

12.4% Quarterly Quote Rate

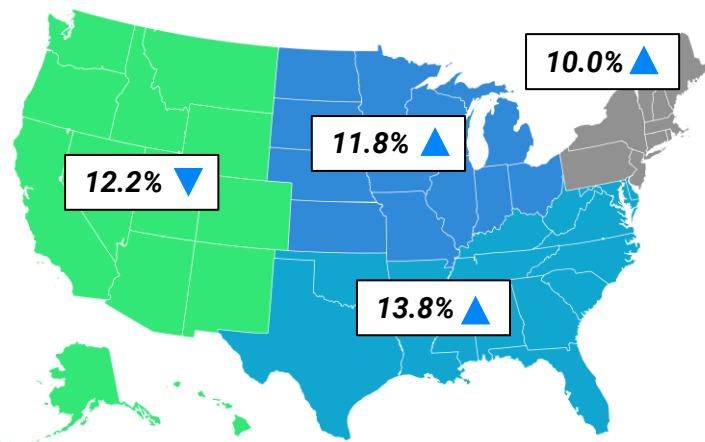
Qtr Chg



3.9% Quarterly Switch Rate



Quarterly Quote Rate – By Region Q1 23

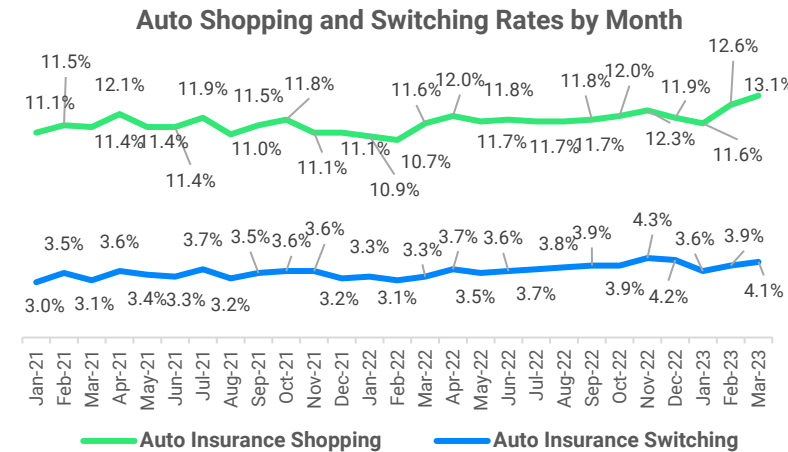


Auto Insurance Shopping is Increasing

The first quarter of 2023 is in the books, and it is one to remember. Continuing the trend from late 2022 of increased auto insurance shopping, 2023 starts with a new high-water mark in the nearly three-year history of us tracking shopping daily, at 12.4%. Rate adequacy is still a challenge for many insurers and expectation is that rates will continue to increase through 2023. So far in 2023, consumers are reacting to increasing premiums by seeking a better deal.

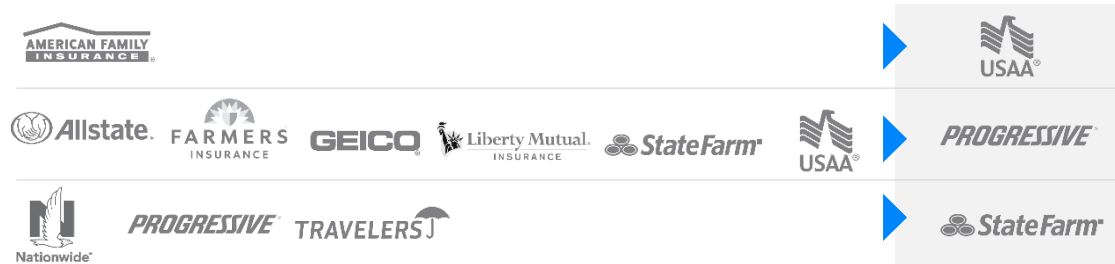
We noted last quarter that shopping peaked in November before slowing down for the holidays of December. That downward trend in shopping continued into January only to reverse course drastically in February, going from 11.6% to 12.6% across those two months. A new record in our data series was seen in March as 13.1% of consumers reported shopping for auto insurance in the 30 days prior to responding to our survey. We want to point out that April has been the month with the greatest shopping activity over previous years, so a new record number of shoppers may be seen quite soon.

Recently released market share figures point to a notable shift among the top three personal lines auto insurers in the U.S., as Progressive surpassed GEICO to become the second largest personal lines writer behind State Farm in 2022. This report will cover some of the ways that shift has manifested in 2023, such as the fact below that this is the first quarter in our reporting where GEICO has not captured the largest share of any large competitor's defectors. As recently as last quarter, GEICO captured the largest share of Allstate and Progressive defectors but has ceded that ground to start 2023.



