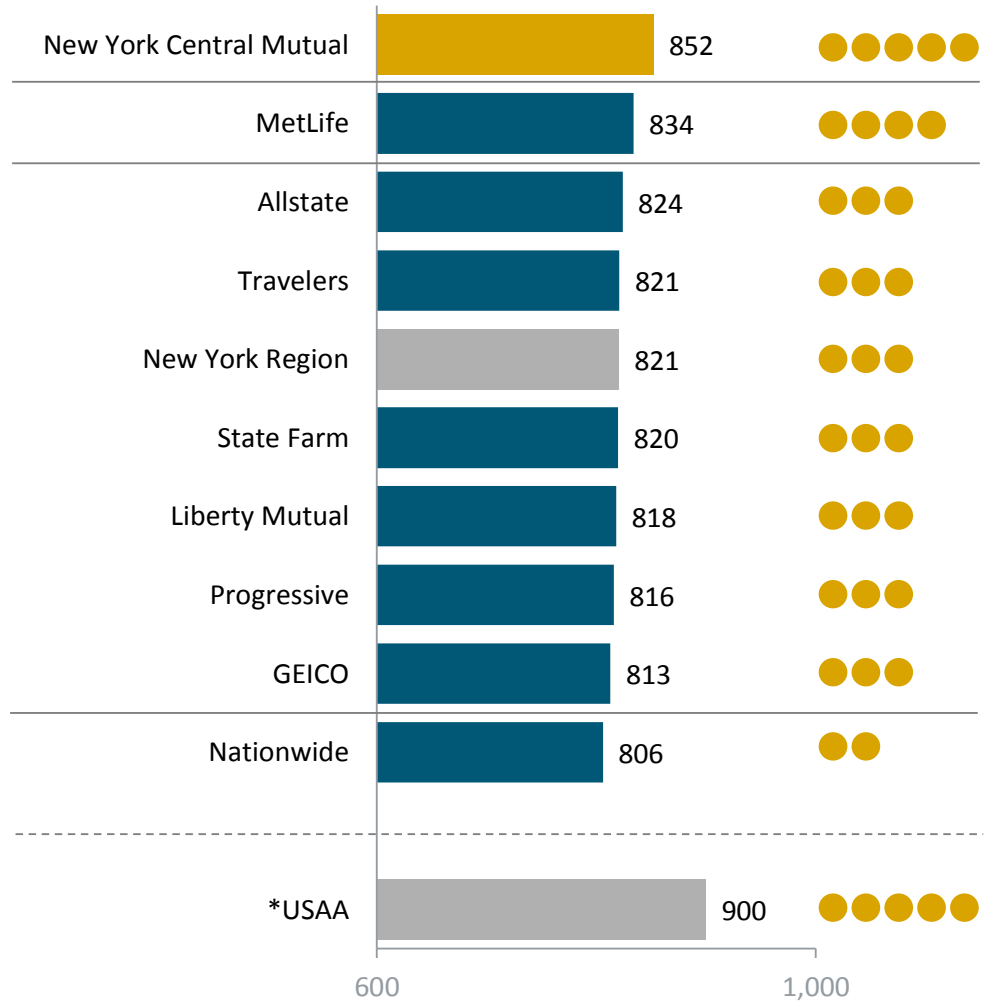
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J.D. Power 2018 U.S. Auto Insurance StudySM

Overall Customer Satisfaction Index Ranking New York Region

(Based on a 1,000-point scale)

JDPower.com
Power Circle Ratings™
for consumers:



*Notes: *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 sample size are 21st Century, Ameriprise, Amica Mutual, The Hanover, The Hartford, Kemper, and National General. State included in region is New York.*

