

12.1% Quarterly Quote Rate

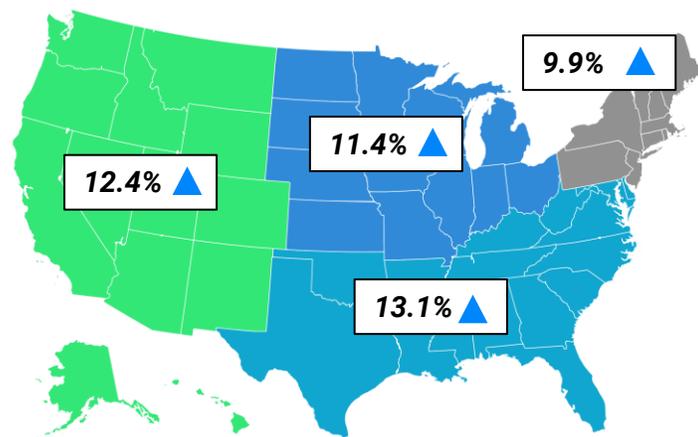
Qtr Chg



4.1% Quarterly Switch Rate



Quarterly Quote Rate – By Region Q4 22

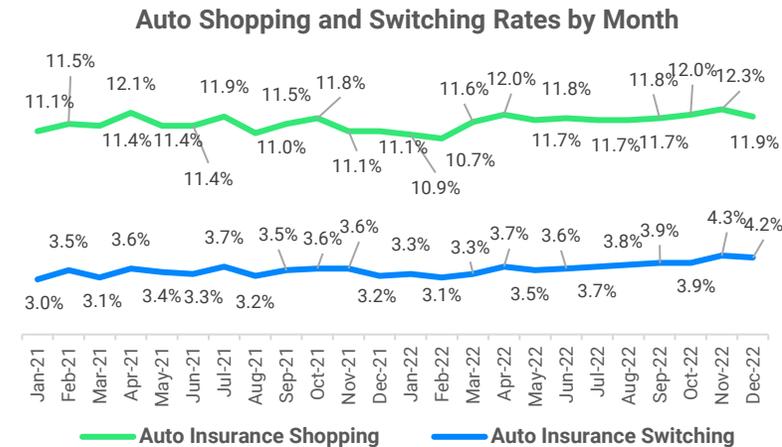


Auto Insurance Shopping is Increasing

Historic rate increases, in the face of rapidly increasing loss costs across the personal lines auto insurance industry, have been occurring for more than a year and have by now appeared in all renewals. Many consumers have had more than one renewal during this period of increasing rates and have therefore seen multiple increases to their auto insurance premium. They have taken note.

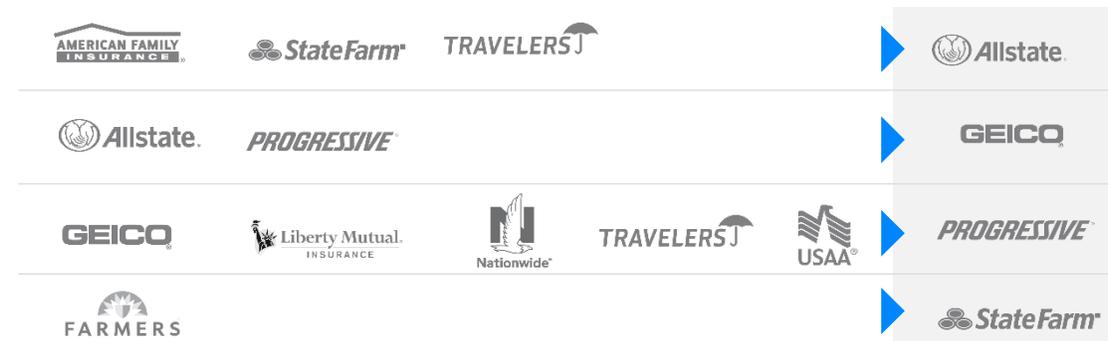
After plateauing in Q3 (following an increase in shopping in Q2), shopping for auto insurance is now at an all-time high in the **more than** two years we have been tracking shopping daily. The 12.1% shopping rate observed in Q4 of 2022 is largely driven by a busy month of shopping in November, before shopping cooled during the holidays in December of 2022. Along with shopping, switching rates are up in Q4, with just over 4% of consumers indicating they switched their auto insurance carrier. Auto insurance is elastic to price after all.