J.D. Power Carrier Switching Trends by Largest Rival – Q1 23

The carrier that each brand is losing the most business to

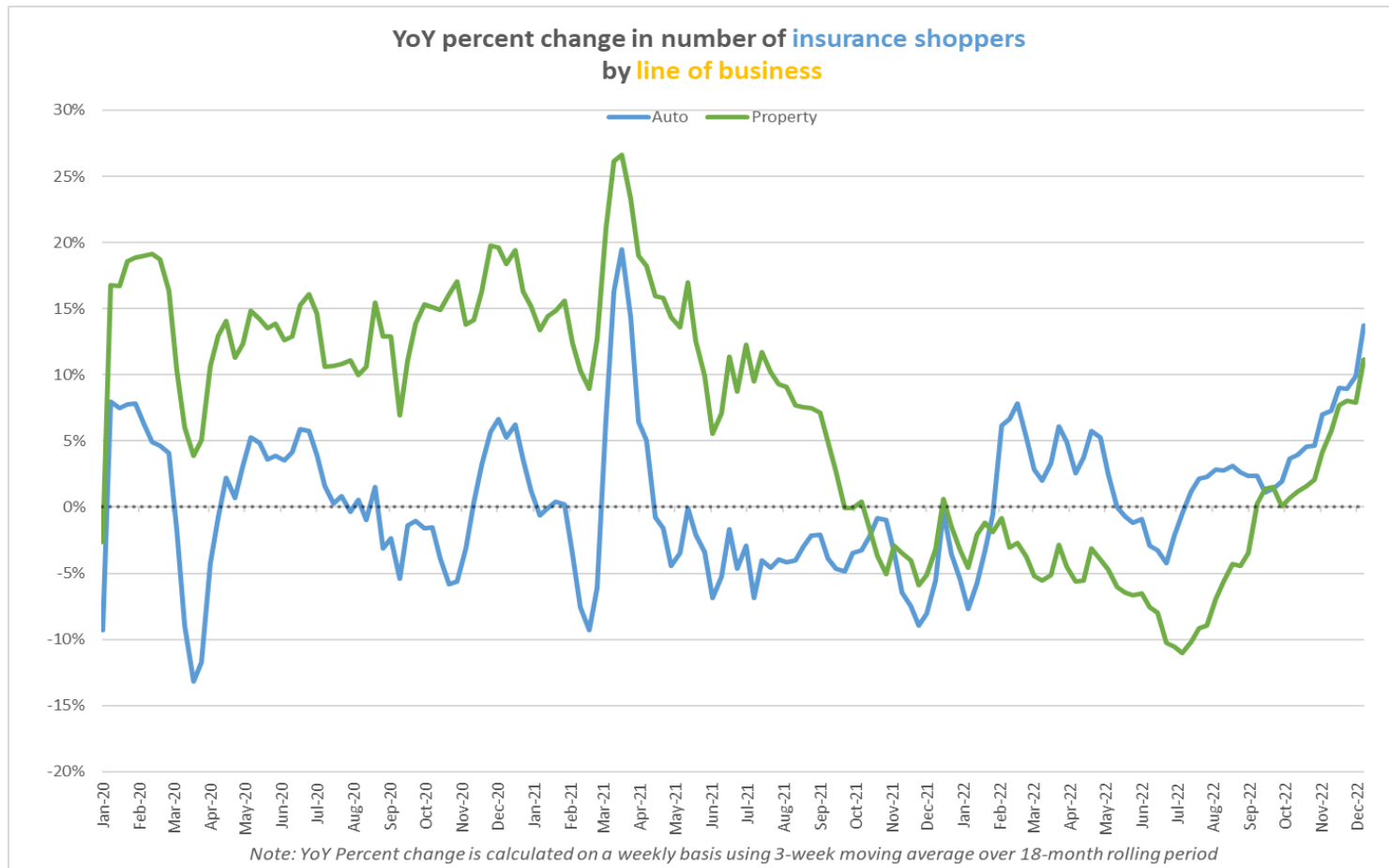


J.D. Power Loyalty Tracker – Q1 23

% current customers shopping

Higher Loyalty	Lower Loyalty
1. Erie	1. COUNTRY
2. Amica	2. National General
3. USAA	3. GEICO
4. NJM	4. Progressive
5. MAPFRE	5. Kemper

Auto shopping returns to normal but not for typical reasons



The personal insurance industry has been on a roller coaster ride since the pandemic. Typical new business seasonality has been mired by COVID-19 surges, inflation, and vehicle inventory challenges. Normal influencers of shopping events such as tax refunds, vehicle purchases and marketing programs have been delayed or paused, while carriers seek a return to profitability with rate increases.

