

Home Insurer Exodus from Several States Creates Challenges and Opportunities, J.D. Power FindsErie Insurance Ranks Highest in Both Homeowners and Renters Insurance Segments

TROY, Mich.: 19 Sept. 2023 — Homeowners and renters across the country have been receiving letters from their insurance providers letting them know they are being dropped as a combination of catastrophic events, rising costs and regulatory pressures have strained property and casualty (P&C) insurance business models. According to the J.D. Power 2023 U.S. Home Insurance Study,SM released today, the phenomenon represents opportunity for the carriers that remain, but comes with a need to understand the potential effect these actions have on customer perceptions.

"We've all seen the headlines about insurers leaving states like California and Florida where catastrophic weather claims have been at an all-time high, but this pattern is playing out nationwide, affecting thousands of homeowners in every state," said **Breanne Armstrong, director of insurance intelligence at J.D. Power**. "Insurers are reworking their actuarial maps, confronting state regulations that cap rate increases and struggling with profitability. For customers, this combination of steadily rising rates and sudden abandonment can create irreparable damage to brand loyalty and perceptions of trust. However, it also creates an opportunity for carriers that can come in and absorb these customers. This could be a real make-or-break moment for many carriers."

Following are some key findings of the 2023 study:

- **Overall satisfaction flat as rates start to increase:** Overall homeowner satisfaction is 819 (on a 1,000-point scale), which is flat vs. 2022, and renter satisfaction increases one point this year. Average filed rate increases for home insurance have been in the double digits each month since February 2023 and nearly half (48%) of homeowners insurance customers affected by a rate filing received a rate increase of 5% or more in 2022.
- **Statewide pull-outs can negatively affect customer satisfaction and trust:** Insurers that absorb new customers in states where other carriers are exiting will have an opportunity to expand their market share but may struggle to immediately build strong levels of trust and customer satisfaction. Overall customer satisfaction with homeowners insurance is highest when customers have a tenure of 8 years or more. Less-tenured homeowners insurance customers are significantly less satisfied with their overall experience, less likely to renew with their existing carrier and less likely to be an advocate of their existing carrier.
- **Price sensitivity drives shopping and limits bundling:** A 57% majority of homeowners who switched carriers in the past year did so for a better price. Among those who have switched insurers within the past year, bundling rates declined 10 percentage points. Bundling auto and home policies is also less prevalent in states such as Florida, California and Louisiana, which have been focal points for large-scale carrier exits.

Study Rankings

Erie Insurance ranks highest in the homeowners insurance segment, with a score of 856. **Amica** (844) ranks second and **Auto-Owners Insurance** (834) ranks third.

Erie Insurance also ranks highest in the renters insurance segment with a score of 881. **American Family** (856) ranks second and **Lemonade** (854) ranks third.

The U.S. Home Insurance Study examines overall customer satisfaction with two distinct personal insurance product lines: homeowners and renters. Satisfaction in the homeowners and renters insurance segments is measured by examining five factors: interaction; policy offerings; price; billing process and policy information; and claims. The study is based on responses from 11,221 homeowners and renters via online interviews conducted from May through July 2023.

For more information about the U.S. Home Insurance Study, visit <https://www.jdpower.com/business/insurance/us-home-insurance-study>.

See the online press release at <http://www.jdpower.com/pr-id/2023116>.

About J.D. Power

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.

J.D. Power has offices in North America, Europe and Asia Pacific. To learn more about the company's business offerings, visit [JDPower.com/business](https://www.jdpower.com/business). The J.D. Power auto shopping tool can be found at [JDPower.com](https://www.jdpower.com).

