

ACSI® Insurance and Mortgage Lenders Study 2024

October 15, 2024



American Customer Satisfaction Index



Insurance Industries Telegraph Stability While Mortgage Lenders Struggle to Find Satisfaction Amid Challenging Environment

Mortgage originations in the United States are still way down from their 2021 peak. Despite mortgage rates decreasing, many prospective homebuyers may be holding out for rates to drop further. While future rate decreases may help increase housing demand, ACSI data indicate that mortgage lenders have some work to do to improve the customer experience.

In inaugural ACSI results, mortgage lenders come up short-handed for customer satisfaction with a debut score of 75 that places the industry on the lower end of the Index overall. Mortgage lenders join the bottom nine ACSI industries, tied with energy utilities, gas stations, and hospitals. Among individual lenders, however, a wide 10-point ACSI performance gap shows that some companies can deliver when it comes to satisfying customers despite a challenging lending environment. In particular, Rocket Mortgage shoots to the top with a high ACSI score of 80.

LIFE INSURANCE

79 ▼ -1%

PROPERTY & CASUALTY INSURANCE

77 ◀▶ 0%

HEALTH INSURANCE

76 ◀▶ 0%

MORTGAGE LENDERS

75

Among three insurance industries, customer satisfaction remains nearly stable at the industry level. Health insurers hold onto their substantial ACSI gain from a year ago with a steady score of 76 that masks some movement among individual insurers. Property and casualty insurers overall keep to a consistent satisfaction level of 77, with leaders USAA and State Farm firmly established at the top of the industry. The third insurance category, life insurance, dips slightly—down 1% to 79 after gaining 3% a year ago. Among individual life insurers, seven of nine companies suffer some loss in policyholder satisfaction this year.

ACSI results are based on surveys conducted over a 12-month period ending in September 2024. ACSI scores are reported on a 0 to 100 scale.

Key Takeaways

HEALTH INSURANCE

- Overall, the health insurance industry holds on to gains from last year, posting an ACSI score of 76 for the second consecutive year.
- Humana leads the way for a third year, scoring 81, while Kaiser Permanente (up 7% to 78) has the largest increase in policyholder satisfaction across all measured insurers.
- Simplifying insurance statements and improving claims processing may help increase satisfaction, as well as focusing on call centers, which are the worst part of the policyholder experience.

LIFE INSURANCE

- Policyholder satisfaction with the life insurance industry decreases slightly, dipping 1% to 79, with seven of nine insurers losing some ground compared to a year ago.
- Lower customer satisfaction is fueled by drops in most variables that make up the life insurance customer experience, which may be harbingers of further decline in 2025.
- Pain points of the customer experience include understanding premium calculation and the availability and range of policy discounts—two areas that score particularly low and offer room for improvement.

PROPERTY AND CASUALTY INSURANCE

- Despite inflationary pressures and rising risks, the property and casualty insurance industry holds steady at 77 for the second consecutive year.
- USAA, which provides insurance to military-affiliated individuals and families only, again sets the performance bar high at 83, which is the best ACSI score across all insurers.
- State Farm keeps its second-place ranking with a steady score of 80. The remaining insurers surround the industry average within 2 points of each other, indicating that none of these providers can distinguish themselves from the pack.

MORTGAGE LENDERS

- Mortgage lenders debut at the lower end of the Index overall for customer satisfaction with a score of 75 that places them in the bottom nine ACSI industries.
- Rocket Mortgage claims the top spot among mortgage lenders with a score of 80 that is 5 points above the industry average.
- There is some disparity in lender scores, with a 10-point difference between leader Rocket Mortgage and the lowest-rated lender in the study PennyMac (70).
- Lenders that have fewer complaints tend to have more satisfied customers, and there is a 12-point gap in satisfaction between customers who report registering a complaint (66) versus those who did not (78).

Study Findings

Customer satisfaction is a driving force that impacts the financial outlook of individual firms and the health of the U.S. economy at large. New results from the American Customer Satisfaction Index (ACSI®) provide customer satisfaction benchmarks for three insurance industries: health, life, and property and casualty. The study also provides inaugural satisfaction benchmarks for mortgage lenders. In addition, the ACSI captures consumer opinions about critical elements of the customer experience, tailored specifically to each industry.

