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**BREAKING NEWS**

# Agents Give The Most Business To Insurers That Satisfy: J.D. Power

By [MARK E. RUQUET](#)

Published 2/11/2010

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**NU Online News Service, Feb. 11, 2:41 p.m. EST**

Independent agents give the bulk of their business to insurers who provide contact people, prices, products, and other factors they like, according to a survey released by marketing information firm J.D. Power and Associates.

The Westlake Village, Calif.-based firm's findings were contained in its "2010 Insurance Agency Satisfaction Study—Personal Lines" based on a survey that asked 2,316 insurance agents and their staff to evaluate up to three personal property and casualty insurance companies their agency dealt with.

J.D. Power reported that there is more than a 150-point gap in agency satisfaction between insurers who receive 5 percent or less of an agency's business and those who receive more than 60 percent of an agency's business (661 vs. 821 on a 1,000 point scale).

In addition, 77 percent of highly satisfied respondents (satisfaction higher than 950 points) say they intend to increase business with an insurer, while only 24 percent of those less-satisfied (satisfaction score of 600 points or less), say the same.

"Individual policyholders are more likely to be loyal to their independent agent than the insurer that writes their policy," said Jeremy Bowler, senior director for insurance practice at J.D. Power, in a statement.

"This strong bond between policyholders and insurance agents make it essential for insurers to satisfy their appointed agents in order to grow their business," said Mr. Bowler

The report examines six factors, which are, in order of importance to agents: key carrier contacts (28 percent); policy offering (20 percent); technology (17 percent); claims (17 percent); price (14 percent), and compensation (6 percent).

Agency principals, the survey found are less satisfied with their carrier relationships than producers and customer service representatives. Kara Steslicki, senior research manger with J.D. Power, told *NU Online* that the dissatisfaction may have to do with the individuals they deal with or utilization of technology.

Concerning business contacts, agency principals' satisfaction scored a 778 while for agents or producers the score was 808.

"The more frequent the contact the more satisfied the agency is," she said, adding that agencies desired to be contacted at least once a month by the carrier, if nothing more than to see how business is.

On the technology end, principals gave carrier technology a score of 735, while customer service representatives gave a satisfaction score of 764. Ms. Steslicki said this difference here may be due to the differing expectations about what technology delivers.

One way to increase satisfaction is by providing marketing dollars, Ms. Steslicki noted. Only 23 percent of agents reported receiving such support in the 2010 report, compared with 43 percent last year. The satisfaction rate stood at 751 for agents who received that support compared to 628 for those who did not.

Satisfaction with compensation appeared to have increased, rising to 671 in 2010, compared to 628 last year. Commissions and cash rewards are the types of incentives that motivate agencies, the report said.

"There is a strong correlation between agent satisfaction and the amount of business that is sent to an individual insurer," said Ms. Steslicki.

"Agents that are satisfied with a particular insured not only send a larger percentage of their current business, they

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also intend to send more of their future business to that particular insured.

"It really serves the insurer to look at these different practices that satisfy agents and try to implement as many of them as possible in order to receive more of an individual agent's premium," Ms. Steslicki observed.

The satisfaction survey, now in its second year, was conducted by e-mail between November and December.

In the future, J.D. Power is considering tackling commercial mid-market and business owners policies (BOP) Ms. Steslicki said.

Copies of the entire results are available to carriers from J.D. Power on a subscription basis.


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*2/12/2010 11:54:25 AM*  
**WiFrosty**

 **JDPower Satisfaction Survey**

Sort of obvious isn't it? This is like saying that people who go out to eat are more likely to frequent restaurants that serve good food and offer good service vs. restaurants that serve bad food and have lousy service. I think JDPower is starting to stretch their categories a little thin, thereby making the awards less meaningful.

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*2/12/2010 12:00:53 PM*  
**Aaron Stein**

 **Agent/Company relations**

Is this really a surprise? AS the article points out, most Independent Agency customers are loyal to the agent, not so much the insurer. As an agent, if a company gives me the tools to make my client happy, everybody wins.



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