

**J.D. Power Reports:
Home Insurance Industry Not Meeting Gen Y Expectations for Customer Interaction**

BCAA, The Co-operators and The Personal All Rank Highest
In Home Insurance Satisfaction in Their Respective Region

TORONTO: 4 June 2015 — As Gen Y¹ customers are increasingly becoming first-time home owners and homeowners insurance buyers in Canada, not only are they more critical of their service interactions with their insurers, satisfaction among these customers is also declining at a faster rate than in any other generational group, according to the J.D. Power 2015 Canadian Home Insurance StudySM released today.

The annual study examines customer satisfaction with their homeowners insurance company by examining five factors (in order of importance): non-claim interaction; policy offerings; price; billing and payment; and claims. The non-claim interaction factor includes three subfactors: local agent or broker; call centre representative; and website. Satisfaction is calculated on a 1,000-point scale.

Gen Y customers are the least satisfied among the generational groups with their home insurance service experience. Satisfaction among Gen Y has declined significantly, by 12 points to 745 from 757 in 2014, compared with a 10-point decline among Boomers—the largest generational group—and a 1-point decline among Gen X customers. The erosion in satisfaction levels among Gen Y customers is largely driven by a significant 14-point decline in the most important factor, non-claim interaction.

“Satisfying Gen Y customers with the service interaction experience is critical for insurers to remain competitive in the marketplace,” said **Valerie Monet, director of the insurance practice at J.D. Power**. “Insurers need to educate customers regarding the issues they most frequently contact their insurer about: policy coverage options; bill payment options; and what to do and expect in the event they have to file a claim.”

Understanding the billing statement is one aspect of the interaction experience that Gen Y customers are struggling with more than other generations, with only 55 percent saying they “completely” understand their billing statement, compared with the industry average of 66 percent. Notably Gen Y experiences more billing errors than the other generations (15% vs. less than 10% for each of the other groups), leading them to turn to their agent or a call centre representative for help.

¹ J.D. Power defines generational groups as Pre-Boomers (born before 1946); Boomers (1946-1964); Gen X (1965-1976); Gen Y (1977-1994); and Gen Z (1995-2004).

Satisfaction Rankings

The Co-operators (789) ranks highest in the Atlantic/Ontario region, followed by **State Farm** (776) and **RBC Insurance** (773).

The Personal (814) ranks highest in the Quebec region, followed by **Intact Insurance** (788) and **La Capitale** (782).

BCAA ranks highest in the Western region for a fourth consecutive year, with a score of 815. Following **BCAA** in the rankings are **Portage Mutual Insurance** (774) and **Intact Insurance** (763).

KEY FINDINGS

- Overall satisfaction declines by 11 points nationally to 759 from 770 in 2014. Regionally, satisfaction declines to 745 from 752 in the Western region; declines to 759 from 771 in the Atlantic/Ontario region; and declines to 777 from 794 in the Quebec region.
- Overall, the decrease in satisfaction in 2015 is driven by a significant 14-point decline in the non-claim interaction factor.
- Non-claim interaction satisfaction has declined significantly due to challenges with the call centre. In this regard, 41 percent of customers indicate having to wait 1 minute or longer to speak with a representative, and 34 percent of customers indicate that their issue was not resolved on the same day.
- Satisfaction with homeowners insurance among Gen Y customers is lower in non-claim interaction (768) and claims (749), compared with satisfaction among Boomers (815 and 812, respectively).

The 2015 Canadian Home Insurance Study is based on responses from 7,466 home insurance customers. The survey data was collected from March 2015 through April 2015.

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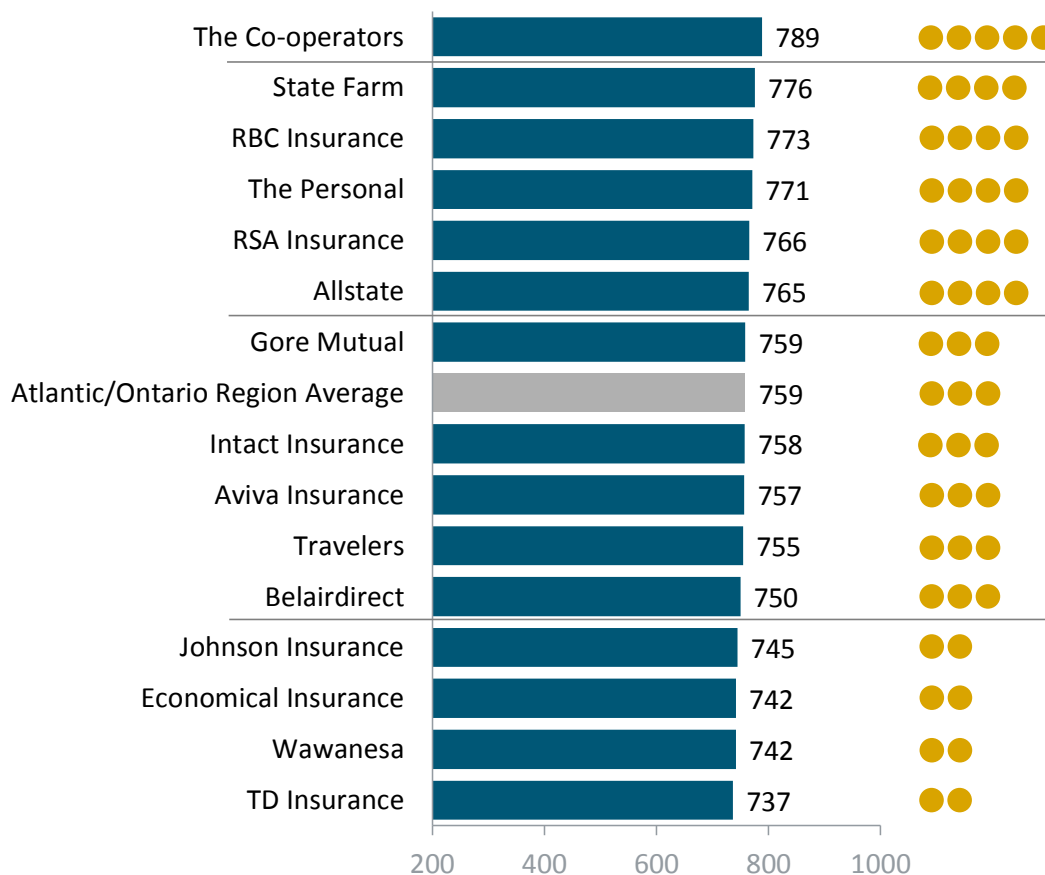
Note: Three charts follow.