HEALTH INSURANCE

Overall, the health insurance industry keeps the gains made last year, stable for the second straight year at an ACSI score of 76. Despite a 1% dip, Humana leads the field for the third year with a score of 81. Kaiser Permanente sees the most improvement with a 7% increase to 78. Blue Cross and Blue Shield nets a smaller gain of 3% to score above the industry average at 77. Most of the average to below-average providers post ACSI downturns of 3% year over year. At the low end, Cigna gains a point to share the bottom of the industry with Centene at 73.

AMERICAN CUSTOMER SATISFACTION INDEX:

HEALTH INSURANCE

0-100 Scale

COMPANY	2023 ACSI	2024 ACSI	% CHANGE
Health Insurance	76	76	0%
Humana	82	81	-1%
Kaiser Permanente	73	78	7%
Blue Cross Blue Shield	75	77	3%
UnitedHealth	78	76	-3%
Aetna (CVS Health)	77	75	-3%
All Others	78	75	-4%
Centene	75	73	-3%
Cigna	72	73	1%

Source: ACSI Insurance and Mortgage Lenders Study 2024.

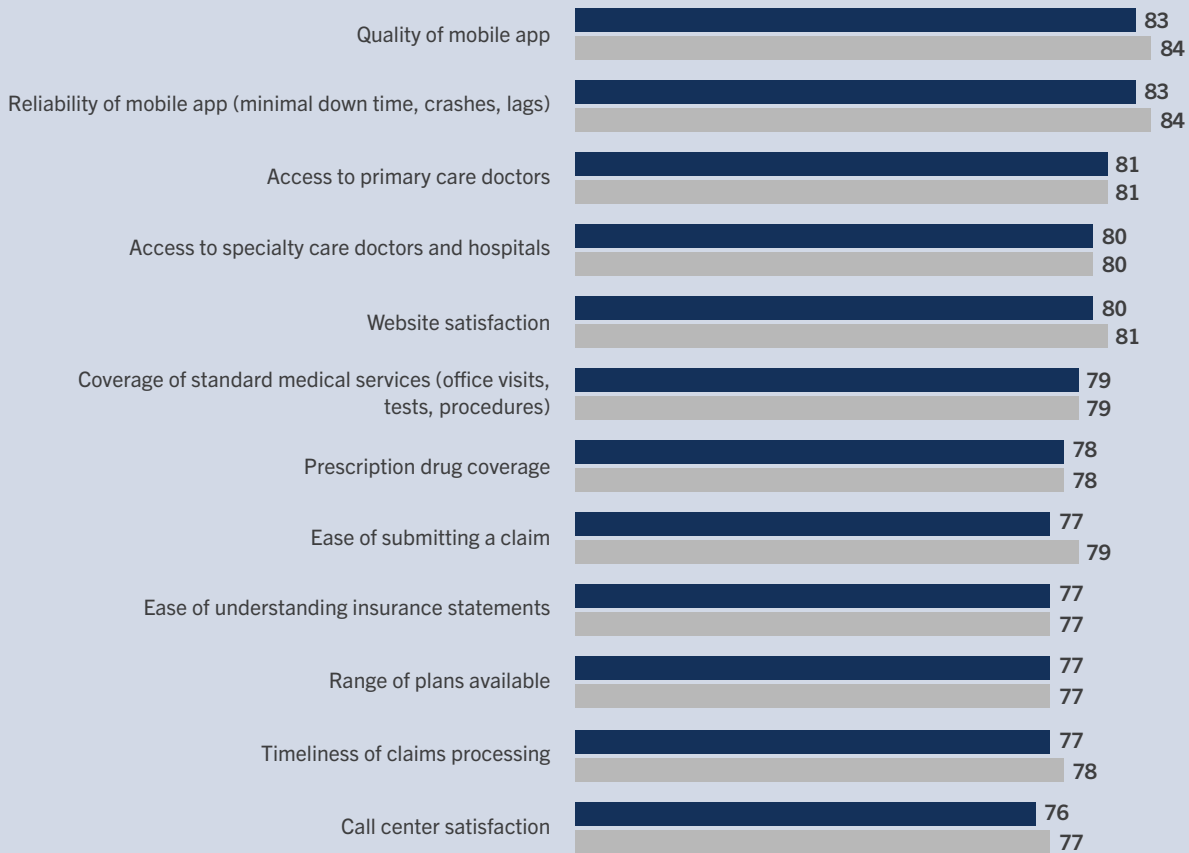
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Many aspects of the customer experience are steady compared to the prior year, although some dip a point or two. Health insurance customers value coverage that offers no surprises (predictable), caters to their specific needs (personalized), and is fair in eliminating obstacles to health care (equitable). Predictability sees slight deterioration as reflected in the ease of submitting claims (down 3% to 77), quality and reliability of mobile apps (down 1% each to 83), and timeliness of claims processing (down 1% to 77). Call center satisfaction also dips 1% to 76, constituting the worst part of the customer experience.

