

# J.D. POWER

A photograph of a lighthouse on a rocky cliff at night. The lighthouse is white with a blue base and a red roof. A beam of light shines from the lantern room. The sky is dark and cloudy, and the ocean is visible in the background.

## Navigating the Storm:

Lessons from the Insurance Industry in  
Fostering a Customer-Centric Approach  
Amidst a Challenging Scenario

**Breanne Armstrong**  
Insurance Intelligence  
J.D. Power



Every day, around the world, and in several different industries, **we measure what matters.**

WE COMBINE



Our Data



Robust Analytics



Deep Industry Expertise

TO HELP CLIENTS



Avoid Risk



Seize New Opportunities



Maximize Profit

# J.D. Power Organizational Perspective

**55+**  
YEARS

Of experience & brand recognition consumer trust

**15**  
LANGUAGES

Supported

**20**  
YEARS

Of digital experience measurement

**10**  
COUNTRIES

In which studies are fielded

**8**  
INDUSTRIES

Studies fielded & awards coveted

**MORE THAN 6M**

Consumers surveyed annually

**FEATURED IN THOUSANDS OF COMMERCIALS RECEIVING BILLIONS OF IMPRESSIONS**

**91%** Of consumers recognize the J.D. Power award\*

**ANNUAL 175** Benchmark studies

**MORE THAN 3/4** Consumers say that J.D. Power has “Deep Industry Expertise”\*\*

\* Based on J.D. Power U.S. Award program research conducted by Kantar in March 2020.

\*\* Based on consumer evaluations of J.D. Power as a company that provides ratings/reviews of products & services in March 2020.

# The Evolving Landscape of Customer Experience

In today's competitive landscape, customer experience is more important than ever. Customers increasingly expect personalized, seamless interactions across channels. However, challenges like economic uncertainty and rising costs add complexity for companies trying to deliver exceptional experiences.



# Balancing Rate Adequacy and Customer Centricity

Insurance companies have been increasing rates for policyholders to achieve rate adequacy and remain solvent amidst rising costs stemming from increasing frequency and severity of natural disasters, high costs to repair vehicles and homes, rising medical costs, fraud, inflation, and other factors. However, these rate hikes can negatively impact customer satisfaction and retention.



# How Insurers are confronting a difficult situation



## Customer-Centric Approaches

Prioritize customer needs, tailor experiences and set expectations even amidst uncertainty.



## Communication and Transparency

Focus on clear communication and transparency, building trust which minimizes price sensitivity and establishes the foundation needed to rebound from setbacks.



## Empathy in Challenging Situations

Leverage empathy when conveying difficult news to customers.