Source: J.D. Power 2018 U.S. Auto Insurance StudySM

Power Circle Ratings Legend

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

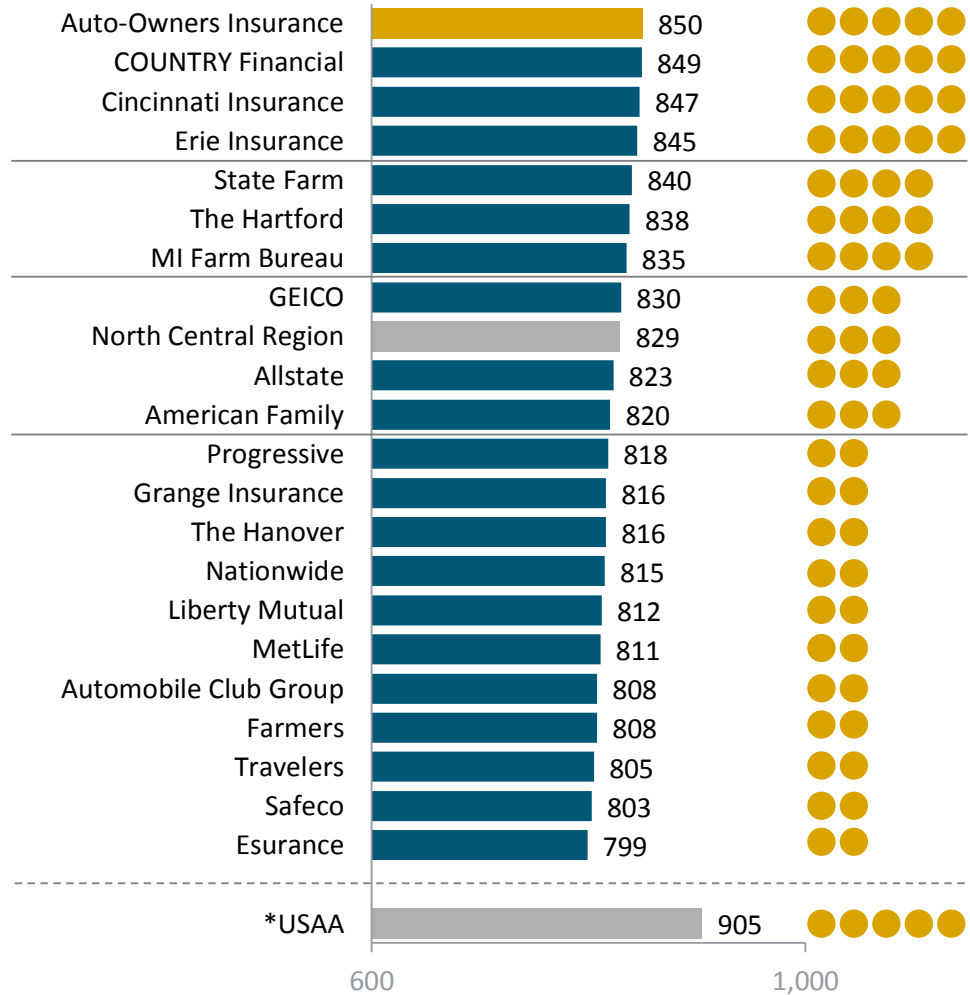
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Overall Customer Satisfaction Index Ranking North Central Region

(Based on a 1,000-point scale)

JDPower.com
Power Circle RatingsTM
for consumers:



*Notes: *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 sample size are 21st Century, Ameriprise, Amica Mutual, and National General. States included in region are Illinois, Indiana, Michigan, Ohio, Wisconsin.*

Source: J.D. Power 2018 U.S. Auto Insurance StudySM

Power Circle Ratings Legend

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

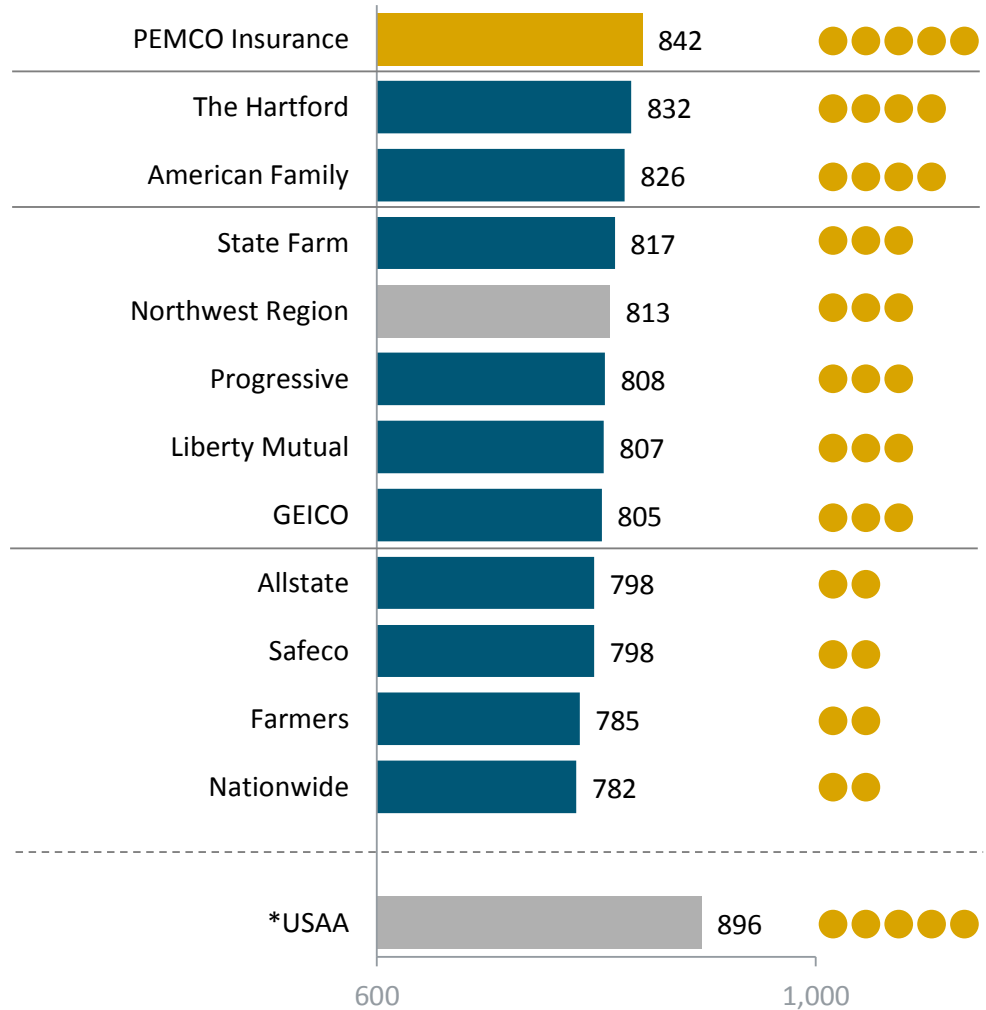
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Overall Customer Satisfaction Index Ranking Northwest Region