AMERICAN CUSTOMER SATISFACTION INDEX:
HEALTH INSURANCE
 Customer Experience Benchmarks Year-Over-Year Industry Trends
 0-100 Scale

■ 2024 ■ 2023



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LIFE INSURANCE

After rising 3% percent in 2023, the life insurance industry slips 1% to plateau at an ACSI score of 79 this year. Last year's leader AIG slides 1% to share the lead with Prudential (up 3%) at 81. Among life insurers, Prudential is the only provider to improve satisfaction this year. The remaining life insurers are stable or lose ground for policyholder satisfaction. After tying for second place last year, State Farm decreases 4% to fall just below the average at 78. At the low end of the industry, Lincoln Financial tumbles 5% to 75, while John Hancock (-5%), MassMutual (-1%), and Nationwide (-4%) cluster together at 76.

AMERICAN CUSTOMER SATISFACTION INDEX:

LIFE INSURANCE

0-100 Scale

COMPANY	2023 ACSI	2024 ACSI	% CHANGE
Life Insurance	80	79	-1%
AIG	82	81	-1%
Prudential	79	81	3%
All Others	80	80	0%
New York Life	81	80	-1%
MetLife	79	79	0%
State Farm	81	78	-4%
John Hancock	80	76	-5%
MassMutual	77	76	-1%
Nationwide	79	76	-4%
Lincoln Financial	79	75	-5%

Source: ACSI Insurance and Mortgage Lenders Study 2024.

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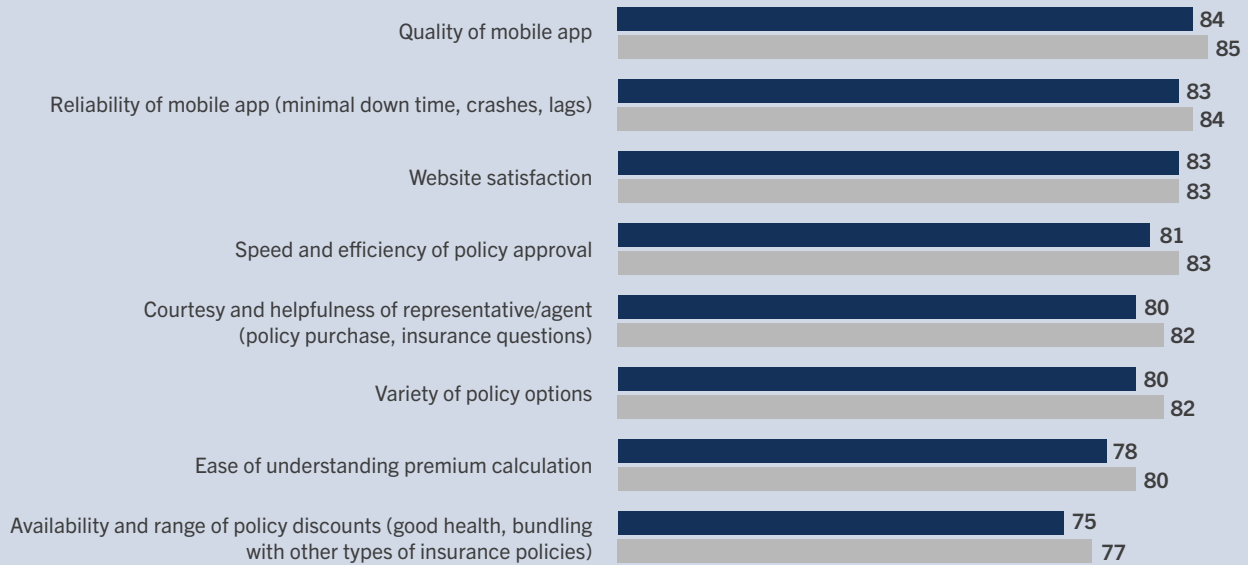
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While industry satisfaction undergoes only a slight decline, the customer experience deteriorates across nearly every aspect measured. While most elements still score 80 or above, particular areas that warrant improvement include the ease of understanding premium calculation (78) and the availability and range of policy discounts (75). Both areas post declines and are the lowest-scoring components of the consumer experience with life insurance.