## Data-Driven Personalization

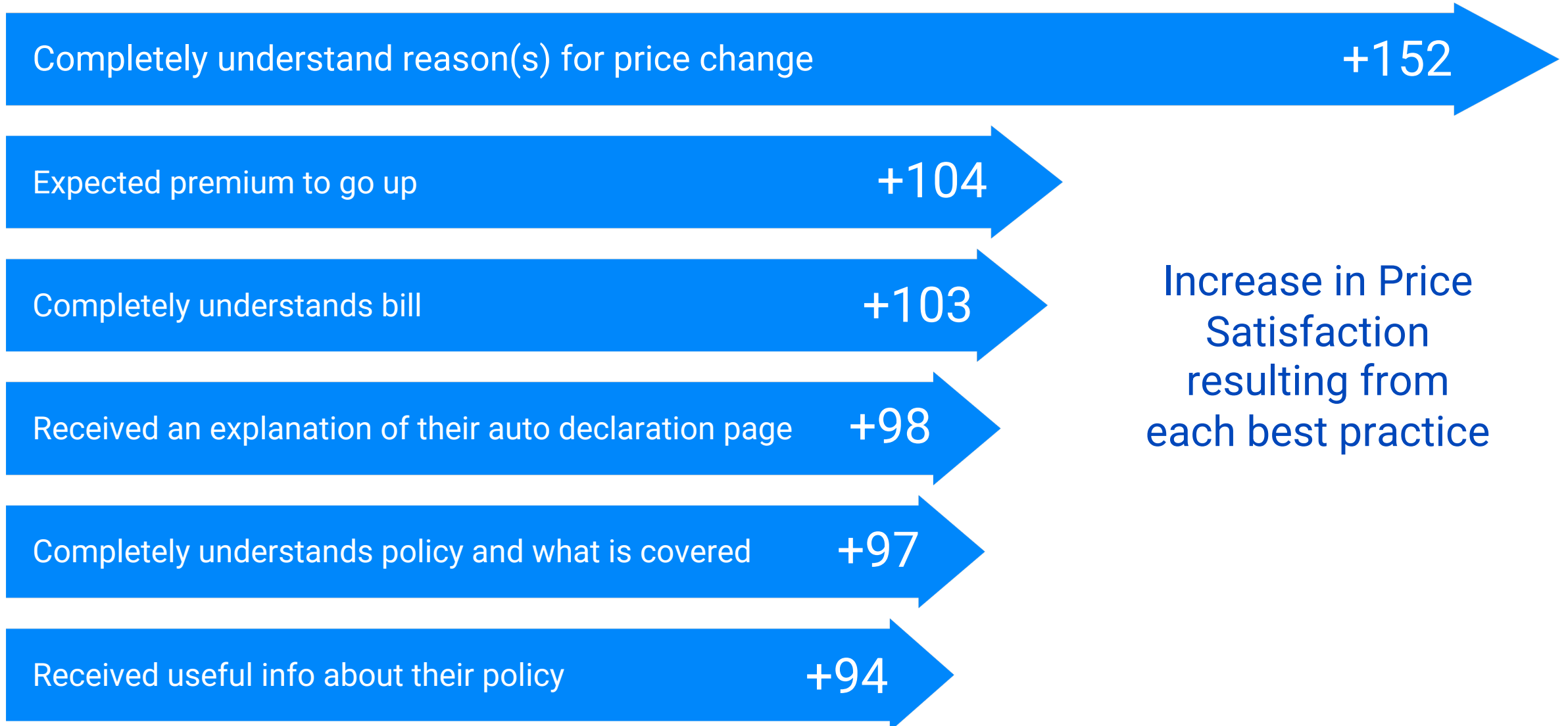
Use data insights to provide customized service and offerings.