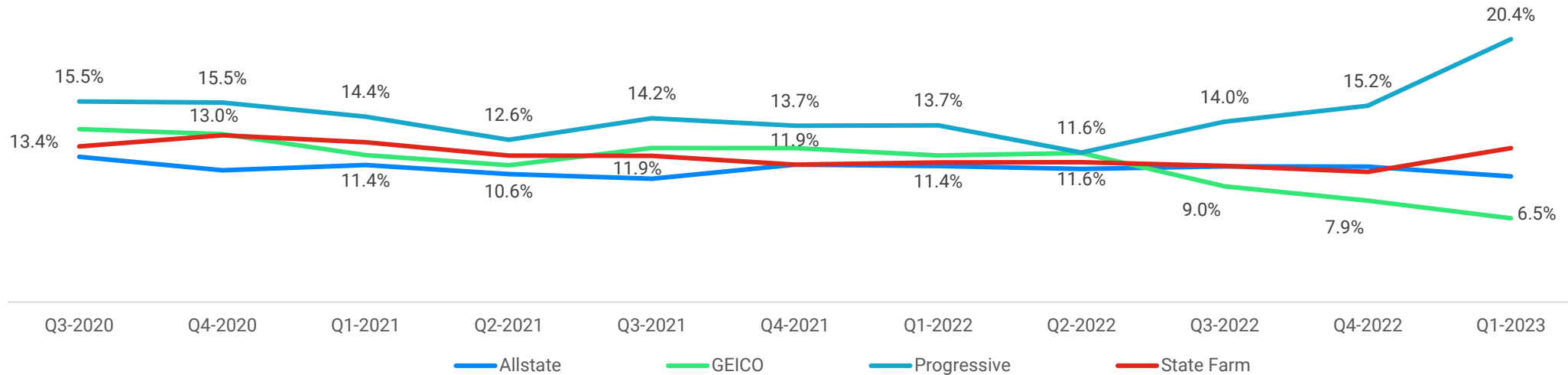
“As 2022 came to a close, shopping for both auto and property lines turned positive when measured year over year,” said Michelle Jackson, Senior Director of Personal Lines Market Strategy at TransUnion. “The primary driver for shopping and switching insurance as of late has been price related, as many consumers are seeing premium increases.”



IN FOCUS QUARTERLY:
National Customer Share Trends

GEICO is struggling to maintain its share of customers in response to closing down sales channels in states where they were rate-inadequate. Progressive has benefited and is seeing increases in the number of customers who select the brand as their auto insurance carrier when they make a switch. This at a time when inflation is high and retention rates are the lowest they have been in six years (from 90% in 2018 to 87% in 2023)².

Current Insurer¹
Among Those Who Switched In Last 30 Days



Sources:

(1) J.D. Power Loyalty Indicator and Shopping Trends (LIST)

(2) J.D. Power 2023 U.S. Insurance Shopping StudySM



IN FOCUS QUARTERLY:
The Impact of Rate Inadequacy in California

The LIST data feed allows us to monitor near-real time shifts in markets at a granular level. One market that was impacted by the inability of carriers to keep up with the ever-changing landscape of auto underwriting was California, where there was a [32-month moratorium on rate increases](#). In December of 2022, the first rate filings were approved. This inability to take new rates caused some carriers like GEICO to pull back and take dramatic steps to reduce their coverage in the state until their rates could get approved. Recently, the 2022 direct premiums written (DPW) was released allowing us to see the impact that a tumultuous 2022 had. Our LIST subscribers were able to view this as it happened. As expected, GEICO's share of California ultimately shrunk, ceding share to the state's largest carrier, State Farm, as well as boosting local carriers ACSC and CSAA.

Change in California Market Share 2021 vs. 2022
Direct Premiums Written (DPW)¹ vs. LIST²



Sources:

- (1) S&P Global
- (2) J.D. Power Loyalty Indicator and Shopping Trends (LIST)

LIST Gives Users Next Quarter's News Today

LIST leverages customer-reported shopping & switching behavior that tracks changes in market share, and these figures move consistently with reported premiums. LIST data is well aligned to actual DPW data from S&P Global. This same analysis can be done both nationally, regionally, and at a state or CSA level allowing our users to track the market in near-real time.

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.

[LEARN MORE >](#)

LIST AT-A-GLANCE

Robust data you can have confidence in

TIMELY



500-1,000

Consumers Reached Every Day

BIG AND GROWING



680K+

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.