AMERICAN CUSTOMER SATISFACTION INDEX:
LIFE INSURANCE
 Customer Experience Benchmarks Year-Over-Year Industry Trends

0-100 Scale

2024 2023



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PROPERTY AND CASUALTY INSURANCE

Inflationary pressure and an increasingly volatile risk environment have put stress on the property and casualty insurance industry. Despite these challenges, the industry remains stable for policyholder satisfaction with an ACSI score of 77.

USAA, which provides insurance to military-affiliated individuals and families only, again posts the highest score in the industry at 83. State Farm is next in line for policyholder satisfaction at 80. The remaining P&C insurers are tightly grouped within 2 points of one another. While most providers are stable or down by a point or two, Farmers is the only insurer to show an improvement year over year, up 3% to tie the industry average at 77.

AMERICAN CUSTOMER SATISFACTION INDEX: PROPERTY & CASUALTY INSURANCE

0-100 Scale

COMPANY	2023 ACSI	2024 ACSI	% CHANGE
Property and Casualty Insurance	77	77	0%
USAA*	83	83	0%
State Farm	80	80	0%
Allstate	80	78	-3%
American Family	80	78	-3%
Travelers	79	78	-1%
All Others	77	77	0%
Farmers	75	77	3%
Geico	77	77	0%
Nationwide	77	77	0%
Liberty Mutual	77	76	-1%
Progressive	77	76	-1%

*Available to military-affiliated individuals and families only.

Source: ACSI Insurance and Mortgage Lenders Study 2024.

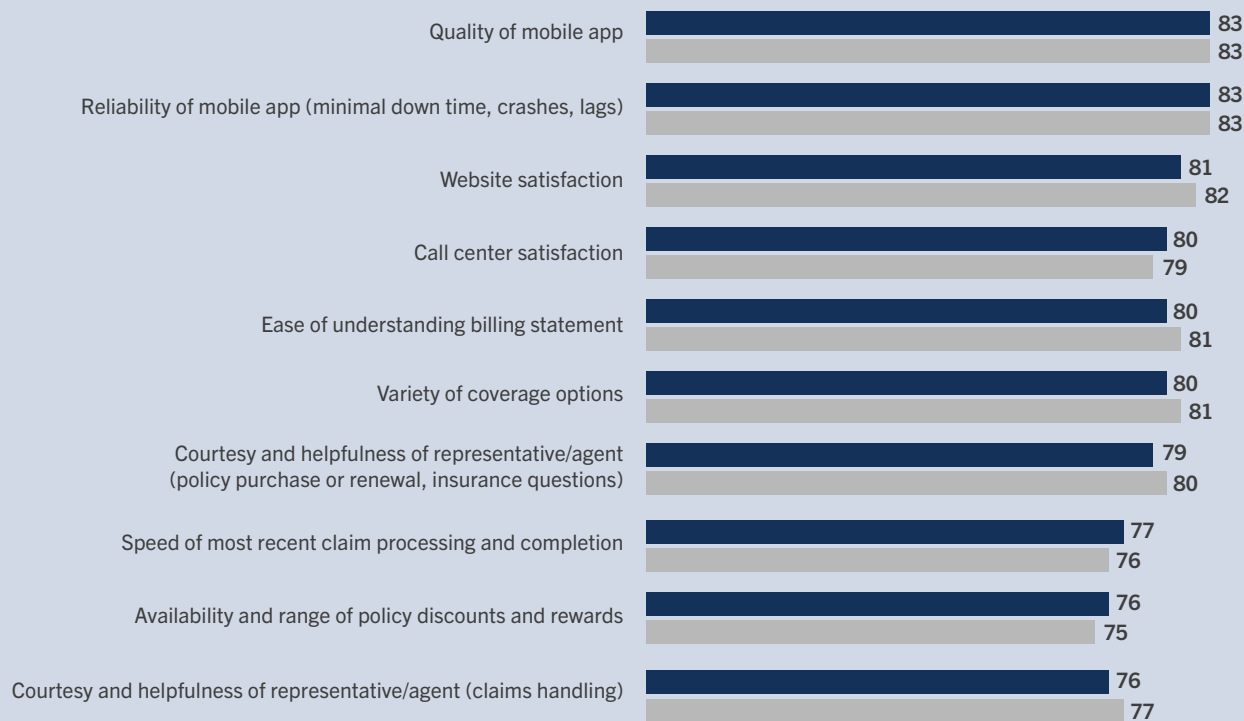
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Customer channels are among the strongest aspects of the customer experience for the property and casualty insurance industry. Mobile app quality and reliability (both 83), along with website satisfaction (81) are the highest-scoring customer experience components. Call centers also earn an excellent rating of 80 that surpasses both health insurance (76) and mortgage lenders (72). Among the areas that show room for improvement are speed of claims processing (77), policy discounts (76), and claims agent courtesy and helpfulness (76).

