



## Press Release

### **J.D. Power and Associates Reports: Perceptions of Greater Policy Value Drive Customer Satisfaction with Homeowners Insurance To a Five-Year High**

#### Amica Mutual Ranks Highest in Customer Satisfaction with Homeowners Insurance For an Eighth Consecutive Year

**WESTLAKE VILLAGE, Calif.: 5 October 2009** — For the first time in five years, overall satisfaction with homeowners insurance has increased significantly, driven by favorable customer perceptions of the value of their policies, according to the J.D. Power and Associates 2009 National Homeowners Insurance Study<sup>SM</sup> released today.

Now in its ninth year, the study measures [customer satisfaction with homeowners insurance companies](#) by examining five key factors: policy offerings; price; billing and payment; interaction; and claims.

Overall satisfaction with homeowners insurance companies averages 773 on a 1,000-point scale in 2009—increasing by 21 points from 2008. The overall increase is primarily attributable to substantial improvements in the price, policy offerings and billing and payment factors. In particular, satisfaction with price has improved most notably—increasing by 46 points from 2008.

Contributing further to improved perceptions of policy value are shifts in the perceived prevalence of discounts. The percentage of policyholders who report receiving discounts has increased in 2009 to 84 percent from 81 percent in 2008. Of the 27 insurance companies included in the study, 10 have experienced notable increases from 2008 in the proportion of their customers who report getting discounts. Policyholders who receive discounts are significantly more satisfied than those who either do not receive discounts or are unsure of the discounts they receive.

“To maximize the lift in satisfaction that discounts may bring, insurance companies must clearly inform customers of the number and types of discounts they are receiving,” said Jeremy Bowler, senior director of the insurance practice at J.D. Power and Associates. “Even if a customer’s policy doesn’t change, satisfaction may improve by more than 90 points when they’re informed of the discounts they qualify for and are getting, compared with when they have no awareness of the discounts.”

Amica Mutual ranks highest for an eighth consecutive year among homeowners insurance companies, performing particularly well in all five factors that contribute to overall customer satisfaction. Following Amica in the rankings are Auto-Owners, Erie Insurance and State Farm, respectively. USAA, an insurance provider open only to U.S. military personnel and their families and therefore not included in the rankings, also achieves a high level of customer satisfaction.

The study finds that more than eight in 10 customers report bundling multiple policies with their homeowners insurance company. Satisfaction with insurance companies’ policy offerings increases with each additional policy

purchased, with satisfaction averaging more than 170 points higher among customers with four or more policies with their insurer, compared with customers who hold only a homeowners policy with their insurance company.

“Keeping homeowners insurance customers well satisfied may pay dividends, as these customers are very likely to purchase additional insurance policies and other financial products from their insurer,” said Bowler.

The study also finds that making improvements in overall satisfaction may have a strong positive impact on renewal and recommendation rates. For example, improving overall satisfaction from an average of 750 to 800 may result in a 10- to 15-percentage-point increase in the proportion of customers who say they “definitely will” renew their policies. Similarly, this improvement in satisfaction may also result in a 10- to 15-percentage-point improvement in the number of customers who say they “definitely will” recommend their insurer to others.

The 2009 National Homeowners Insurance Study is based on responses from more than 12,900 homeowners insurance customers. The study was fielded between April and June 2009.

J.D. Power and Associates will issue a white paper with in-depth analysis of the homeowners insurance claim experience in mid-November.

For more information, view [homeowners insurance ratings](#), or read an [article](#) at [JDPower.com](#).

#### **About J.D. Power and Associates**

Headquartered in Westlake Village, Calif., J.D. Power and Associates is a global marketing information services company operating in key business sectors including market research, forecasting, performance improvement, Web intelligence and customer satisfaction. The company’s quality and satisfaction measurements are based on responses from millions of consumers annually. For more information on [car reviews and ratings](#), [car insurance](#), [health insurance](#), [cell phone ratings](#), and more, please visit [JDPower.com](#). J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