The industry is also facing a conundrum, of sorts, in that severe cost pressures (and no ability to take rate actions in portions of the country) have led to decreases in ad spend. After more than two decades of rapid growth in ad spend, carriers are pulling back and, in some cases, closing acquisition channels to slow the growth of new, unprofitable business. As we see, consumers are out shopping more than in the past, entering a market that is more difficult to navigate and finding carriers who are not as interested in winning their business. How this plays out in 2023 will be something we will watch throughout the year.



J.D. Power Carrier Switching Trends by Largest Rival (Top 4 Only) – Q4 22

The carrier that each brand is losing the most business to



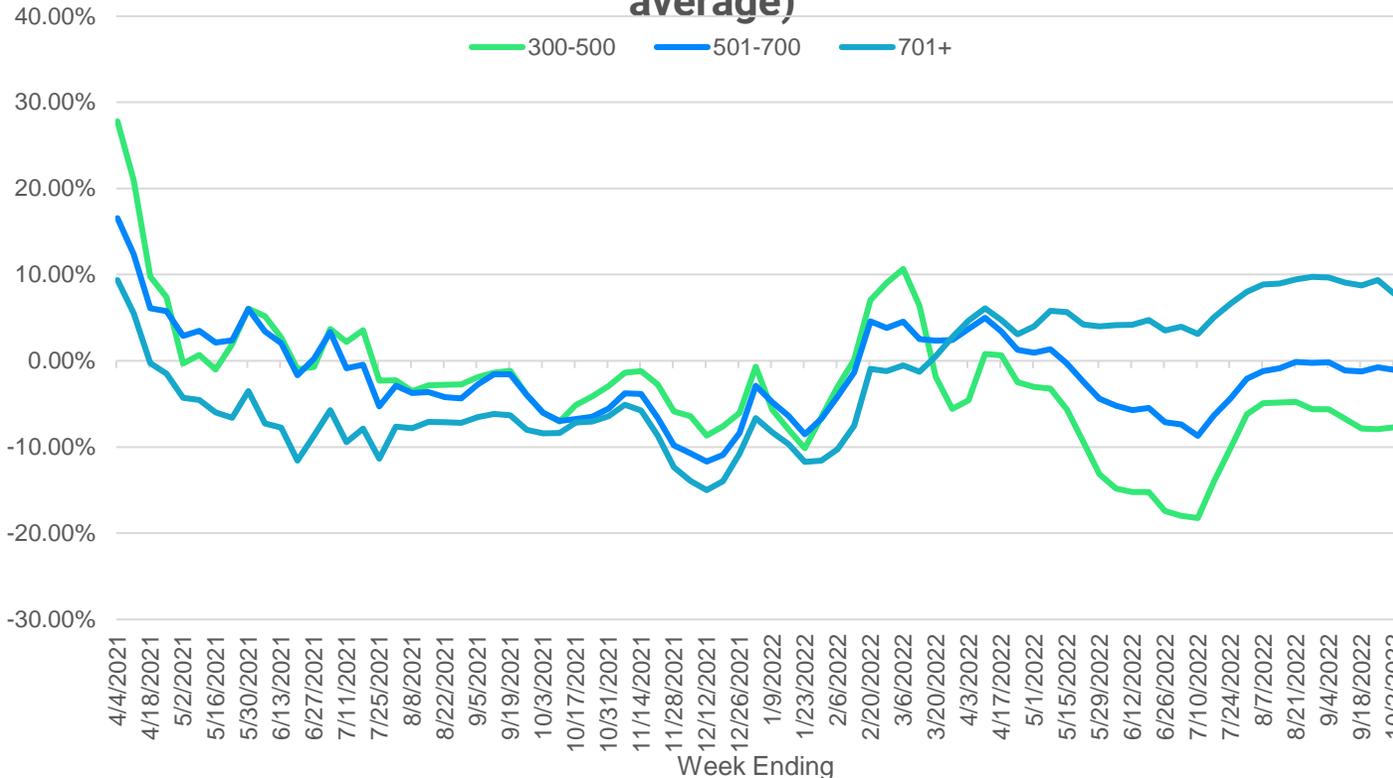
J.D. Power Loyalty Tracker – Q4 22

% current customers shopping

Higher Loyalty	Lower Loyalty
1. USAA	1. National General
2. MAPFRE	2. The Hanover
3. NJM	3. Progressive
4. Amica	4. COUNTRY
5. Erie	5. Liberty Mutual

Auto shopping driven by rising premiums, yet telematics adoption plateaus

YoY percent change in number of auto insurance shoppers per week by TransUnion's TrueRisk[®] Auto Insurance Score (3 week moving average)



Auto insurance shopping has been on the rise across all insurance score bands. Given the impact of inflation, consumers are looking to cut costs wherever possible and are looking to switch insurance carriers for lower rates.