## Digital Tools to Enhance the Experience

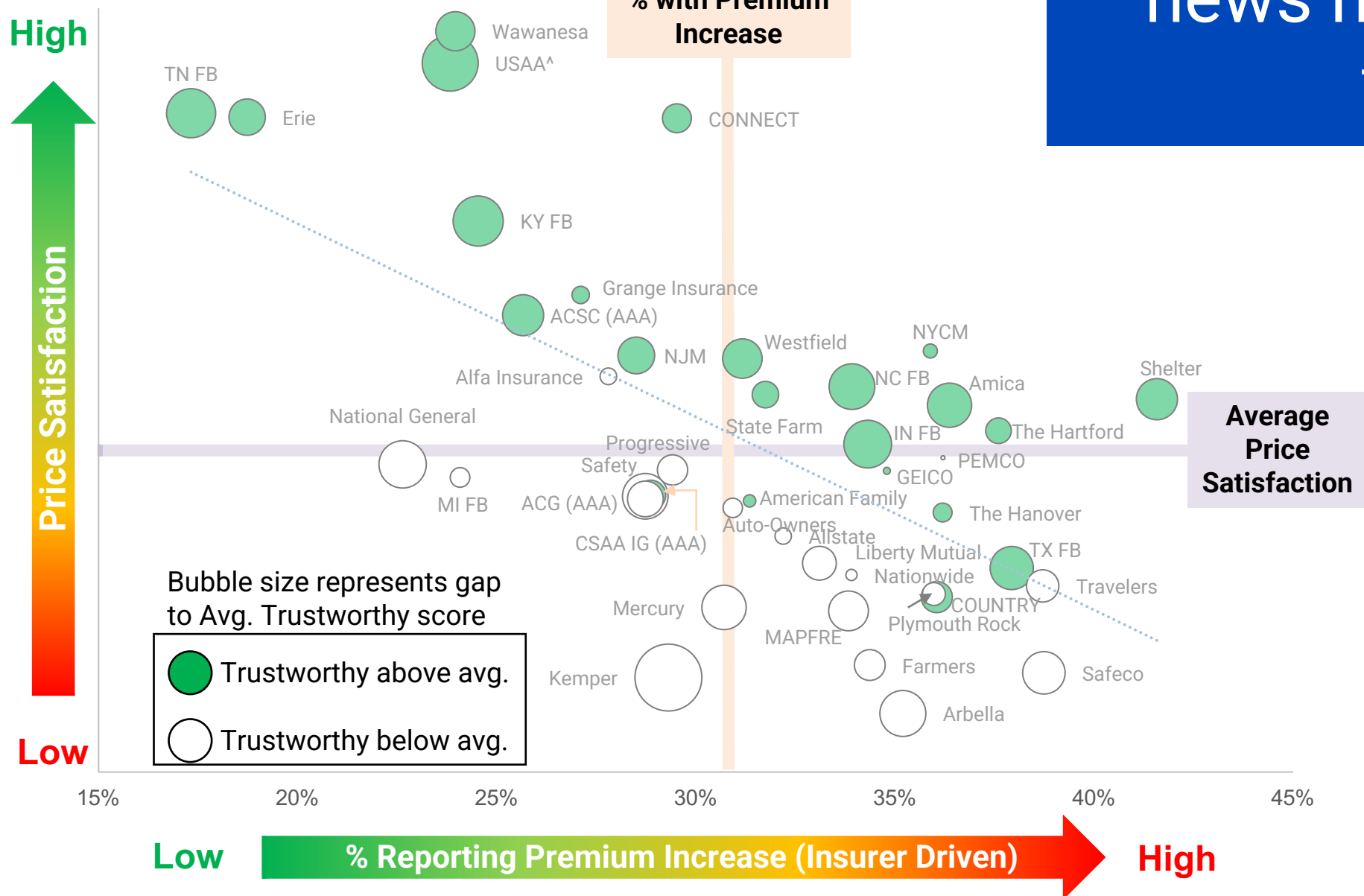
Providing digital tools can help customers feel more in control of the experience and give more opportunity for updates.

# Clear Communication: Building Understanding and Setting Expectations



# Premium Increases, Trust, and Price Satisfaction (2023 Auto Insurance Study)

Trust can make bad news more palatable for customers



Premium increases, coming from the insurer vs. being due to a change by the customer, have less of an impact on auto insurance customers' satisfaction with the price of the policy when customers have a high level of trust with their insurer