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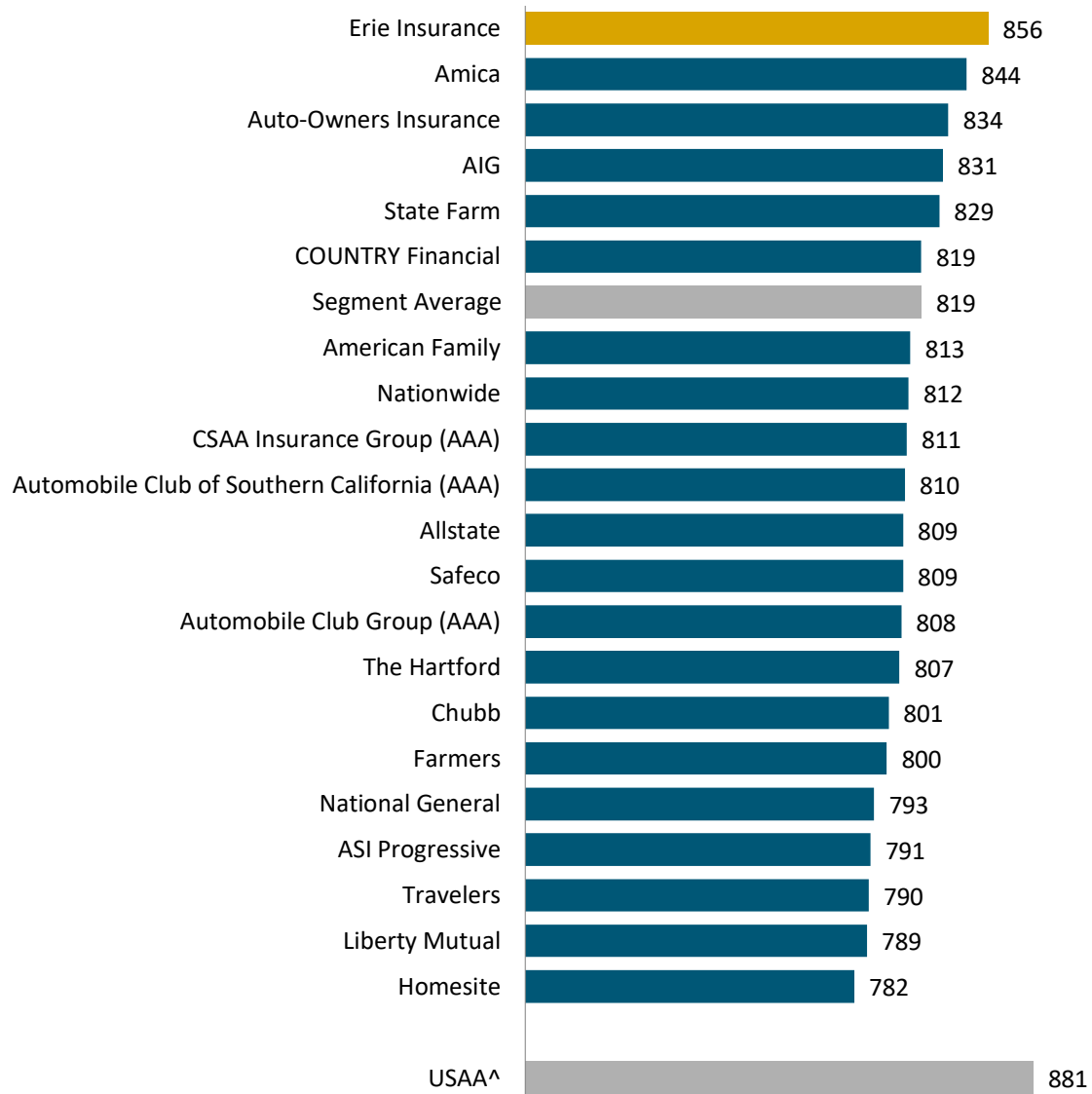
NOTE: Two charts follow.

