



Press Release

J.D. Power and Associates Reports: Satisfaction with Auto Claims is Considerably Lower among Total Loss Claimants

Auto-Owners Insurance Ranks Highest in Overall Satisfaction among Auto Insurance Claimants For a Fourth Consecutive Year

WESTLAKE VILLAGE, Calif.: 27 October 2011 — Auto insurance claimants who incur a total vehicle loss are notably less satisfied with the claims experience than are claimants who incur a repairable vehicle claim, according to the J.D. Power and Associates 2011 U.S. Auto Claims Satisfaction StudySM released today.

Satisfaction averages 811 on a 1,000-point scale among claimants with a total loss—42 points lower than among those whose vehicle is repaired. This gap is largely due to a lack of satisfaction with the settlement among total loss claimants, with approximately one-half of these claimants citing the settlement they received wasn't enough to replace their totaled vehicle with a similar make/model vehicle.

“Auto claims resulting in a total loss tend to be more complex, compared with vehicle repair claims, because in addition to filing a claim, claimants also have to purchase a replacement vehicle,” said Jeremy Bowler, senior director of the insurance practice at J.D. Power and Associates. “Ongoing communication and managing expectations are key throughout the entire claims process, as total loss claims take 18.2 days, on average, for claimants to receive payment, compared with just 12.5 days for the return of a repaired vehicle. Making the claimant aware of how quickly they’ll receive the settlement and providing a thorough explanation of how the settlement amount was calculated are crucial to improving the overall experience in those instances of total loss.”

Insurers can deliver a satisfying experience by addressing three primary needs throughout the claims process:

- **Communication**—Insurers must not only be available when claimants have questions, but must also make the effort to clearly explain the claims process, follow up in a timely manner and keep claimants informed throughout the claims process.
- **Speed**—Insurers must quickly move the claim along from first notice of loss, to the appraisal, to communicating settlement amounts and ultimately paying claimants. Currently, total loss claimants report having to wait an average of four days to receive a settlement offer following damage appraisal.
- **Fairness**—Claimants want to be treated fairly regarding the settlement and avoid surprises during the process, whether caused by unexpected out-of-pocket expenses or not fully understanding what their policy covers in a claims situation.

The study measures [claimant satisfaction with the claims experience](#) for auto physical damage loss. Depending on the complexity of a claim, the claimant may experience some or all of the following factors measured in the study: first notice of loss; service interaction; appraisal; repair process; rental experience; and settlement. Settlement is the most important factor in overall satisfaction among both total loss and repair claimants.

Auto-Owners Insurance ranks highest in overall satisfaction with the claims experience for a fourth consecutive year, achieving a score of 890. Auto-Owners Insurance performs particularly well in all six factors. State Farm

follows in the rankings with a score of 878, improving considerably from 2010. Amica Mutual ranks third with 865. New Jersey Manufacturers Insurance Company and USAA also achieve high levels of customer satisfaction, although they are not included in the rankings due to the closed nature of their respective memberships.¹

Bowler offers the following tips for auto insurance customers during the claims process:

- Request a printed report detailing your settlement. Ensure the vehicle specifications your insurer uses are correct and factor in any vehicle upgrades, the condition of your vehicle and any after-market accessories.
- Check that the comparable vehicles used to determine the value of your vehicle are indeed similar.
- Ask the adjuster to look at your vehicle in person if you received a desk settlement that you believe isn't accurate.

“It’s important for customers to examine the settlement offer and, in particular, verify the vehicle content and condition,” said Bowler. “The majority of customers who disputed their vehicle’s valuation most often cited differences concerning comparable vehicles (56%), vehicle condition (53%) and aftermarket accessories (18%).”

The [management discussion](#) based on the study, available for download [here](#), provides an in-depth examination of total loss claims and the claims process.

The 2011 U.S. Auto Claims Satisfaction Study is based on more than 11,500 responses from auto insurance customers who filed a claim within the past 12 months. The study excludes claimants whose vehicle only incurred glass/windshield damage or was stolen, or who only filed roadside assistance claims. The study was fielded March through July 2011.

