Commercial Insurance Providers Fall Short for Small Businesses Hit Hard by Pandemic, J.D. Power Finds

Customer Satisfaction Declines for First Time in Study History

TROY, Mich.: 15 Dec. 2020 — Small business owners struggling through the COVID-19 pandemic are largely unaware of efforts made by their commercial insurance providers to help them, and that has contributed to a decline in overall customer satisfaction for the first time in the eight-year history of the J.D. Power 2020 U.S. Small Commercial Insurance Study. According to the study, which was released today, more than half (59%) of small commercial insurance customers say they are not aware of insurer efforts to assist through initiatives such as modified terms and waived fees or other more creative solutions. In instances where insurers have reached out proactively to their customers, however, satisfaction scores have climbed significantly.

“The huge financial strain small businesses have been facing throughout the past year is having a negative effect on small business insurance customer satisfaction, particularly when it comes to price,” said Robert M. Lajdziak, senior consultant of insurance intelligence at J.D. Power. “While that creates a tough challenge for insurers, there are things they can do to help. Notably, proactive communication—when an insurer reaches out to a business owner and offers guidance and help—has proven to lift satisfaction scores, even when customers are under significant financial duress.”

Study Rankings

Chubb ranks highest in overall customer satisfaction with a score of 853 (on a 1,000-point scale). State Farm (852) ranks second while Erie Insurance and Liberty Mutual (850) rank third in a tie.

The 2020 U.S. Small Commercial Insurance Study is based on responses from 1,854 small commercial insurance customers. The study, now in its eighth year, examines overall customer satisfaction among small commercial insurance customers with 50 or fewer employees. Overall satisfaction is comprised of five factors (in order of importance): interaction; policy offerings; price; billing and payment; and claims. The study was fielded in July-October 2020.

For more information about the J.D. Power U.S. Small Commercial Insurance Study, visit https://www.jdpower.com/business/insurance/us-small-commercial-insurance-satisfaction-study

To view the online press release, please visit http://www.jdpower.com/pr-id/2020144.

J.D. Power is a global leader in consumer insights, advisory services and data and analytics. A pioneer in the use of big data, artificial intelligence (AI) and algorithmic modeling capabilities to understand consumer behavior, J.D. Power has been delivering incisive industry intelligence on customer interactions with brands and products for more than 50 years. The world’s leading businesses across major industries rely on J.D. Power to guide their customer-facing strategies.

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Note: One chart follows.
J.D. Power
2020 U.S. Small Commercial Insurance Study℠

Overall Customer Satisfaction Index Ranking
(Based on a 1,000-point scale)

- Chubb: 853
- State Farm: 852
- Erie Insurance: 850
- Liberty Mutual: 850
- Farmers: 840
- Industry Average: 836
- Travelers: 835
- Allstate: 829
- Nationwide (Allied): 829
- The Hartford: 827

Source: J.D. Power 2020 U.S. Small Commercial Insurance Study℠

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