AMERICAN CUSTOMER SATISFACTION INDEX:
PROPERTY AND CASUALTY INSURANCE
 Customer Experience Benchmarks Year-Over-Year Industry Trends
 0-100 Scale

■ 2024 ■ 2023



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MORTGAGE LENDERS

U.S. mortgage originations peaked in 2021 at \$4.51 trillion. By 2023 that total had dropped to \$1.50 trillion. Based on originations from the first six months of 2024, this year looks similar to 2023, albeit with a slight bounce. While mortgage rates have decreased throughout 2024, many homebuyers are holding out for rates to fall further. In this challenging environment, mortgage lenders overall are finding it difficult to maintain high levels of customer satisfaction. Posting a first-time score of 75, mortgage lenders rank in the bottom nine among ACSI-measured industries.

Nevertheless, a broad range of satisfaction scores across companies shows that some lenders are able to satisfy their customers much better than others. At the top of the list, Rocket Mortgage earns a high score of 80 and, true to its moniker, rates best in class for loan processing time. Lower, but still well above the average, Chase (78) comes in just ahead of the trio of Bank of America, U.S. Bank, and Wells Fargo—all scoring 77. Among the lower-scoring lenders, PennyMac is 10 points below the leader at 70.

AMERICAN CUSTOMER SATISFACTION INDEX:

MORTGAGE LENDERS

0-100 Scale

COMPANY	2024 ACSI
Mortgage Lenders	75
Rocket Mortgage	80
Chase	78
Bank of America	77
U.S. Bank	77
Wells Fargo	77
All Others	75
Nationwide	74
Freedom Mortgage	72
PennyMac	70

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Customer Complaints

For the mortgage lenders industry, having a complaint has a noticeable effect on customer satisfaction. For the industry overall, 26% of customers on average report registering a complaint with their mortgage lender. Satisfaction for customers who did not have a complaint (78) is 12 points higher than those who did (66). Companies with fewer complaining customers tend to have higher levels of satisfaction. Industry leader Rocket Mortgage has by far the lowest percentage of complaining customers among individual lenders.