J.D. Power 2023 U.S. Home Insurance StudySM

Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)

Homeowners Insurance



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

Source: J.D. Power 2023 U.S. Home Insurance StudySM

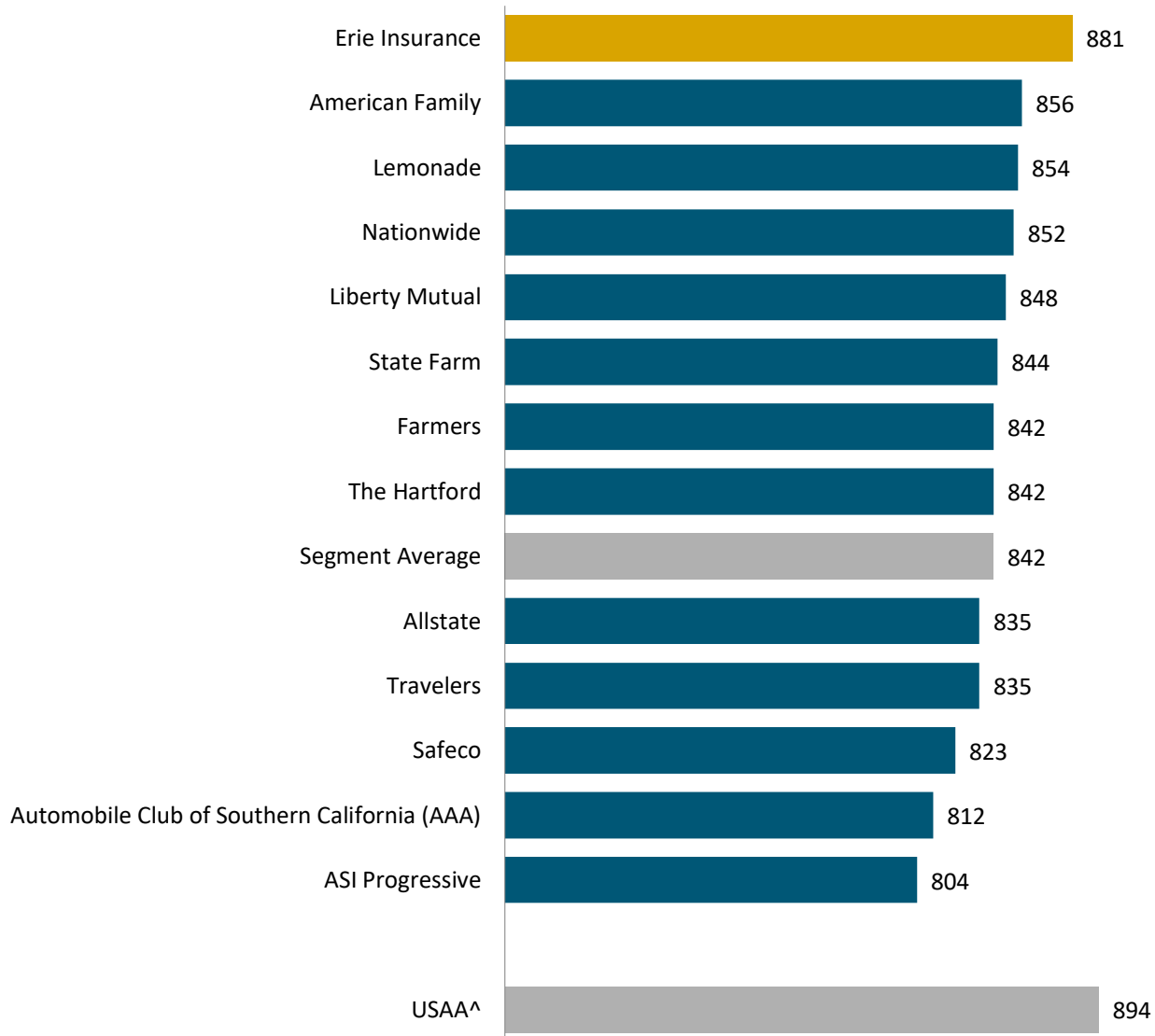
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J.D. Power 2023 U.S. Home Insurance StudySM

Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)

Renters Insurance



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

Source: J.D. Power 2023 U.S. Home Insurance StudySM

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