About J.D. Power and Associates

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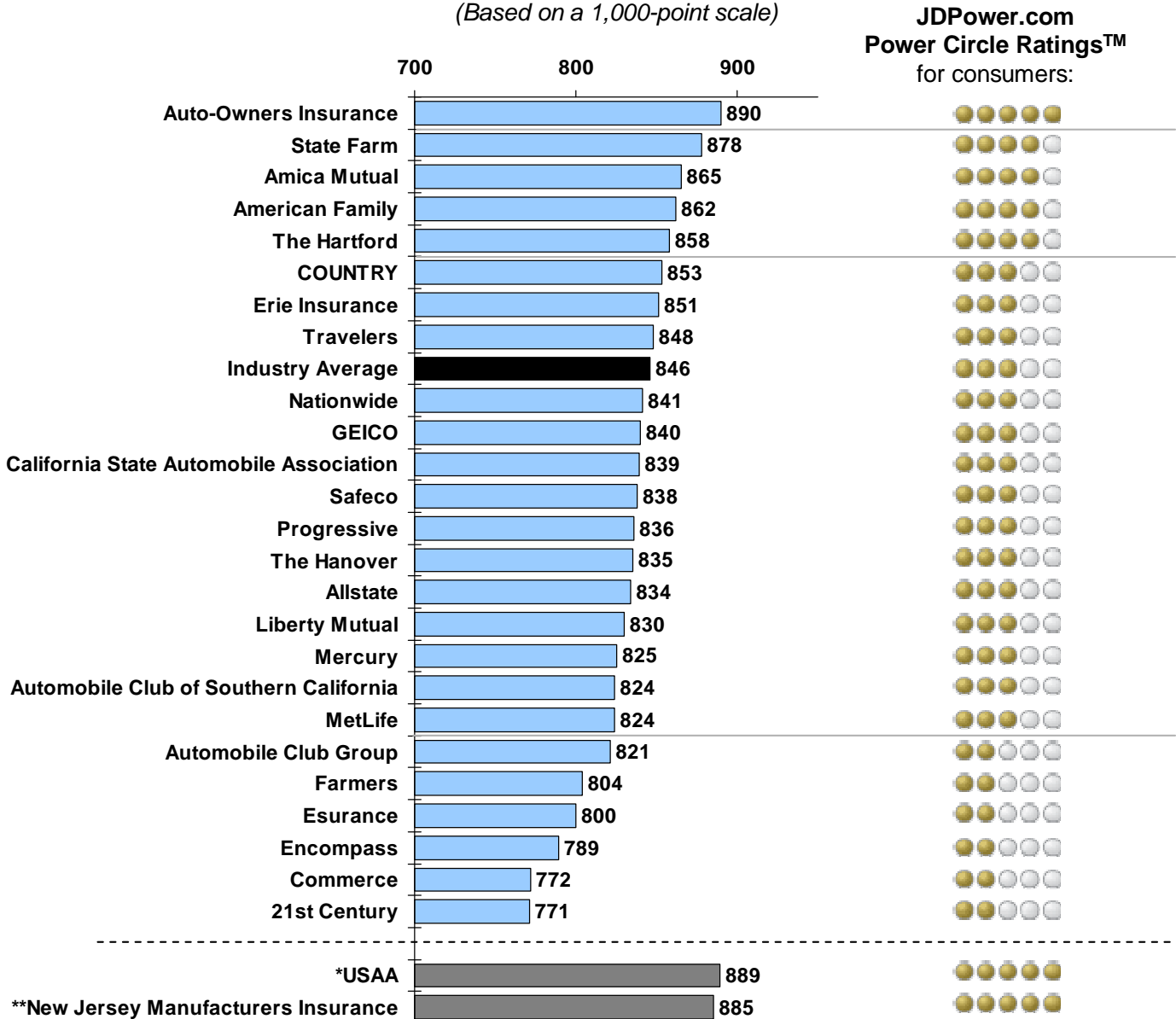
NOTE: One chart follows.

¹ New Jersey Manufacturers Insurance Co. is an insurance provider open only to New Jersey Business & Industry Association members, State of New Jersey employees, NJM’s previously insured drivers, and/or previous/current auto/homeowner policyholders. USAA is an insurance provider open only to U.S. military personnel and their families.

J.D. Power and Associates 2011 U.S. Auto Claims Satisfaction StudySM

Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



*USAA is an insurance provider open only to U.S. military personnel and their families and therefore is not included in the rankings.

**New Jersey Manufacturers Insurance Co. is an insurance provider open only to New Jersey Business & Industry Association members, State of New Jersey employees, NJM's previously insured drivers, and/or previous auto/homeowner policyholders and therefore is not included in the rankings.

Included in the study but not ranked due to small sample size is GMAC.

Source: J.D. Power and Associates 2011 U.S. Auto Claims Satisfaction StudySM

Power Circle Ratings Legend

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

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