

Auto Insurance Claims Satisfaction Climbs to Record High as Carriers Refine Customer Experience During Pandemic, J.D. Power Finds

NJM Insurance Co. Ranks Highest in Auto Claims Satisfaction

TROY, Mich.: 22 Oct. 2020 — One silver lining to the COVID-19 pandemic: a 22% decline in frequency of auto insurance repairable claims has given insurers some breathing room to refine their customer experience and deliver higher touch and higher quality service during the claims process. According to the J.D. Power 2020 U.S. Auto Claims Satisfaction Study,SM released today, that laser focus on quality service has translated into shorter cycle times, better service delivery and, ultimately, a record high level of customer satisfaction.

“The sharp decline in claims volume during the pandemic has served as a test case for the industry in how to make improvements in service delivery that translates directly to increased satisfaction and increased intent to renew,” said **Tom Super, head of property and casualty insurance intelligence at J.D. Power**. “This is important because it demonstrates that efforts to improve claimant service delivery translates directly to improved business outcomes. The challenge now, of course, will be maintaining that high level of service as claims volumes start to normalize.”

Following are key findings of the 2020 study:

- **Record-high customer satisfaction with auto claims:** Overall satisfaction with the auto insurance claims process increases to a record-high 872 (on a 1,000-point scale), up four points from 2019. This is the third consecutive year of improvement in auto claims satisfaction, which has been driven by increases in performance across nearly every factor measured in the study: claim servicing; estimation process; repair process; rental experience; and settlement. The only factor that has not improved year over year is first notice of loss, which remains flat from 2019.
- **Cycle time improves as claims volume slows:** Auto insurers have upped their game during the pandemic, taking advantage of the drop in frequency to increase the speed of processing for claimants. Overall cycle time for claimants with reparable vehicles has improved to just 10.3 days during the pandemic, down from the pre-virus average of 12.6 days.
- **Quantifying the COVID-19 boost:** This year’s study was fielded in four waves from November 2019 through September 2020, giving J.D. Power the ability to compare pre-virus levels of customer satisfaction with those experienced during the pandemic. Notably, the number of claimants who say they “definitely will” renew with their existing insurer is 76% during the pandemic vs. 72% pre-virus. Carriers have outperformed on a wide range of key performance indicators during the pandemic, including ensuring that representatives are always immediately available; completing work when promised; and providing multiple services at first notice of loss.
- **Use of direct repair program (DRP) shops improves satisfaction:** The industry’s growing use of directly affiliated repair shops is paying off with a significantly higher overall satisfaction score (888) than for independent repair shops (844). This is driven by quicker cycle times among DRP shops and regular updates on progress.

Study Ranking

NJM Insurance Co. ranks highest in overall customer satisfaction with a score of 909. **Amica Mutual** (907) ranks second and **Auto-Owners Insurance** (890) ranks third.

The 2020 U.S. Auto Claims Satisfaction Study is based on responses from 11,055 auto insurance customers who settled a claim within the past six months prior to taking the survey. The study excludes claimants whose vehicle incurred only glass/windshield damage or was stolen, or who only filed a roadside assistance claim. The study was fielded from November 2019 through September 2020.

For more information about the U.S. Auto Claims Satisfaction Study, visit <https://www.jdpower.com/resource/jd-power-us-auto-claims-satisfaction-study>.

To view the online press release, please visit <http://www.jdpower.com/pr-id/2020137>.

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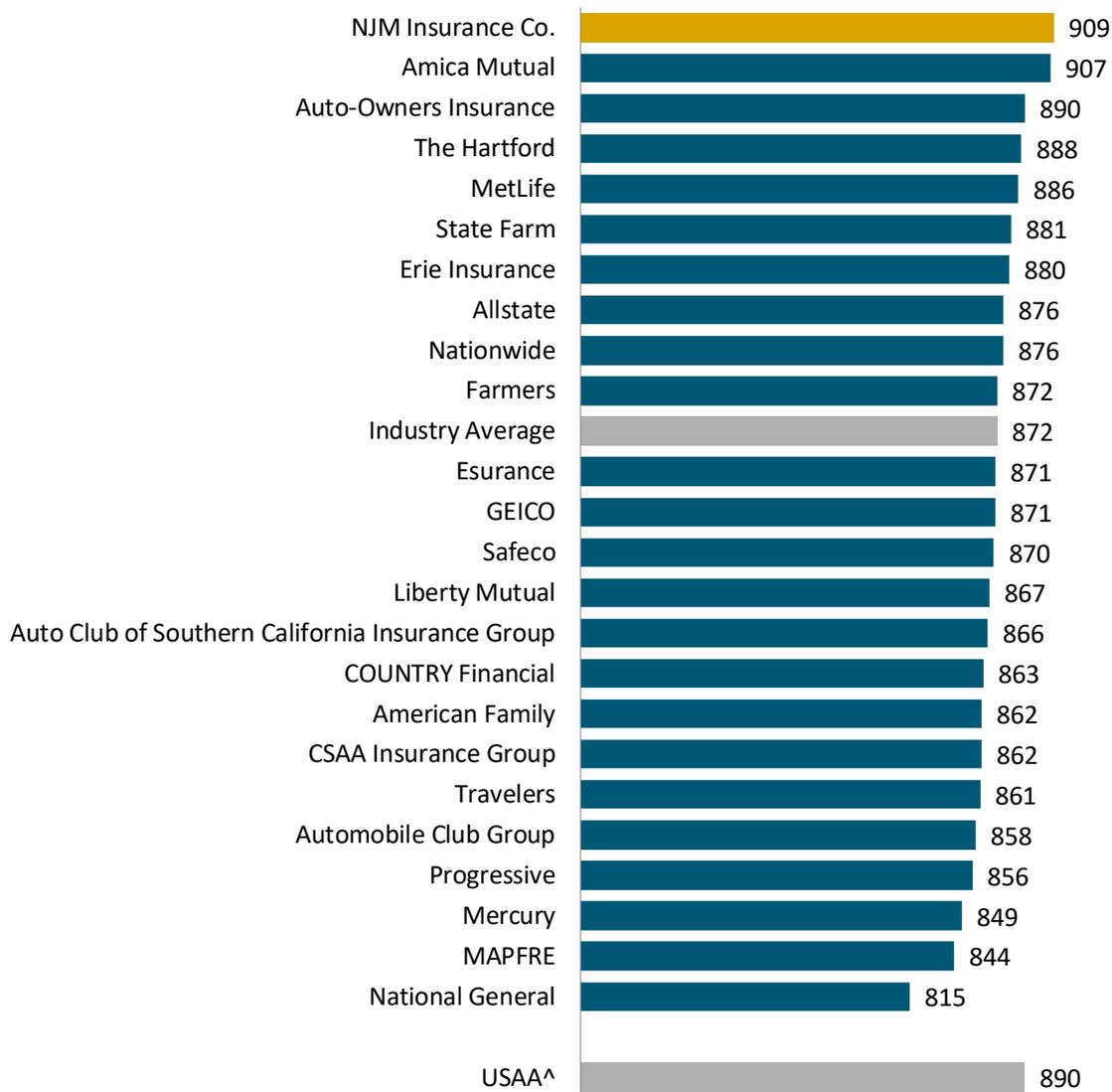
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NOTE One chart follows.

J.D. Power 2020 U.S. Auto Claims Satisfaction StudySM

Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



Note: [^]Brand is not rank eligible because it does not meet study award criteria.

Source: J.D. Power 2020 U.S. Auto Claims Satisfaction StudySM

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