

# Homeowners satisfied despite rising premiums

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Customer satisfaction with homeowners insurance remains stable despite a sharp hike in premiums, according to the J.D. Power and Associates 2003 Homeowners Insurance Study.

More than 40 percent of homeowners report a high level of satisfaction with their homeowners insurance, similar to the level in 2002, despite average annual premium increases of nearly 14 percent in the past year. The average homeowners insurance premium is \$580, up from \$500 in 2002 and \$452 in 2001.

"The cost of insurance is certainly a factor in influencing customer satisfaction, but homeowners are more concerned with the reliability of their provider, the ease of working with their provider and the claims handling process," said Jeremy Bowler, director of insurance at J.D. Power and Associates. "For the majority of consumers, homeowners insurance premiums are rolled into their mortgage, so they may not be as aware of rate increases as they would be if they had to write a separate check each month."

In fact, 21 percent of survey respondents indicate that they don't even know which coverage they have for their home and personal property. More than 70 percent of respondents indicate that they relied on the expertise of their agent to select the best policy.

"Many consumers may not be aware of, or know the difference between the options for guaranteed replacement, replacement cost and actual cash value," Bowler said. "This indicates the importance most consumers place on their agent. In an age when consumers can shop online and get price quotes over the Internet, they still want an agent they know and trust, and who, in turn, knows them."

Among providers, Amica Mutual ranks highest in overall homeowners insurance customer satisfaction. Erie Insurance Group and State Farm follow Amica in customer satisfaction. □