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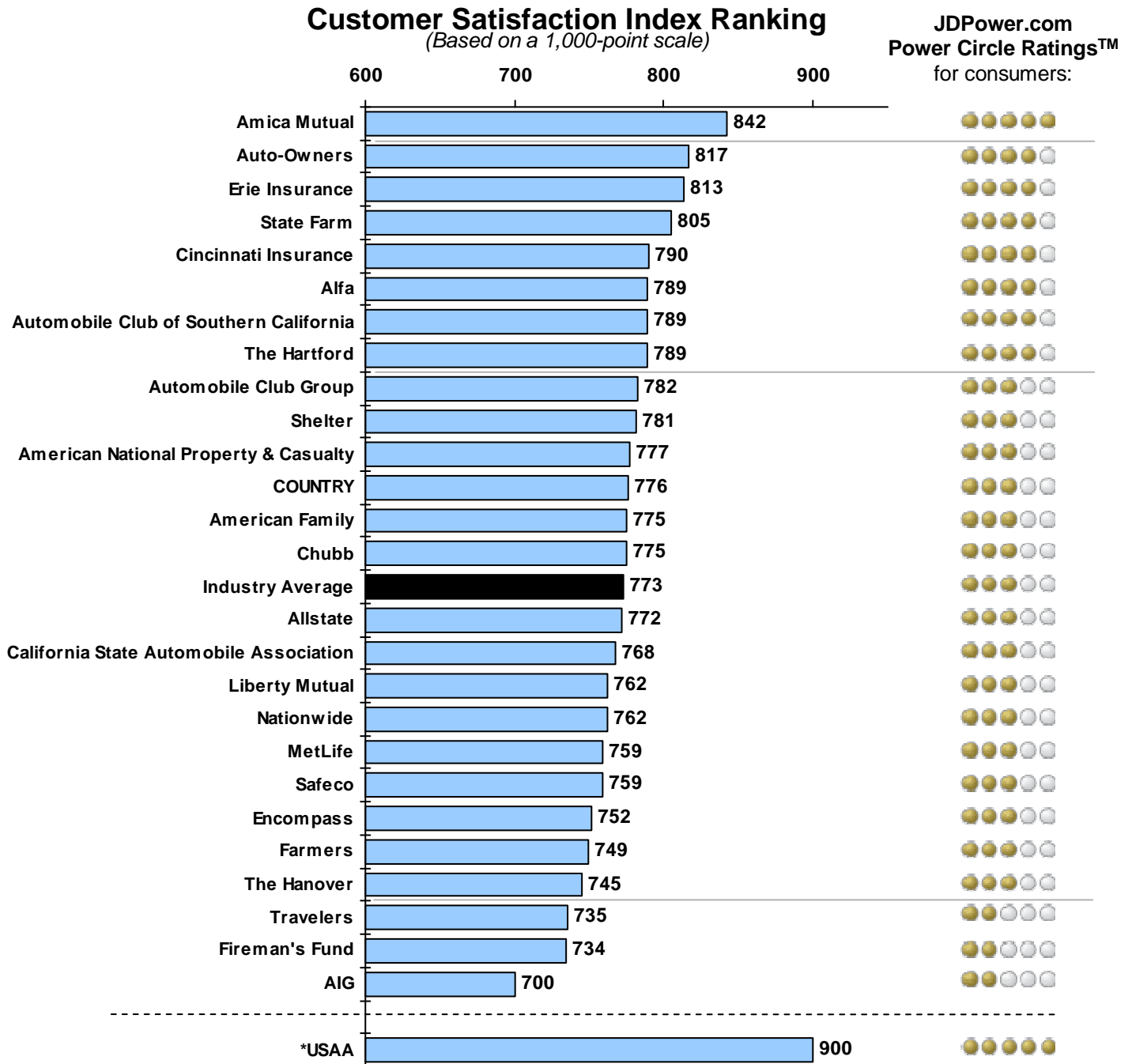
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NOTE: One chart follows.

# J.D. Power and Associates 2009 National Homeowners Insurance Study<sup>SM</sup>



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

Source: J.D. Power and Associates 2009 National Homeowners Insurance Study<sup>SM</sup>

#### Power Circle Ratings Legend

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

Charts and graphs extracted from this press release must be accompanied by a statement identifying J.D. Power and Associates as the publisher and the J.D. Power and Associates 2009 National Homeowners Insurance Study<sup>SM</sup> as the source. Rankings are based on numerical scores, and not necessarily on statistical significance. JDPower.com Power Circle Ratings<sup>TM</sup> are derived from consumer ratings in J.D. Power studies. For more information on Power Circle Ratings, visit [jdpower.com/faqs](http://jdpower.com/faqs). No advertising or other promotional use can be made of the information in this release or J.D. Power and Associates survey results without the express prior written consent of J.D. Power and Associates.