



Press Release

J.D. Power and Associates Reports: Erie Insurance Ranks Highest in New Buyer Satisfaction with the Auto Insurance Purchase Experience For a Second Consecutive Year

The Number of Customers Shopping for New Insurance Providers Declines

WESTLAKE VILLAGE, Calif.: 23 June 2009 — Erie Insurance ranks highest among auto insurance companies in satisfying new buyers with the purchase experience for a second consecutive year, according to the J.D. Power and Associates 2009 Insurance Shopping StudySM released today.

With a score of 893 on a 1,000-point scale, Erie Insurance ranks highest and performs well across all three factors driving satisfaction—distribution channel, price and policy offerings. American Family ranks second overall with a score of 891, followed by The Hartford (889) and GEICO (886).

“For customers to be especially satisfied with their insurer during the shopping experience, it’s important for them to think about how they prefer to be served—by a local agent, a centralized call center, a Web site or some combination of these three channels,” said Jeremy Bowler, senior director of the insurance practice at J.D. Power and Associates. “Depending on the channel favored by the customer, one insurer may be a better choice than others based on their strength in that particular channel.”

For example, among the four highest-ranked insurance companies in the study, Erie Insurance and American Family sell primarily through local market insurance agents. The Hartford has particular strength in its call center, while GEICO customers indicate they are particularly pleased with the GEICO Web site.

The study finds that fewer insurance customers are shopping for another provider—28 percent, compared with 36 percent in 2008. Across the industry, 90 percent of auto insurance customers are retained by their current provider.

“The decline in the number of customers shopping and switching insurance providers may in part be due to the current economic situation, as many customers are employing a hunker-down mentality,” said Bowler. “Most customers would prefer to hold tight to their current provider, which they already know, rather than risk trying a new provider, particularly amid negative coverage surrounding a number of insurance providers recently.”

However, the study also finds that price is the reason cited most often for shopping for a new auto insurance provider. Among those customers who mention price as a shopping trigger, 66 percent say they just wanted to see if they were getting the best price, while 25 percent cite an actual price increase and 5 percent say they shopped because they received an unsolicited offer from another insurer. More than one-third of customers who shop because of price ultimately switch insurers.

“Shoppers don’t always go with the insurer providing the lowest quote—10 percent of shoppers say they did not purchase from the brand that offered the lowest price among the quotes they received,” said Bowler. “While price may catch the attention of potential insurance customers, low prices alone won’t retain customers in the long run without a high level of service.”

The 2009 Insurance Shopping Study examines the purchase behaviors and [overall satisfaction of buyers who shop for a new auto insurance company](#). The study is based on responses from more than 13,500 consumers who requested an auto insurance price quote from at least one competitive insurer in the past 12 months and includes 63,517 unique carrier evaluations. The study was fielded from February to March 2009.

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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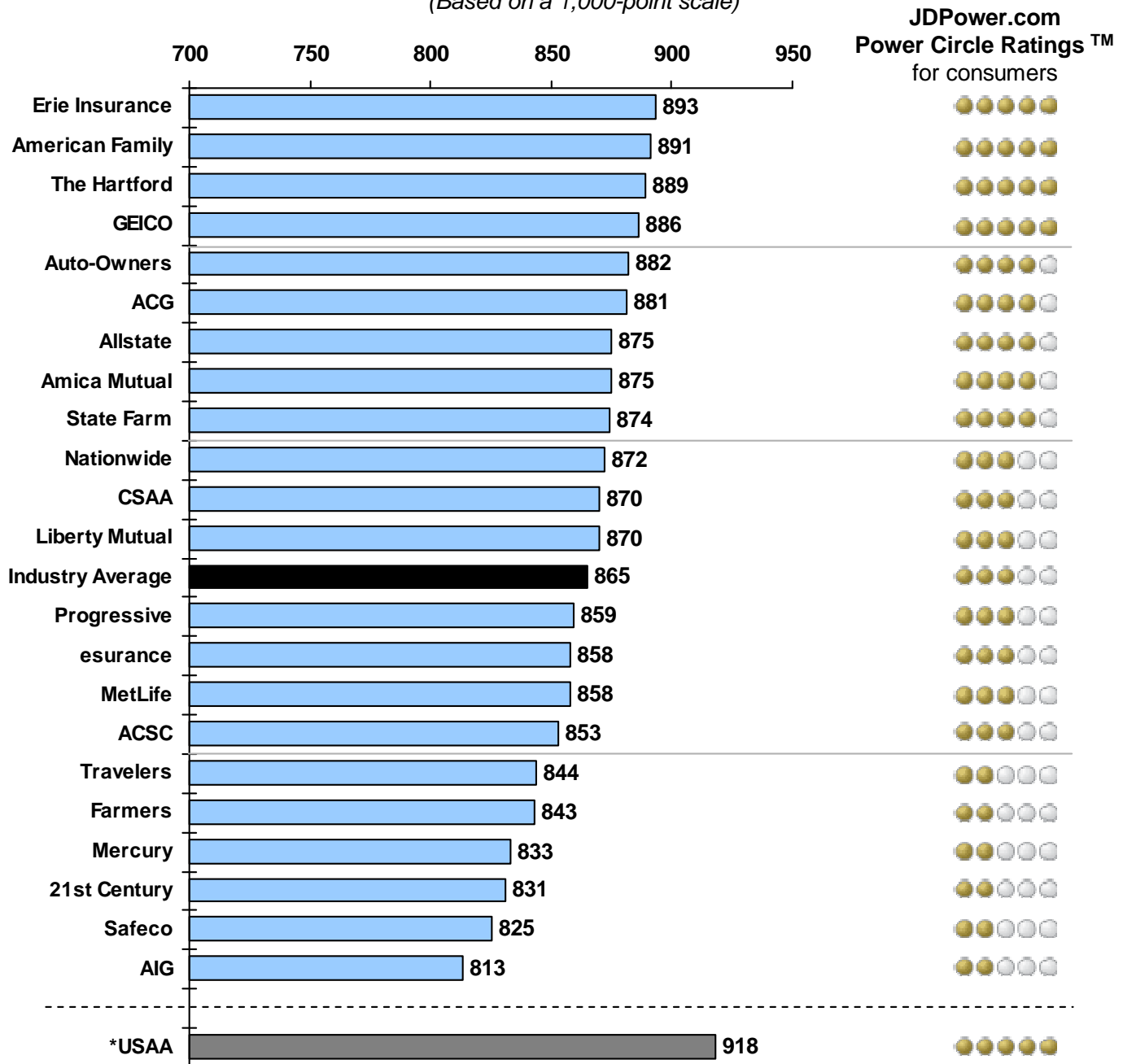
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NOTE: One chart follows.

J.D. Power and Associates 2009 Insurance Shopping StudySM

Customer Satisfaction Index Ranking

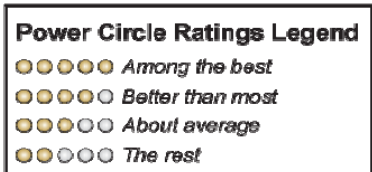
(Based on a 1,000-point scale)



*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 ranked due to small sample size are COUNTRY, Encompass and GMAC.

Source: J.D. Power and Associates 2009 Insurance Shopping StudySM



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 Insurance Shopping StudySM as the source. Rankings are based on numerical scores, and not necessarily on statistical significance. JDPower.com Power Circle RatingsTM are derived from consumer ratings in J.D. Power studies. For more information on Power Circle Ratings, visit 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.