



NATIONAL CONSUMER SURVEY

Touch Points

The Voice of the Customer

SURVEY KEY FINDINGS

The National Association of Professional Insurance Agents, through its work with The Partnership has conducted a new survey research project designed to explore consumer attitudes regarding their personal insurance.

This research has been designed to survey the broadest group of insurance customers available. For this reason, qualifications to participate in the survey focus on personal lines auto policyholders.

Qualifications for participation in the survey:

- Minimum age: 18
- Licensed to drive
- Currently own or lease a vehicle which is covered by insurance
- Either the decision maker or share the decision about their vehicle insurance provider

Two surveys were conducted online utilizing the "General Marketing Survey Panel" provided by SSI (Survey Sampling International, LLC).

The first survey collected 904 completed surveys from qualified participants between February 3rd and February 9th, 2011.

The second survey collected 915 completed surveys from qualified participants between March 18th and March 23rd, 2011.

Based on these results with the total number of personal auto policyholders set at 187,126,241, one can say with 95% confidence that the maximum margin of error is +/- 4 percentage points. This is the same level of accuracy typically cited by Gallup for their surveys.

The following demographic distribution of survey respondents tracks well with the general demographics of the US population:

- ✓ Male 40% / Female 60%
- ✓ Age distribution: 50% age 18-34 / 50% age 35-55
- ✓ Customers with current insurance in the following distribution systems:
 - Direct over the Internet
 - Direct via phone
 - Captive agent
 - Independent agent

SURVEY KEY FINDINGS

- ✓ Geographical representation of individuals from every state (based on zip codes)
- ✓ Representative of the overall population in terms of:
 - Marital status
 - Children
 - Employment
 - Education
 - Income

KEY FINDING #1

After good value, customers want to be able to trust someone who will take care of them when it comes to their insurance.

Consumers value the expert advice and research you offer to provide the best rates and coverage to meet their needs. Our research shows that in a world of Websites and voicemail menus, customers want to be able to trust someone who will take care of them when it comes to insurance.

Here is how customers rank the following in order of importance in response to the following question: **"With regard to the individual or company you work with to provide you insurance coverage, please rank these factors in order of importance from 1 to 10, where a '1' indicates the most important factor and a '10' indicates the least important factor."**

CUSTOMER RANKING:

1. Value in the rates they find for me
2. That they are taking care of me and my insurance needs
3. Trust in the person or company
4. Quick service response
5. They will "go to bat for me" when necessary
6. Personal attention
7. They are able to offer me choices of coverage
8. They provide me with confidence that I am making the right insurance decisions
9. They are recommending sufficient insurance protection
10. They are able to offer me a choice of companies

SURVEY KEY FINDINGS

Here is how customers rank the following in order of importance in response to the following question: **"Rank in order of importance the factors which give you the greatest level of trust and confidence in the individual (agent or company representative) who will help you make decisions when you purchase insurance from 1 to 6, where a '1' indicates the factor that gives you the greatest level of trust and confidence factor and a '6' indicates the factor that gives you the least level of trust and confidence."**

CUSTOMER RANKING:

1. Provide value by finding good rates
2. They are taking care of my insurance needs
3. I have confidence in their insurance knowledge and/or experience
4. They demonstrate the ability to successfully address my insurance needs
5. They make it a priority to tell me what I need for the right amount of insurance protection
6. They offer me choices of insurance companies & coverage options

KEY FINDING #2

The fact that agents are able to offer them a choice of companies (and coverages) is not the most important thing. What's important is what agents are able to do for them.

While it is important, it's not enough just to say to customers that you are able "to offer them a choice of companies (and coverages)."

Rather, as you have already seen in the previous two charts, this factor is ranked last in importance. From the customer's point of view, what's important to them is that you deliver value in each of the other ways they have ranked more highly. While you may understand that you can deliver value in all of these ways BECAUSE you can offer a choice of companies and coverages, they may not make that connection on their own.

This is why it is important to be specific and clearly advertise, demonstrate and explain to customers everything that you do for them and what you have to offer.

SURVEY KEY FINDINGS

KEY FINDING #3

If the price of two policies is nearly the same, they would most likely choose one over the other based on "better coverage."

Survey results show that customers care about coverage and rank "better coverage" as the top reason to choose between two policies which cost about the same. If they perceive that there are differences and that better coverage is of primary importance, they are clearly saying they don't see insurance as a mere commodity and it's not all about price.

When agents demonstrate their value by helping customers make the right choices, they are giving them what they say they're looking for - someone they trust who will take care of them when it comes to insurance.