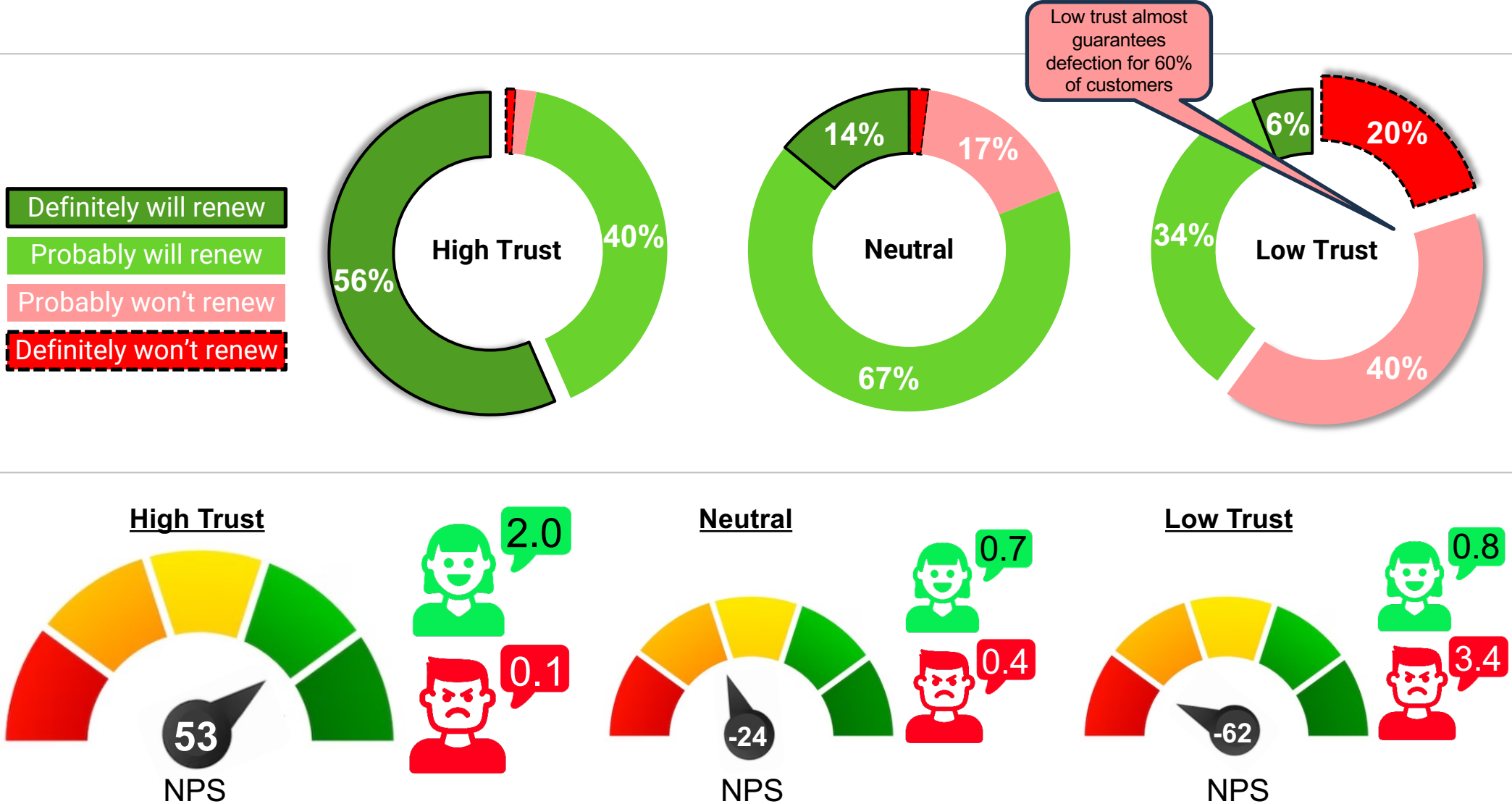


# Customers are more loyal to and advocate for brands that they trust

**Brand Trust**

Impact on Likelihood to Renew

Impact on NPS and Number of Comments



Notes: Good Reputation=Top-2 box for Reputation rating (6 or 7 out of 7); Poor Reputation=Bottom-5 box for Reputation rating (1-5 out of 7); High Trust=Strongly and Somewhat Agree that they trust their insurer, Neutral=Neither trust nor not trust, Low Trust=Strongly and Somewhat disagree that they trust their insurer.