(Based on a 1,000-point scale)

JDPower.com
Power Circle RatingsTM
for consumers:



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Source: J.D. Power 2018 U.S. Auto Insurance StudySM

Power Circle Ratings Legend

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

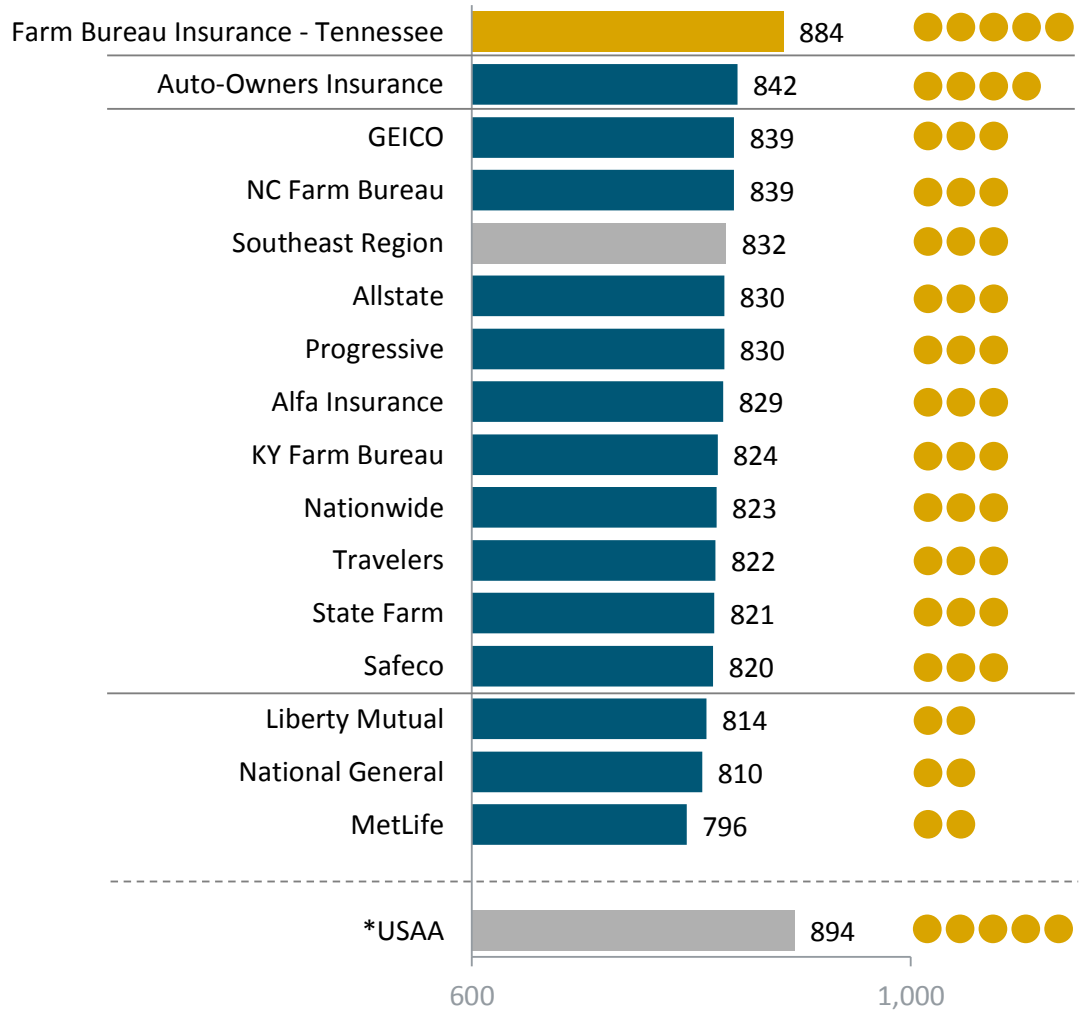
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Overall Customer Satisfaction Index Ranking Southeast Region