Here is how customers respond to the following question: **"If the price of two policies is nearly the same, which of these would cause you to choose one policy over another? (Select all that apply)"**

PERCENT	ITEM MAKING A DIFFERENCE
71%	Better coverage
64%	Lower deductible
46%	Better payment terms
36%	24/7 claims service
30%	Recognized company name
19%	Motor club or similar service included
16%	Company recommended by agent

Note: 71% of customers chose "Better coverage."

The combined average of those who chose the other items in the list is only **29%**.

SURVEY KEY FINDINGS

KEY FINDING #4

69% of customers want to be contacted when their insurance agent or company has a suggestion for them to add coverage they may be missing or increase coverage when they may be underinsured.

79% of customers want to be contacted by their insurance agent or company when their policy renewal date is approaching.

81% of customers want to be contacted when their insurance agent or company has a suggestion for how they could save money on their insurance.

The following chart shows the percentage of customers who either agree or strongly agree with each of the following statements:

I want my insurance agent or company to contact me when they have a suggestion for me to add coverage which I may be missing or increase coverage when I may be underinsured.

69%

Agree or strongly agree

I want my insurance agent or company to contact me when my policy renewal date is approaching.

79%

Agree or strongly agree

I want my insurance agent or company to contact me when they have a suggestion for how I could save money.

81%

Agree or strongly agree

At first it seems surprising that 69% want their insurance agent or company to contact them when they have a suggestion for them to add coverage which they may be missing or increase coverage when they may be underinsured - especially since that will most likely mean additional premium.

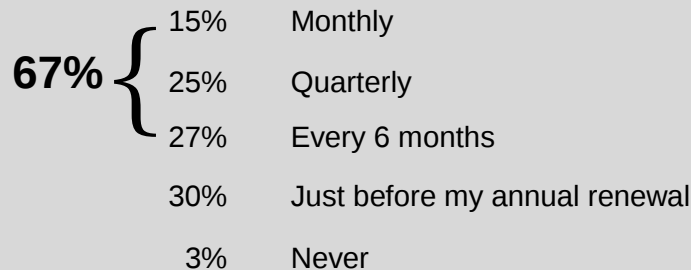
But it does make sense in light of other survey responses which clearly indicate that "customers want to be able to trust someone who will take care of them when it comes to their insurance."

SURVEY KEY FINDINGS

KEY FINDING #5

67% of customers would like to receive contact from their insurance company, agent or agency every 6 months or less to inquire if there are any changes in their life or circumstances which could create the need for change or adjustment in their insurance.

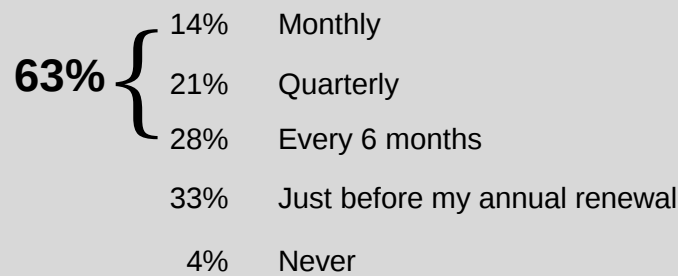
Here is how customers respond to the following question: **"How often like to receive contact from your insurance company, agent or agency to inquire if there are any changes in your life/circumstances which could create the need for change or adjustment in your insurance?"**



KEY FINDING #6

63% of customers would like to receive contact from their insurance company, agent or agency every 6 months or less to conduct a general review of their insurance coverages and costs to find out if they are paying too much or lacking coverage they may need.

Here is how customers respond to the following question: **"How often like to receive contact from your insurance company, agent or agency to conduct a general review of your insurance coverages and costs to find out if you are paying too much or lacking coverage you may need"**

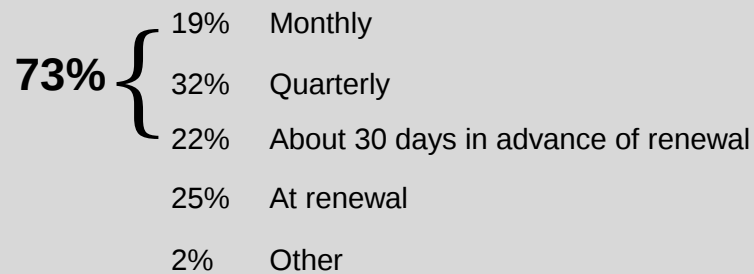


SURVEY KEY FINDINGS

KEY FINDING #7

73% of customers want to hear from their current insurance provider more often than just at renewal.

Here is how customers respond to the following question: **"How often do you want to hear from your current insurance provider?"**



KEY FINDING #8

85% of customers say it is either important or very important that you contact them by their preferred method.

Here is how customers respond to the following question: **"How important it is that your insurance AGENT/AGENCY initiate contact with you using your preferred method of contact?"**

