

J.D. Power Reports: Declines in Satisfaction with Drivable Claims Drives Decrease in Overall Satisfaction among Claimants in Canada

Intact Insurance Ranks Highest in Auto Insurance Claims Satisfaction

WESTLAKE VILLAGE, Calif.: 13 July 2015 — Satisfaction among Canadian auto claimants declines significantly due to dissatisfaction with the process for drivable claims—those which are submitted for vehicles that do not require a tow—according to the J.D. Power 2015 Canadian Auto Claims Satisfaction StudySM released today.

Now in its third year, the study measures customer satisfaction with the claims process for auto physical damage loss. Depending on the complexity of the claim, claimants may experience some or all of the following factors that drive overall satisfaction: first notice of loss; service interaction; appraisal; repair process; rental experience; and settlement. Satisfaction is calculated on a 1,000 point scale.

Overall satisfaction has decreased to 782, a significant 16 point decline from 2014. The handling of drivable claims, which account for 62 percent of all claims, is the primary cause of overall claimant dissatisfaction. The 19 point drop in satisfaction with the handling of drivable claims is the result of declines in two factors; claimants satisfaction with first notice of loss (FNOL) which has declined by 26 points and settlement which decreased by 17 points.

The study finds that repairs are less likely to be completed when promised in 2015 than in 2014 (80% vs. 83%, respectively), underscoring the need for insurers to better manage repair timing expectations. Additionally, the time it takes to receive the final settlement payment has increased by more than one day from 2014 (15.5 days vs. 14.2 days, respectively). Just one in five (18%) claimants with a drivable claim say the claim took a shorter amount of time than expected, compared with 21 percent in 2014. However, more claimants are negotiating their settlement this year, increasing to 17 percent from 13 percent in 2014.

“Whether it’s a drivable claim or something more complex, dealing with an auto claim is a major disruption in someone’s daily routine,” said **Valerie Monet, director of the insurance practice at J.D. Power**. “To help get customers through the stress of it all, it’s vital that insurers clearly explain the claims process so they know what to expect. One way this can be accomplished is by providing a reasonable and accurate time frame for when the repairs will be completed. Not only can this help put claimants at ease, but it can also educate them on the process. Providing an explanation of the process can improve satisfaction with the overall claims experience and also reduce the need for negotiations between the claimant and insurer later in the process.”

KEY FINDINGS

- Nearly half (48%) of claimants with drivable claims are first-time claimants, among whom overall satisfaction is lower than among repeat claimants (790 vs. 800, respectively).
- Overall satisfaction is down among claimants with drivable, repairable non-tow claims (-19 index points); repairable tow claims (-5 index points); and total loss claims (-12 index points).

- Ensuring a claimant’s actual settlement is aligned with their expectations is the most influential Key Performance Indicator (KPI) impacting the overall claimant experience. At the industry level, 10 percent of claimants receive a settlement that is not in line with their expectations, and there has been no annual improvement in this top KPI.
- One-half (50%) of claimants contact their local agent/broker during the FNOL process; however, approximately 20 percent of these claimants are redirected to their insurer by the local agent/broker, which negatively impacts satisfaction. Focused customer service and follow-up on the part of local agents/brokers can help improve FNOL satisfaction among redirected claimants.
- Providing an outstanding claims experience can generate high levels of advocacy and retention. The study finds that 80 percent of highly satisfied claimants (overall satisfaction scores of 900 or higher) say they “definitely will” renew their policy, and 78 percent say they “definitely will” recommend their current insurer, while only 13 percent of displeased claimants (scores of 549 or less) say they “definitely will” renew and only 4 percent say they “definitely will” recommend.

Insurance Company Results

Among the award-eligible insurance companies included in the study, **Intact Insurance** ranks highest in overall customer satisfaction with an index score of 812, performing particularly well in the first notice of loss, service interaction and settlement factors.

Following Intact Insurance in the rankings are **The Co-operators** (810); **Belairdirect** (789); and **Desjardins General Insurance** (787).

