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**Customer Satisfaction with Banks Returns to Pre-Recession Level;
Health Insurance Improves as Affordable Care Act Kicks In**

*Big Gains for Bank of America, Citigroup, and WellPoint;
Farmers Group and Progressive Drop*

*National Customer Satisfaction Reaches New High,
Aided by Improvements Across Financial Sector*

ANN ARBOR, Mich., (December 10, 2013) – Rising satisfaction with financial services—including banks, credit unions, health insurance, property and casualty insurance, and life insurance—pushes the national level of customer satisfaction to a new high in the third quarter of 2013, just ahead of the stock market’s record high. According to a report released today by the American Customer Satisfaction Index (ACSI), the index is up 0.3% to 76.7 on a 0-100 scale, and overall customer satisfaction with retail banking is back to its pre-recession level. Despite rising bank fees, customer satisfaction for banks grew by 1.3% over the past year to an ACSI benchmark of 78.

“Even though banks have raised fees again, the 15th straight year of such increases, no negative repercussions have been detected regarding customer satisfaction,” says Claes Fornell, ACSI founder and chairman. “In part, this is because a fair number of consumers are changing their behavior to avoid the fees by exclusively using their own bank’s ATMs and maintaining sufficiently large account balances.”

All of the big banks improve, but smaller banks (+5% to 83) and credit unions (+4% to 85) far outdistance their larger competitors. Among the largest four banks, JPMorgan Chase maintains the lead with a 3% gain to 76, while Citigroup jumps 6% to 74, and Wells Fargo edges up 1% to 72. Bank of America registers its largest improvement in a decade (+5% to 69) but remains in last place, and is the only bank that has yet to restore its pre-recession level of customer satisfaction.

Banks and credit unions receive good marks for their customer service at branches and for online banking. On the other hand, customers give a failing grade to the competitiveness of

bank interest rates, while credit union customers find the lack of convenient ATMs and branches to be the most troublesome aspect of the experience.

Customer satisfaction with health insurance is up 1.4% to an ACSI benchmark of 73. High premiums, out of pocket expenses, and complicated policies contribute to relatively low satisfaction compared to other financial services. However, health insurance premiums are increasing at the lowest rate in years.

“The health insurance industry is in a state of flux as many parts of the Affordable Care Act come into effect, including insurance exchanges, which allow consumers to comparison shop for health care coverage,” says David VanAmburg, ACSI Director. “The customer satisfaction gains this year may be driven in part by expected price competition as health insurance companies anticipate the effects of the new online marketplace.”

In addition to the possibility of increased price competition, there is an opportunity for health insurers to distinguish themselves by competing on customer satisfaction. Currently, there is little differentiation, with most companies clustered around the industry average. The Blue Cross and Blue Shield Association leads with an ACSI score of 74, while WellPoint (+4%) matches the industry average (73). The aggregate of smaller insurers such as Cigna and Humana remains just below average (+1% to 72). UnitedHealth is stable at 70, while Aetna is at the bottom at 69 despite a 3% gain.

Customers rate most aspects of the health insurance experience rather poor. While most policies do provide reasonably good access to hospitals and primary and specialty care doctors, coverage of services, particularly prescription drugs, could be better. Billings are not very easy to understand and industry-wide both insurance websites and call centers receive low marks from users.

Customer satisfaction improves for both life and property and casualty insurance. Life insurance is up for the second year in a row (+2.5% to 83). Despite annual rate increases, customer satisfaction with property and casualty insurance is also on the rise, up 3.8% to 81. Customers are more satisfied with auto insurance (79) than homeowners insurance (76), although customers with multiple policies from the same insurer have the highest level of satisfaction (80).

The increase in customer satisfaction for property and casualty is the result of large gains for smaller insurance carriers, a group that includes AAA and Nationwide (+8% to 83). Among the largest property and casualty insurers, GEICO is the only company to improve (+3% to 81), taking the top spot and supplanting State Farm (-2% to 79) and Progressive (-4% to 78). Allstate (-3% to 77) and Farmers (-4% to 76) follow closely behind.

Smaller life insurance companies also tend to have higher customer satisfaction. Smaller firms, which include John Hancock and Lincoln Financial, continue to lead (up 2% to an 83 aggregate score). Among the large companies, New York Life is at the top, unchanged at 80 for a third

year in a row. The remaining life insurers group together a bit below, with Northwestern Mutual (-1%) and Prudential (-1%) tied at 78 and MetLife (-1%) at 77.

Policy holders of property and life insurance give firms high marks for their customer service and the variety of coverage options offered, but they find the availability of meaningful policy discounts and rewards lacking.

The full report is available for free download at www.theACSI.org. Follow the ACSI on Twitter at @theACSI and Like us on Facebook.

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About ACSI

The American Customer Satisfaction Index (ACSI) is a national economic indicator of customer evaluations of the quality of products and services available to household consumers in the United States. The ACSI uses data from interviews with roughly 70,000 customers annually as inputs to an econometric model for analyzing customer satisfaction with more than 230 companies in 43 industries and 10 economic sectors, as well as over 100 services, programs, and websites of federal government agencies.

ACSI results are released on a monthly basis, with all measures reported on scale of 0 to 100. ACSI data have proven to be strongly related to a number of essential indicators of micro and macroeconomic performance. For example, firms with higher levels of customer satisfaction tend to have higher earnings and stock returns relative to competitors. Stock portfolios based on companies that show strong performance in ACSI deliver excess returns in up markets as well as down markets. And, at the macro level, customer satisfaction has been shown to be predictive of both consumer spending and GDP growth.

The Index was founded at the University of Michigan's Ross School of Business and is produced by ACSI LLC. The ACSI can be found on the Web at www.theacsi.org.