

**J.D. Power Asia Pacific Reports:
Auto Insurance Claims Response Impacts Customer Renewal Rates;
Providers Following Up with Customers after Claims Settlement Helps Build Loyalty**

AIU Insurance Company Ranks Highest in Customer Satisfaction with the Auto Insurance Claims Experience in Japan for a Sixth Consecutive Year

TOKYO: 31 July 2014 — Overall, 88 percent of customers in Japan renew their auto insurance policy with the same insurance company after a claims response experience; however, renewal rates vary greatly depending on customer satisfaction levels, according to the J.D. Power Asia Pacific 2014 Japan Auto Insurance Claims Satisfaction StudySM released today.

The study examines satisfaction with the claims response of auto insurance (voluntary insurance) companies among customers who have submitted an accident claim to their insurer within the past two years. Customer satisfaction is determined by examining six factors (in order of importance): settlement (44%); first notice of loss (20%); service interaction, which measures interaction with the service representative from the time of the accident report to settlement (18%); appraisal (14%); repair process (2%); and rental car experience (2%). The service interaction and rental car experience factors examine satisfaction with the service customers receive from an insurance agency or rental car facility introduced or specified by the insurance company or agency. Overall satisfaction scores are based on a 1,000-point scale.

The study finds that 93 percent of highly satisfied customers (satisfaction scores of 800 or above) renew their policies after the claims response, while the renewal rate among customers with low satisfaction (scores 500 or lower) is only 73 percent.

“This finding clearly indicates that the claims response capabilities of auto insurance companies substantially influence customer retention,” said Chie Numanami, senior manager, J.D. Power Asia Pacific. “The study also finds that policy renewal rates vary according to whether or not insurers follow up after the claims response. To ensure a positive claims experience, as well as increase policy renewal rates, it is important for insurers to follow up with their customers to offer advice on their policy or an explanation of premiums.”

KEY FINDINGS

- Overall satisfaction with the auto insurance claims process averages 666 in 2014, down from 691 in 2013.
- The policy renewal rate among customers with low satisfaction increases to 78 percent when insurers offer advice regarding policy details or an explanation of premiums at the time of the next policy renewal after a claims response. Renewal rates among customers with low satisfaction drops to 68 percent when they do not receive follow-up from their insurance company.
- The introduction of the General Insurance Rating Organization of Japan insurance rate plan in 2013 has increased demand for insurers to provide an explanation of premiums after the claims response. The study finds that 84 percent of customers of insurance companies with high renewal rates (more than 90%) receive follow-up from their insurer, while only 62 percent of customers of insurance companies with low renewal rates (less than 80%) receive follow-up.

- Claimants wait an average of 46 days for settlement of a repair claim and 70 days for settlement of a total-loss claim.
- Satisfaction averages 733 when a claim is settled in 28 days or fewer. When claims settlement takes more than 28 days, satisfaction drops to 626.

Japan Auto Insurance Claims Satisfaction Rankings

AIU Insurance Company ranks highest in overall satisfaction with the claims response for a sixth consecutive year, with a score of 719. AIU Insurance Company performs particularly well in four factors: first notice of loss; service interaction; appraisal; and settlement. American Home Assurance Company ranks second with a score of 695. Fuji Fire and Marine Insurance and Sompo Japan Insurance rank third in a tie with 680.

The 2014 Japan Auto Insurance Claims Satisfaction Study is based on responses of 6,315 auto insurance customers who submitted an accident claim to their insurance company within the past two years (including those who switched insurance companies after their accident and now have a policy with another insurer). The online study was fielded in May 2014.

About J.D. Power Asia Pacific

J.D. Power Asia Pacific has offices in Tokyo, Singapore, Beijing, Shanghai and Bangkok that conduct customer satisfaction research and provide consulting services in the automotive, information technology and finance industries. Together, the five offices bring the language of customer satisfaction to consumers and businesses in Australia, China, India, Indonesia, Japan, Malaysia, Philippines, Taiwan, Thailand and Vietnam. Information regarding J.D. Power Asia Pacific and its products can be accessed through the Internet at japan.jdpower.com.

