



Press Release

J.D. Power and Associates Reports: While Relatively Few Homeowners in Catastrophe-Prone Areas Have Earthquake or Flood Insurance Coverage, Those with Flood Insurance Are Significantly Less Satisfied with Their Policies Overall

Amica Mutual Ranks Highest in Customer Satisfaction with Homeowners Insurance For a 10th Consecutive Year

WESTLAKE VILLAGE, Calif.: 1 September 2011 — Among homeowners insurance policyholders, those with flood insurance tend to be significantly less satisfied with their policy coverage, compared with policyholders who opt not to carry it, according to the J.D. Power and Associates 2011 U.S. National Homeowners Insurance StudySM released today.

Now in its 11th year, the study measures [customer satisfaction with homeowners insurance companies](#) by examining five key factors: policy offerings; price; billing and payment; interaction; and claims.

Fewer than one in 10 homeowners insurance customers in New England and the Mid-Atlantic states report carrying flood insurance prior to Hurricane Irene. While a higher proportion of policyholders in the Gulf states—more than 25 percent—carry flood coverage either through their homeowners insurance company, state flood plans or another provider, this is still a relatively low proportion, considering the frequency of hurricanes and other severe weather events in the region.

Among homeowners who carry flood insurance, overall satisfaction with their homeowners insurance company averages 735 on a 1,000-point scale in 2011. In comparison, satisfaction among homeowners with earthquake insurance coverage averages 766.

“So far, 2011 has been a tough year for the property insurance industry due to the occurrence of multiple natural catastrophes—ranging from tornadoes in the southern U.S. in the spring, to massive flooding in the Midwest, to the recent earthquake on the East Coast, followed by Hurricane Irene—which have driven home the necessity among many U.S. consumers of having adequate homeowners insurance coverage,” said Jeremy Bowler, senior director of the insurance practice at J.D. Power and Associates.

According to Bowler, it is key for homeowners to ensure that their insurance coverage is sufficient before a disaster strikes. While many homeowners may not give much thought to their insurance under normal circumstances, the moment they have to file a claim, the value of coverage becomes realized. The study finds that customers who have filed a claim tend to be more knowledgeable about their policies—and also more satisfied—than those who haven’t had a claims experience.

“Unfortunately, the majority of homeowners affected by Hurricane Irene were not covered for flood damage, and many may find their claims denied,” said Bowler.

The study finds that approximately 16 percent of homeowners insurance policyholders indicate they carry less coverage than would be required to fully rebuild their home in the event of a total loss. Among these policyholders, satisfaction averages 739—more than 40 points lower than among policyholders who say they have sufficient coverage.

Overall satisfaction with homeowners insurance companies averages 769 in 2011—improving by 19 points from 2010. While satisfaction has improved in all five factors from 2010, the greatest gain occurs in the interaction factor. Despite these gains, customer satisfaction with homeowners insurance companies remains significantly below satisfaction with auto insurance companies, which averages 790 in 2011, according to the J.D. Power and Associates National Auto Insurance StudySM, published in June.

Customer satisfaction with homeowners insurance companies has rebounded from 2010, but still remains below levels achieved in 2009. Similarly, among auto insurance policyholders, satisfaction has improved notably from 2010. While satisfaction also increased in all five factors among auto insurance customers, one key difference has emerged between homeowners insurance customers and auto insurance customers in 2011. Among homeowners insurance customers, those who bundle more than one policy with their insurer are notably more satisfied with price than customers who do not bundle policies. Among auto insurance customers, the opposite is true—those who hold only their auto policy with their insurer are notably more satisfied with price than those who bundle policies.

“Certain auto insurers have deemphasized the benefits of policy bundling in favor of selling auto-only policies,” said Bowler. “These auto insurers, while able to gain an advantage on pricing, are serving only a portion of the market. The higher levels of satisfaction observed among homeowners policyholders who have more than one policy with their insurer indicate they derive benefit—such as discounts and a wider array of product offerings—than do non-bundlers.”

Amica Mutual ranks highest for a 10th consecutive year among homeowners insurance companies and performs particularly well in all five factors that contribute to overall customer satisfaction. Following Amica Mutual in the rankings are Auto-Owners Insurance and Erie Insurance (in a tie), Cincinnati Insurance, State Farm, and American Family, 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.

J.D. Power and Associates offers the following tips to homeowners insurance policyholders:

- If your insurance company doesn't offer one, request an annual policy review. One of the most important topics to cover during the review is whether your policy limit is adequate to cover the full replacement cost value of your home. Make sure you inquire about additional policy lines, such as earthquake and flood insurance, if they are appropriate for you.
- Ask your insurance company about the discounts they offer, such as those for multiple policies, having smoke or fire alarms, or for being a long-time customer.
- While it's convenient to access billing and payment information through your insurer's website, don't rely solely on the website to communicate with your insurance company. If you have a problem or a non-billing issue to discuss, you may have a more satisfying experience if you call and talk directly to an agent or representative. Likely, they can answer your question quickly and efficiently, and save time you might spend hunting for the answer on a website.