(Based on a 1,000-point scale)

JDPower.com
Power Circle RatingsTM
for consumers:



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Source: J.D. Power 2018 U.S. Auto Insurance StudySM

Power Circle Ratings Legend

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- Better than most
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- The rest

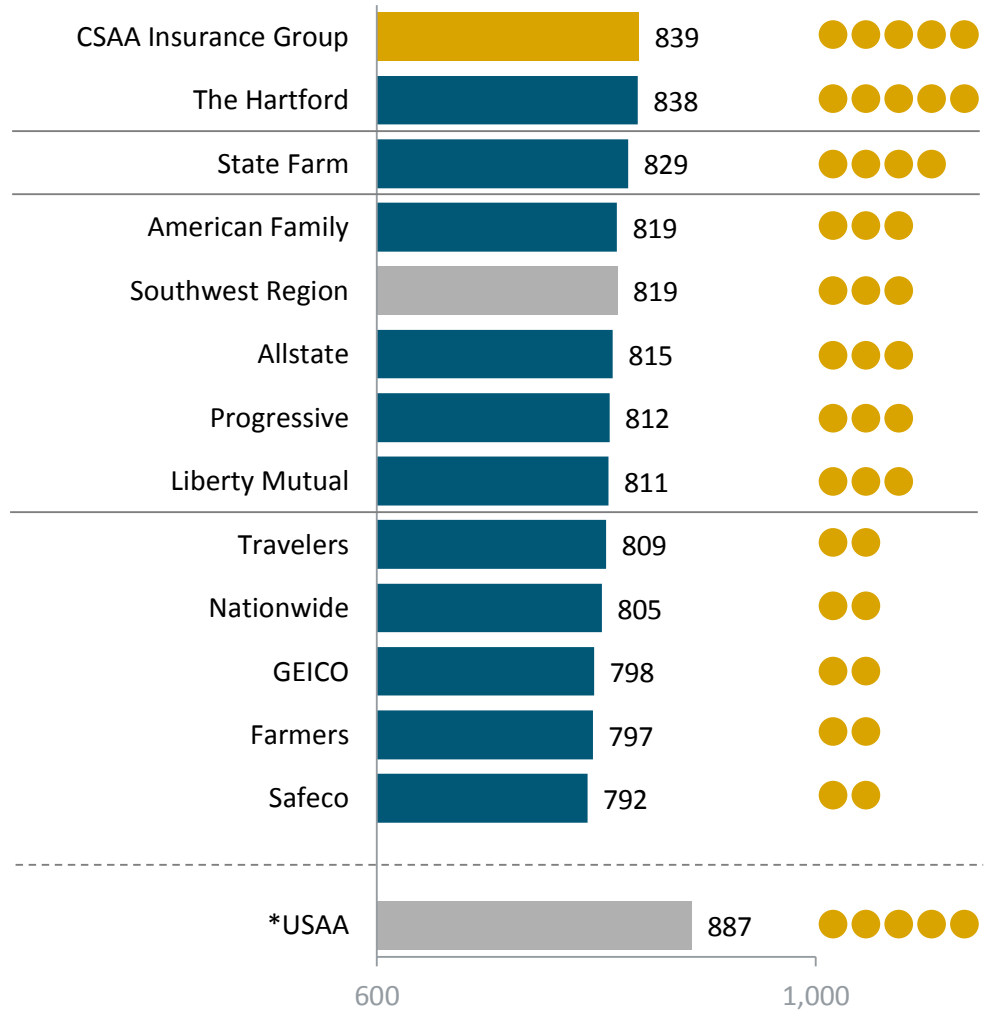
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J.D. Power 2018 U.S. Auto Insurance StudySM

Overall Customer Satisfaction Index Ranking Southwest Region

(Based on a 1,000-point scale)

JDPower.com
Power Circle RatingsTM
for consumers:



Notes: *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 sample size are 21st Century, Ameriprise, Esurance, Farm Bureau Mutual, Fred Loya Insurance, Kemper, and MetLife. States included in region are Arizona, Colorado, Nevada, New Mexico, Utah.