Telematics adoption, however - once hailed as the silver bullet for rising auto insurance premiums - seemed to stabilize. After an initial surge in early 2022, telematics adoption remained almost flat throughout the year, with 60% of consumers who were offered a telematics program opting in to participate, according to TransUnion's Annual Outlook Survey (Oct 2022). While most reported being satisfied with their program, over 40% of consumers saw their rates increase, which may hinder continued adoption.

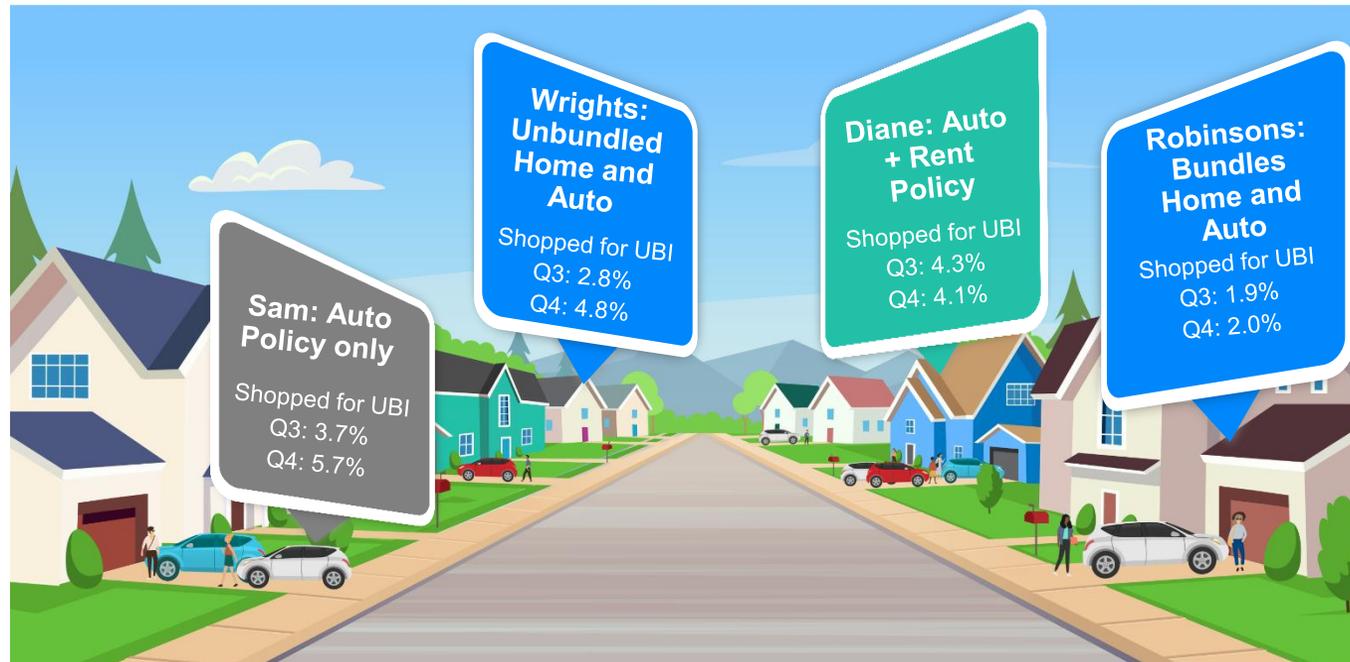
"The value proposition of telematics is that consumers give up some sense of privacy or autonomy to provide insurers a demonstrably safe driving record in real-time," said Michelle Jackson, Senior Director of Personal Lines Market Strategy at TransUnion. "If they're not seeing that translate into lower rates, or if their rates actually increase, some may not continue with the program."