J.D. Power 2015 Canadian Home Insurance StudySM

Overall Customer Satisfaction Index Ranking Atlantic/Ontario Region

(Based on a 1,000-point scale)

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Power Circle RatingsTM
for consumers:



Power Circle Ratings Legend

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

Note: Included in the study but not ranked due to sample size are CAA Insurance, Chubb Insurance, Desjardins General Insurance, and Portage Mutual Insurance.

Source: J.D. Power 2015 Canadian Home Insurance StudySM

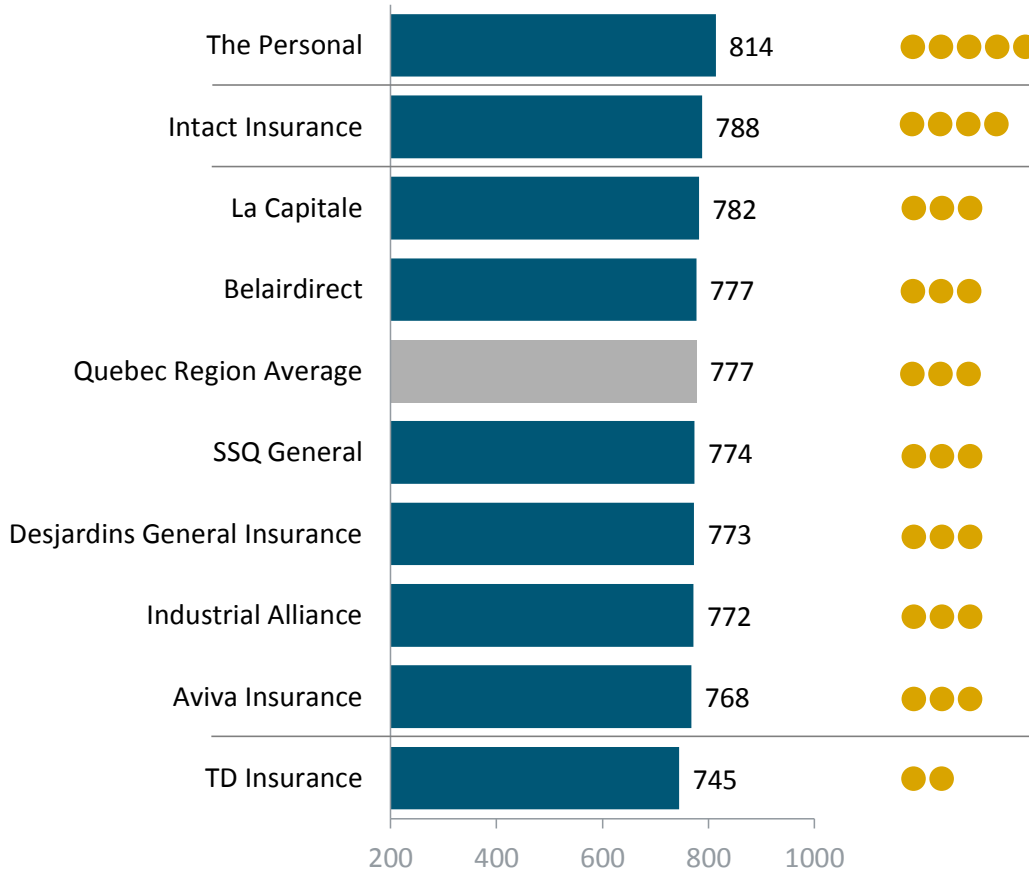
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Overall Customer Satisfaction Index Ranking Quebec Region

(Based on a 1,000-point scale)

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- About average
- The rest

Note: Included in the study but not ranked due to sample size are Allstate and RSA Insurance.

Source: J.D. Power 2015 Canadian Home Insurance StudySM

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J.D. Power 2015 Canadian Home Insurance StudySM



Note: Included in the study but not ranked due to sample size are Allstate, Canadian Direct, CNS Insurance, Johnson Insurance, RSA Insurance, and RBC Insurance.

Source: J.D. Power 2015 Canadian Home Insurance StudySM

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