Source: J.D. Power 2018 U.S. Auto Insurance StudySM

Power Circle Ratings Legend

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

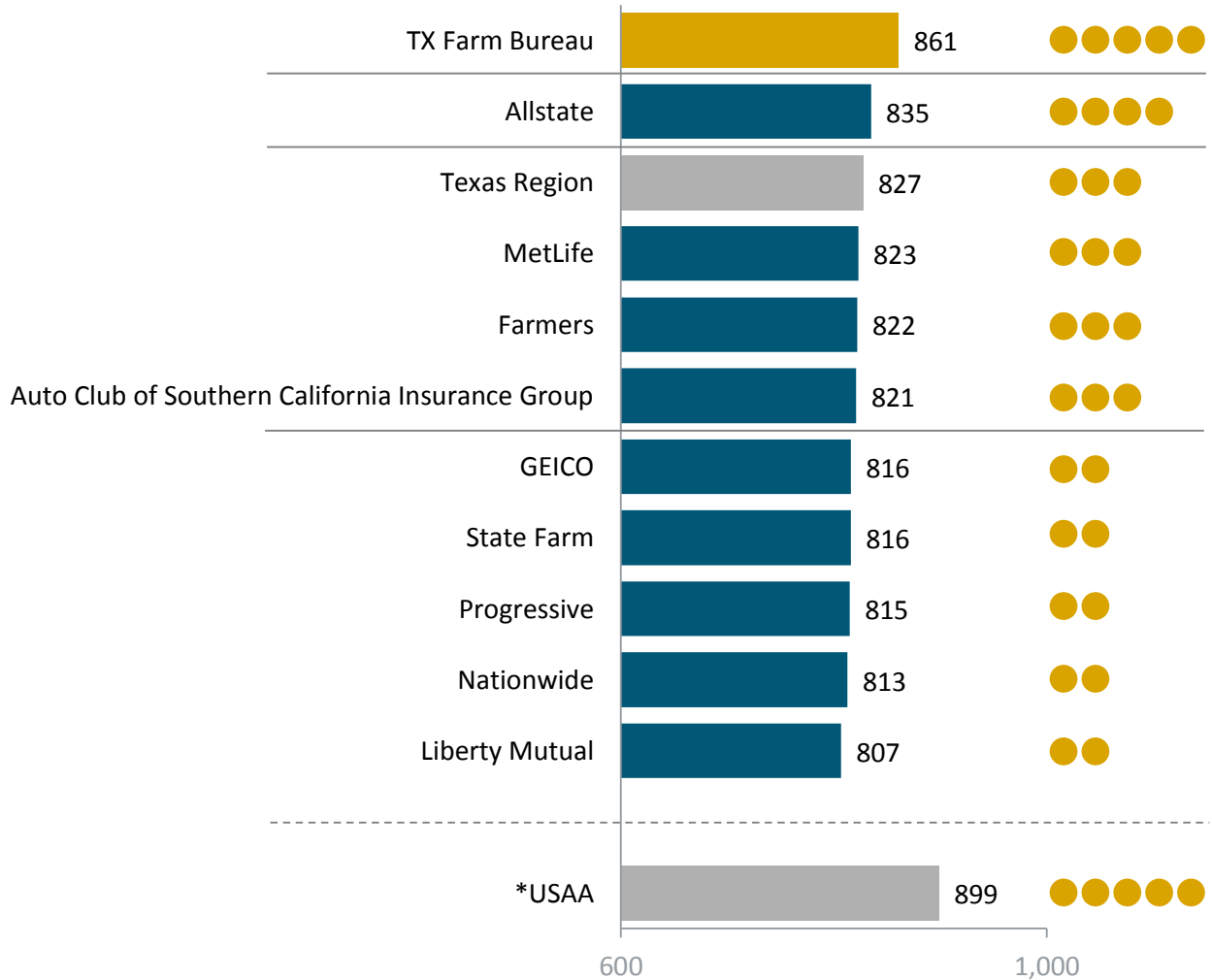
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J.D. Power 2018 U.S. Auto Insurance StudySM

Overall Customer Satisfaction Index Ranking Texas Region

(Based on a 1,000-point scale)

JDPower.com
Power Circle RatingsTM
for consumers:



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Source: J.D. Power 2018 U.S. Auto Insurance StudySM

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