

Insurance Times: HO report cites Amica Mutual, few claims in NE

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Amica Mutual ranks highest in overall homeowners insurance customer satisfaction, according to the J.D. Power and Associates 2002 Homeowners Insurance Study.

The same study found that by region, the central United States has been hit hardest by claims recently, with more than 30 percent of homeowners having filed a claim in the past three years. New England had the fewest claims, with just 14 percent of homeowners filing a claim in the past three years.

Erie Insurance Group and State Farm follow the Providence-based Amica in customer satisfaction, respectively. USAA, an insurance provider open only to the U.S. military community and their families and therefore not included in the rankings, achieves a satisfaction ranking slightly above Amica.

Among insurance providers included in the rankings, Amica achieves the top score in each of the seven drivers of overall satisfaction: personnel, claims, doing business with the insurer, billing, ease of working with insurer, fulfills commitments made, and pricing.

The study finds that among consumers who have homeowners and auto insurance through the same provider, 31 percent indicate that they "definitely" or "probably" will not renew their auto insurance with their current provider if they have to switch homeowners insurance providers.

"Many insurance companies view homeowners insurance as an 'add on' product to their auto insurance business," said Frank Forkin, partner at J.D. Power and Associates. "When they start losing money on homeowners insurance, as some do when their customers are heavily impacted by things like natural disasters or toxic mold, they stop offering that service. However, if consumers have to find a new provider for homeowners insurance, they're likely to also take their auto and other insurance business with them."

Consumers indicate the primary reason for selecting their current homeowners insurance provider is to combine coverage with one provider. Eighty-five percent of respondents currently have an auto policy with their homeowners insurance provider. These consumers indicate they are far more satisfied with their homeowners carrier than consumers who do not have multiple policies with the same carrier.

"People like one-stop-shopping for their insurance needs, as well as discounts often associated with bundling their insurance coverage," Forkin said.

While only 22 percent of consumers report they filed a claim against their homeowners insurance policy in the last three years, those who filed a claim indicate a slightly higher level of satisfaction with their providers than consumers who did not file a claim.

"When people file a claim they see their insurance money at work," Forkin said. "If the claim is settled quickly and fairly, or the customer is kept informed as to the timing of the settlement, it can be a positive experience for the customer."

More than one-half of all claims filed are for weather damage, including tornadoes and rainfall, with another 19 percent filed for non-weather related water damage caused by things such as broken pipes or sump pumps failing.