

J.D. POWER



2017 U.S. Auto Claims Satisfaction Study

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Bain Certified Net Promoter Score® by J.D. Power now available!

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While auto insurers continue to improve industry-wide in terms of customer satisfaction, the competition to differentiate brands is intensifying. Understanding why your customers are satisfied or dissatisfied with their claims experience and knowing what your competitors are doing to meet their customers' expectations are critical in efforts to distinguish your company's claims process from those of other companies.

The Solution

The *J.D. Power 2017 U.S. Auto Claims Satisfaction StudySM* provides an analysis of claimants' perceptions of their insurer's performance during the entire claims experience, from first notice of loss through the repair and delivery of their vehicle or settlement of a total loss. The study provides insights into how insurers can not only improve customer satisfaction with the claims process, but also how they can improve customer retention and advocacy, both of which are crucial to growth and profitability. The study examines claimant satisfaction among auto insurance customers of the largest insurers in the United States across a number of metrics:

- Competitive benchmarking of the claimant experience and the impact on retention and advocacy
- Critical service dimensions, such as time, frequency, and channel preference
- Key metrics for each customer touch point and the service levels for each measure that represent best practice performance targets for satisfying claimants
- Impact of claimants' changing expectations and behaviors on policy retention and brand loyalty

The study has been significantly redesigned to provide additional insights related to:

- Key diagnostic information, such as use of digital channel, status updating/communication, and types of issues experienced
- Additional drivers of satisfaction related to claim servicing, the rental experience, and settlement
- Bain Certified Net Promoter Score® by J.D. Power: This independent, trusted, and Bain-certified measure of NPS will instill confidence in score accuracy while better positioning brands to improve the customer experience, increase brand advocacy, and drive positive financial results. The NPS® questions will be available in the respondent data files and will also be available on VoX via a verbatim word cloud and rank chart.



Listening to the Voice of the Customer is the first step in targeting performance improvement initiatives that can increase overall customer satisfaction.

How It Works

Sampling

To be included in the study, auto insurers must first meet the minimum market share criteria. Insurers that are included in the study are given a sample size quota to meet surveying requirements, after which an online survey is deployed via multiple panels. Results are then cleaned and calculated in order to address insurers' needs for market-specific insights, all while establishing a national competitive benchmark. Market share of each insurer is based on direct written premiums as listed in public filings issued by SNL Financial.

Weighting

To provide a more accurate picture of the industry, responses are weighted by each insurer's national market share, based on total auto premiums written. For year-over-year trendability, data is weighted to normalize each insurer's mix of returns by online panel provider.

J.D. Power Index

The J.D. Power index methodology provides a means of identifying the elements that drive competitive differences in customer satisfaction. This identification is essential in providing feedback to the operational units that deliver and maintain a product or service. The index is a yardstick designed to summarize ratings on the many facets of satisfaction into one combined measure that provides actionable information. Identifying any weakness that exists in a particular area is the first step toward taking direct action to strengthen competitive position. Determining the degree to which that weakness influences customer satisfaction aids in establishing improvement priorities.

The J.D. Power index models are mathematically derived formulations that predict overall satisfaction with a set of independent attributes describing customers' experiences with a product or service. All index formulations use factor analysis and multiple regression to develop the weighting process defining the index. Once this index scoring procedure is developed, individual index scores are computed for each survey response.

Award Criteria

To be eligible for an award, auto insurers must meet a minimum of 100 completed surveys. The highest-ranked insurer will receive an award. Awardees that are current with their subscription to the study will have the opportunity to leverage this award publicly through J.D. Power's award licensing program.²



The J.D. Power index methodology provides a means of identifying the elements that drive competitive differences in customer satisfaction.

¹SNL does not endorse any analysis or calculation based on the use of these data.

²USAA is excluded from eligibility for this award because the insurer is open only to U.S. military personnel and their families and therefore is not included in the rankings. NJM Insurance Co. is also excluded for this award because the insurer accepts applications only from members of the New Jersey Business & Industry Association, state of New Jersey employees, NJM's previously insured drivers, and previous or current homeowners policyholders.

Leveraging J.D. Power Data to Better Understand Competitive Position

Satisfaction Drivers

The Auto Insurance Claims Customer Satisfaction Index segments the overall claimant experience into six factors:

- First Notice of Loss
- Claim Servicing
- Estimation Process
- Repair Process
- Rental Experience
- Settlement

Collectively, the factors predict the overall Customer Satisfaction Index, which, in turn, predicts customer loyalty to and advocacy for their insurer.