The 2011 U.S. National Homeowners Insurance Study is based on responses from more than 9,100 homeowners insurance customers. The study was fielded between April and July 2011.

About J.D. Power and Associates

Headquartered in Westlake Village, Calif., J.D. Power and Associates is a global marketing information services company providing forecasting, performance improvement, social media and customer satisfaction insights and solutions. 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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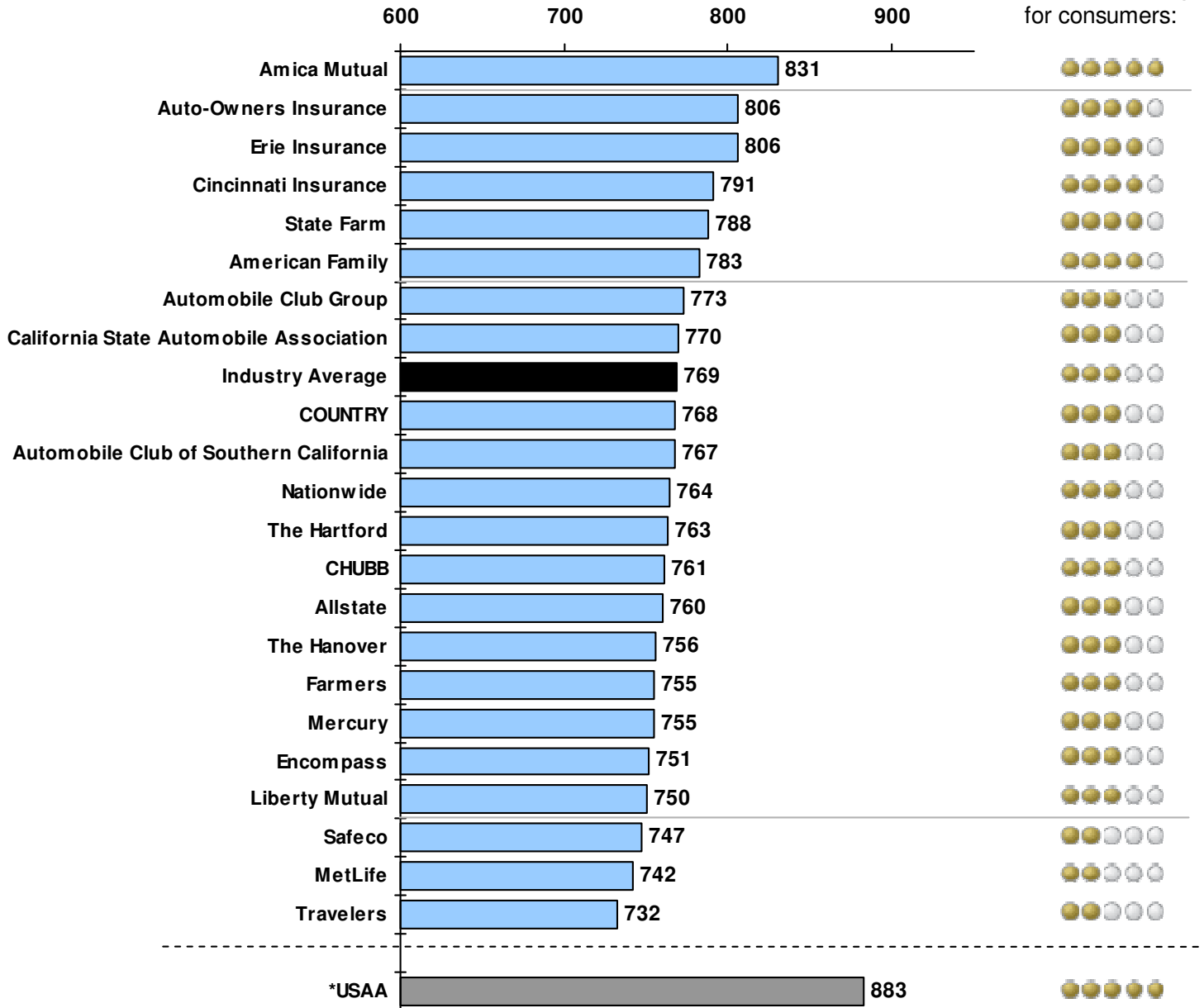
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NOTE: One chart follows.

J.D. Power and Associates 2011 U.S. National Homeowners Insurance StudySM

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

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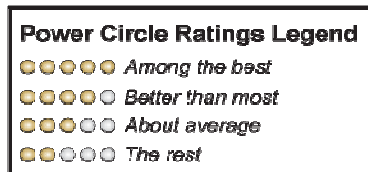


*USAA is an insurance provider open only to U.S. military personnel and their families and therefore is not included in the rankings.

Included in the study but not award-eligible due to market share criteria and/or localized availability are: North Carolina Farm Bureau and Tennessee Farm Bureau.

Included in the study but not ranked due to not meeting minimum sample requirements are Alfa Insurance, American National Property & Casualty, Fireman's Fund and Shelter.

Source: J.D. Power and Associates 2011 U.S. National Homeowners Insurance StudySM



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