The 2015 Canadian Auto Claims Satisfaction Study is based on responses from more than 2,500 auto insurance customers in Canada who settled an auto insurance claim within the past 12 months. The study excludes claimants whose vehicle incurred only glass/windshield damage or was stolen, or who filed a roadside assistance claim only. The study was fielded between February and April 2015.

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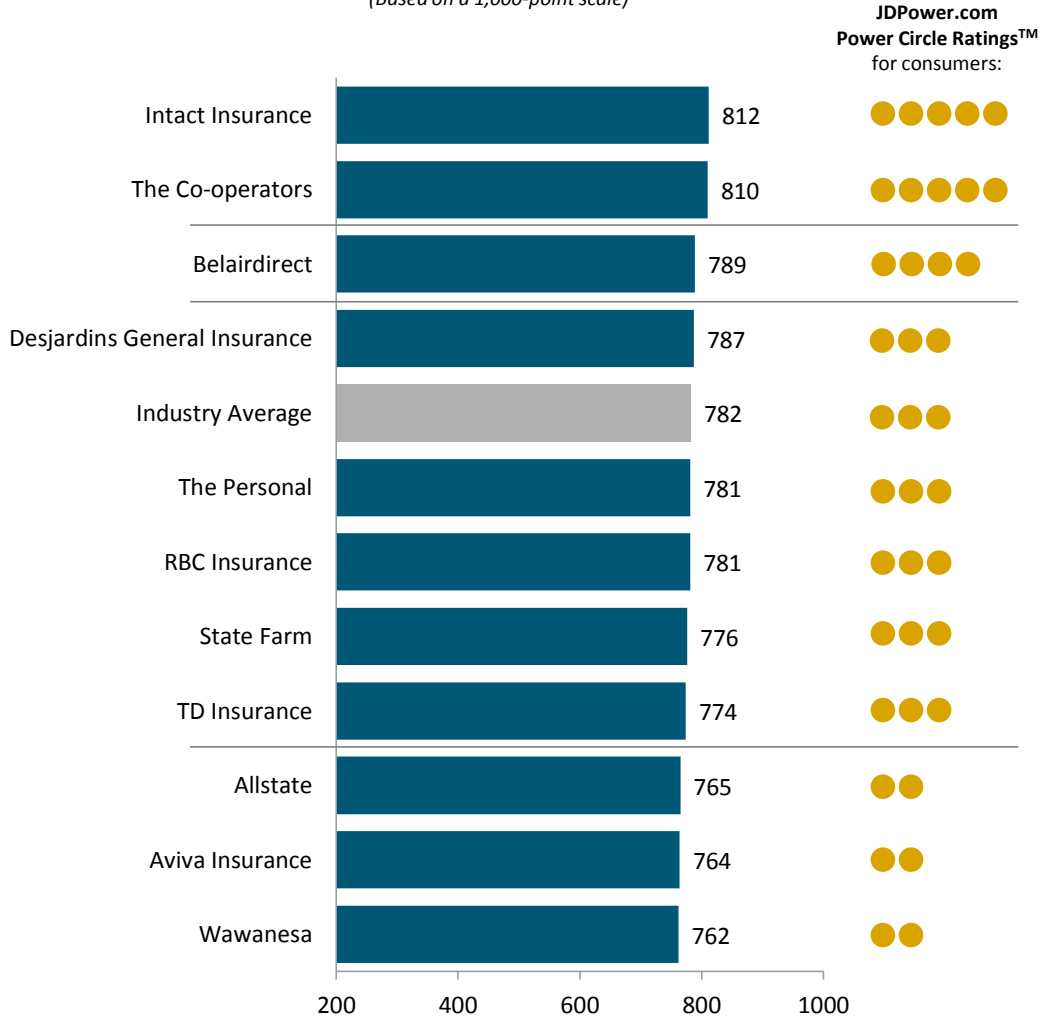
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NOTE: One chart follows.

J.D. Power 2015 Canadian Auto Claims Satisfaction StudySM

Overall Customer Satisfaction Index Ranking *(Based on a 1,000-point scale)*



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 Economical Insurance, Grey Power, Johnson Insurance, RSA Insurance, and Travelers.

Source: J.D. Power 2015 Canadian Auto Claims Satisfaction StudySM

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