Industry Best Practices

Key Performance Indicators [KPIs]—or best practices—and diagnostics provide in-depth analyses of customer needs and desires at each service “moment of truth” by examining the top service practices. This information has proven to be invaluable in helping companies prioritize strategies for targeting the areas most important to customers.

KPIs are individual diagnostic items that have the most significant relationship with a customer’s overall experience with their insurer. The KPI break point is the specific point at which satisfaction significantly improves, and indicates a best practice. KPIs provide a direct understanding of how customer sentiment affects renewals and referrals and, ultimately, profitability, which are vital in today’s marketplace, as customers have greater access to competitive choices through the Internet.



This information has proven to be invaluable in helping companies prioritize strategies for targeting the areas most important to customers.

Subscription Details

A study subscription provides access to the insights and tools needed to gain a comprehensive, in-depth understanding of how your company is performing and to identify key areas needing improvement. The *U.S. Auto Claims Satisfaction Study* publishes in four waves, allowing subscribers to more accurately track their results throughout the year. Study wave deliverables that are provided four times during the year include:

- **VoX 3.0**
 - **Refreshed Simple Design:** VoX 3.0 design follows industry-leading design, making the platform easier to use so you can focus on what's really important—your data analysis
 - **Active Dashboard:** Data elements in the dashboard include key charts and tables that highlight KPIs, rankings, verbatim reports, presentations, or other uploaded documents of interest
 - **Fully Integrated Data Analysis:** Need to run additional analysis? The custom cross-tabulation tool allows key metrics to be easily viewed against multiple points of reference, putting the power in the hands of users when performing root-cause analyses
 - **Comparison to Competitive Sets:** Define your own competitive set to easily benchmark your performance against the most meaningful points of comparison
 - **Data Portability:** The new Report Builder feature enables users to easily share data analysis with colleagues by creating self-defined PDF packets of charts and tables after user-defined filters have been applied
 - **Verbatim Comments:** Full search functionality allows rapid access to verbatims of interest, including NPS®-related comments
- An **executive scorecard** that provides insights into your company's satisfaction and KPI wave performance, highlighting changes in performance over time and industry benchmark information

Full study deliverables that will be provided at the completion of the fourth wave include:

- An **analyst briefing** that provides insights into key industry trends and study findings, allowing your company to maximize performance and create a highly satisfying customer experience
- **Industry detailed findings** which give you a competitive performance overview by factor; also includes comprehensive data on channel usage and satisfaction to help drive investment decisions and allows for dynamic filtering of the findings
- Access to **VoX 3.0**, which is a complete, turnkey software solution for data analysis
- An **on-site executive presentation** that summarizes your company's results, compared with those of key competitors, and presents recommendations for improvement

Insurers that subscribe to the study use it to understand their competitive position, pinpoint critical areas for improvement, and make prudent investments of their resources in the service areas that matter most to customers.



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Additional Subscriptions Available:

Oversampling

J.D. Power offers a proprietary oversample opportunity providing insurance companies that are not currently profiled in the syndicated study an opportunity to obtain competitive data sets in order to benchmark their performance against competitors that are profiled in the study. This opportunity is also available for profiled companies that would like to dive deeper into a specific topic covered in the study. The same questionnaire used for the syndicated study is used in the proprietary oversample study.

NPS® Analytics Package

J.D. Power's NPS Analytics Package helps brands more fully understand the drivers of the Net Promoter Score, and how those results fit within the framework of the overall customer experience. This includes a simulator, analyst briefing and client case study.

About J.D. Power

J.D. Power is a global marketing information services company providing performance improvement, social media, and customer satisfaction insights and solutions. The company's mission is to be the premier leader representing the Voice of the Customer to drive improvement of products and services and, ultimately, business results for companies worldwide.

Our Experience

J.D. Power has been capturing the Voice of the Customer for more than 45 years. During that time, the company has expanded its scope of research to include more than a dozen industries worldwide. Through the company's proprietary index model, the many drivers of the customer experience are identified, accurately measured, and linked to business results. Based on those findings, J.D. Power provides clients with insights that can lead to an improvement in their financial performance.



For study subscribers, J.D. Power offers various forms of public recognition and promotional opportunities. These include award licensing for highest ranked companies in official award categories, website ratings, and more to promote client study performance.

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