IN FOCUS QUARTERLY:

The Impact of Telematics on the Neighborhood's Shopping Habits

In our Q3 report, we discussed the increasingly important role of UBI when consumers shop for auto insurance, especially in light of changing driving patterns (work from home) and increasing premiums. Wrights, those who have both an auto policy and a homeowners policy and place them with different carriers, are much more likely to shop for UBI this quarter than last, up to 4.8% in Q4 from 2.8% in Q3. Similarly, Sams (monoline auto customers who do not have a homeowners or renters policy with any other carrier) are also more likely to shop for UBI than in the last quarter. UBI is poised to become a substantial driver of consumer choice and increasingly threaten the bundling of auto and homeowners policies. Carriers targeting Wrights, in the hopes of converting them to bundlers, will want to ensure they have a strong UBI offering.



Source: J.D. Power Loyalty Indicator and Shopping Trends (LIST)
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NOW AVAILABLE...

HOME & RENTAL INSURANCE



In addition to auto insurance policy shopping data, LIST now features an independent, daily, competitive view of the home and renter Insurance Industry:

- ✓ Who is shopping for home and renter's insurance
- ✓ Where they are shopping
- ✓ Why are they shopping
- ✓ Which brands they are considering
- ✓ Whether they switched, and from which brand



Expanded Demographics



In addition to the home and renter insurance shopping questions, LIST can now identify more household demographics such as:

- Number of drivers in household
- Number of vehicles in household
- Living situation of the consumer (rents home, owns home, other)
- What other insurance products the consumer has

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WHAT'S BEHIND THE DATA AND HOW ARE SUBSCRIBERS LEVERAGING IT?

THE LIST ADVANTAGE



Get the advantage in the acquisition battle with an independent, daily, competitive view of who is shopping, where they are shopping, and which brands they are considering.

LIST AT-A-GLANCE

Robust data you can have confidence in

TIMELY



500-1,000

Consumers Reached Every Day

BIG AND GROWING



630K+

Consumers Captured So Far

GEOGRAPHICALLY RELEVANT



State and Zip Level Data allows targeting specific markets

LIST IN ACTION

How are we getting to the latest shopper insights?

**TO FIND OUT
CLICK HERE OR
SCAN THE QR
CODE TO DEMO
THE SURVEY**



LIST IN THE FIELD

LIST subscribers are putting the data to work across their business. Here are the challenges they can check off their list:



DIRECTOR OF CLAIMS

I need to know if my team's CAT response efforts resulted in better retention numbers versus the overall market.



HEAD OF UNDERWRITING

I need to know if a competitor's rate change impacted shopping in a specific state.



MARKETING VP

A competitor just launched a large-scale acquisition campaign. I need to see how my current customers are responding to the campaign to determine if action is necessary.



CEO

We need to be more data-driven and customer centric



SVP OF OPERATIONS

I need to know if our new IVR system for inbound sales calls is impacting customer loyalty.



HEAD OF AN ADVERTISING AGENCY

I need to see changes in shopping activity daily so that strategic campaign messaging can be evaluated.



HEAD OF CONSUMER RESEARCH

I need to understand what type of consumers are shopping by demographic features such as age and credit tier (excellent, good, poor).

J.D. POWER

INSURANCE INTELLIGENCE

In collaboration with  **TransUnion**



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About J.D. Power Insurance Intelligence

J.D. Power is the nation's leading insurance customer intelligence and CX advisory company. We work with every top 20 U.S. P&C carrier to equip industry leaders with indispensable insights, solutions, and tools to achieve their mission-critical priorities and build the successful organizations of tomorrow. Our unrivaled combination of expert-led, independently-sourced and data-driven research steers clients toward the right decisions on the issues that matter most.

About TransUnion Insurance

TransUnion is a global information and insights company that makes trust possible in the modern economy. We do this by providing a comprehensive picture of each person so they can be reliably and safely represented in the marketplace. As a result, businesses and consumers can transact with confidence and achieve great things. We call this Information for Good®.

About J.D. Power's Loyalty Indicator & Shopping Trends (LIST)

The J.D. Power Auto Insurance LIST provides a unique daily, competitive view of auto insurance shopping and loyalty behaviors for the top carriers in the national and state-level markets. The consumer behavior data captured reveals who shoppers are, where they are shopping, and which brands they are considering.