# Drivers of Overall Trust

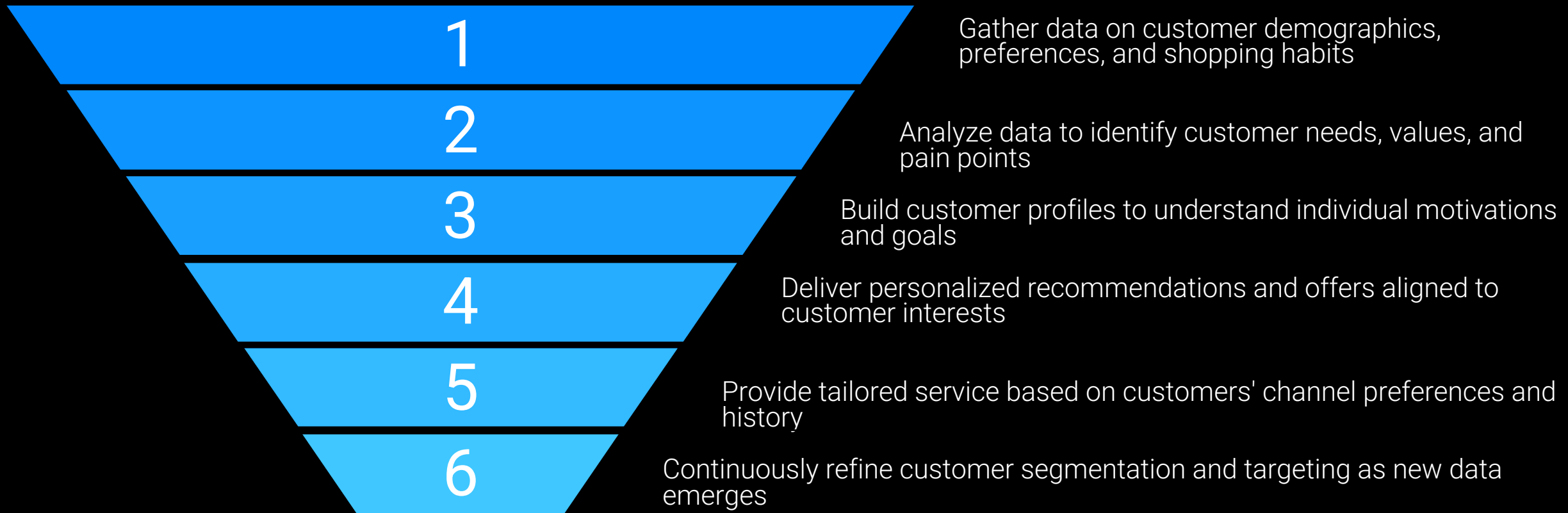
1. Fulfills my service expectations
2. Puts the interests of customers first
3. Provides useful guidance and/or service
4. Takes responsibility and resolves mistakes effectively



# Building Trust from the Onset

- **Set clear expectations early**  
From the beginning, insurers are transparent about policies, costs, and coverage to avoid misunderstandings.
- **Foster open communication**  
Insurers encourage questions and active discussions to build mutual understanding.
- **Acknowledge concerns proactively**  
By addressing potential issues early, insurers reassure customers and mitigate uncertainties.
- **Provide tools educational resources**  
User-friendly materials help customers fully comprehend the details of their policies.
- **Emphasize shared goals**  
Insurers convey their mission to meet customer needs and make customers feel safe and secure, aligning interests.

# Leveraging Data for Personalized Customer Experiences





# Digital Expectations

Customer expectations for digital are similar across industries

1

## The big 4

Navigation, Speed, Appeal, Information/Content

2

## Not just easy, very easy

Understand what "very easy" means to your customers

3

## A problem free experience

Any problems, no matter how small, will significantly bring down satisfaction

4

## One channel resolution

Interactions that start digitally need the ability to be completed digitally (app/website)

5

## Better security

If your digital experience is very secure, ensure consumers know

# Key Takeaways



## Effective communication

Simplify and personalize messages to build understanding and answer questions



## Empathetic delivery

Handle difficult conversations with care and transparency



## Early trust-building

Set expectations and communicate openly from the start



## Meet preferences and provide tools and resources

Ensure communications match customer preference and aim for single channel problem resolution

By focusing on clear communication, empathy, and building trust, companies can enhance customer satisfaction even amidst challenges.

# Questions?

## Thank you

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*Data shown in this presentation are from the 2023  
J.D. Power US Auto Insurance and US Home  
Insurance Studies.*