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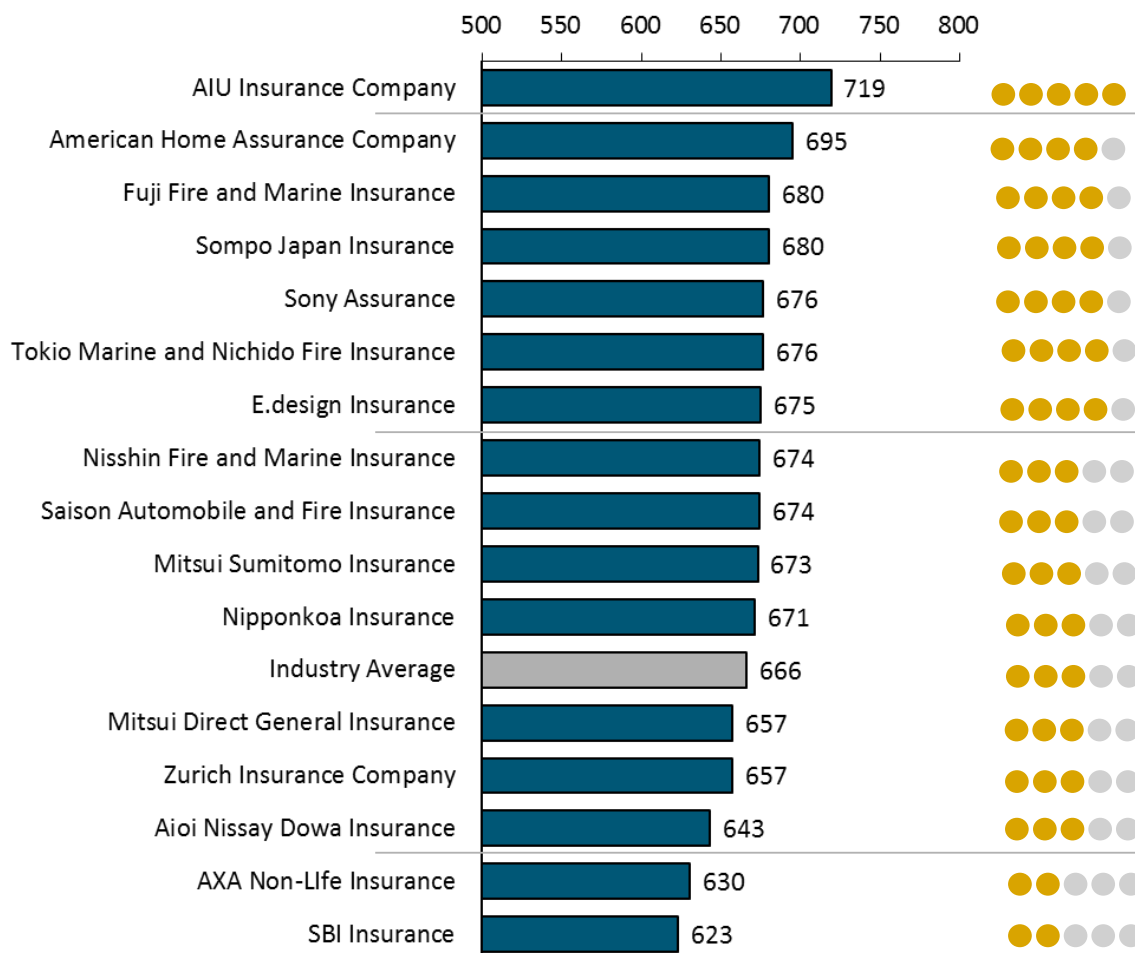
(Page 2 of 2)

Note: One chart follows.

J.D. Power Asia Pacific 2014 Japan Auto Insurance Claims Satisfaction StudySM

Overall Satisfaction Rankings

(Based on a 1,000-point scale)



Power Circle Ratings Legend

- Among the best
- Better than most
- About average

Included in the study but not ranked due to small sample size are: ACE Insurance; Asahi Fire & Marine Insurance; Generali; Kyoei Fire & Marine Insurance; Secom General Insurance; and Sompo 24 Insurance

Source: J.D. Power Asia Pacific 2014 Japan Auto Insurance Claims Satisfaction StudySM

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