AMERICAN CUSTOMER SATISFACTION INDEX:

MORTGAGE LENDERS

Complaints and ACSI

0-100 Scale

COMPLAINED	PERCENTAGE	ACSI
Did not complain	74%	78
Complained	26%	66

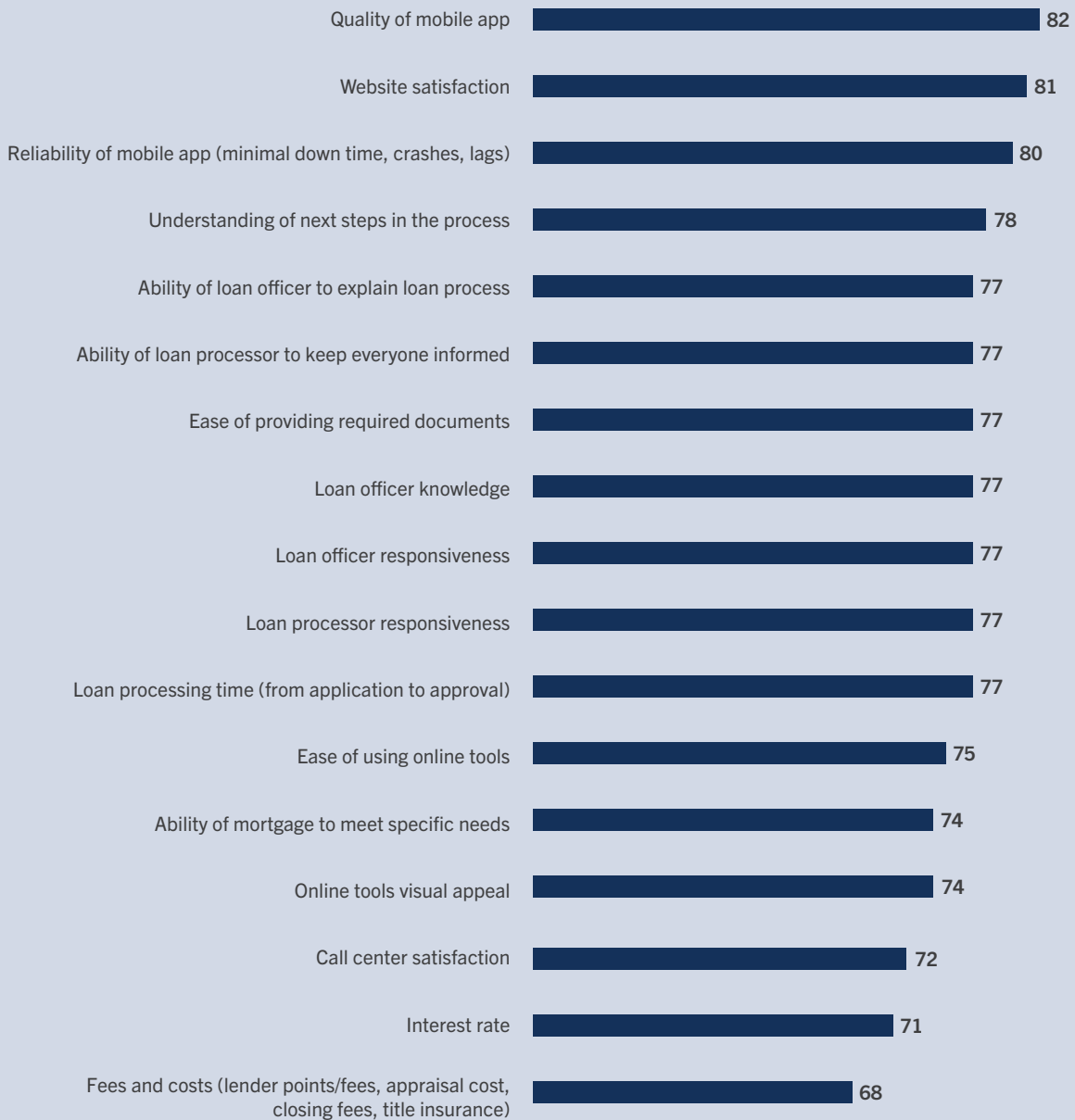
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Overall, lenders do a good job of providing digital channels as customers seem comfortable in their ability to interact with their lender online. Mobile apps (scoring 82 for quality and 80 for reliability) and websites (81) are the most favorable aspects of the customer experience. Online tools, however, show ample room for improvement for both ease of use (75) and visual appeal (74). In general, the mortgage process itself—from understanding the next steps to loan officer responsiveness and loan processing time—receives lukewarm ratings in the upper 70s. Unsurprisingly, customers find interest rates (71) and fees and costs (68) to be the worst part of the mortgage experience.

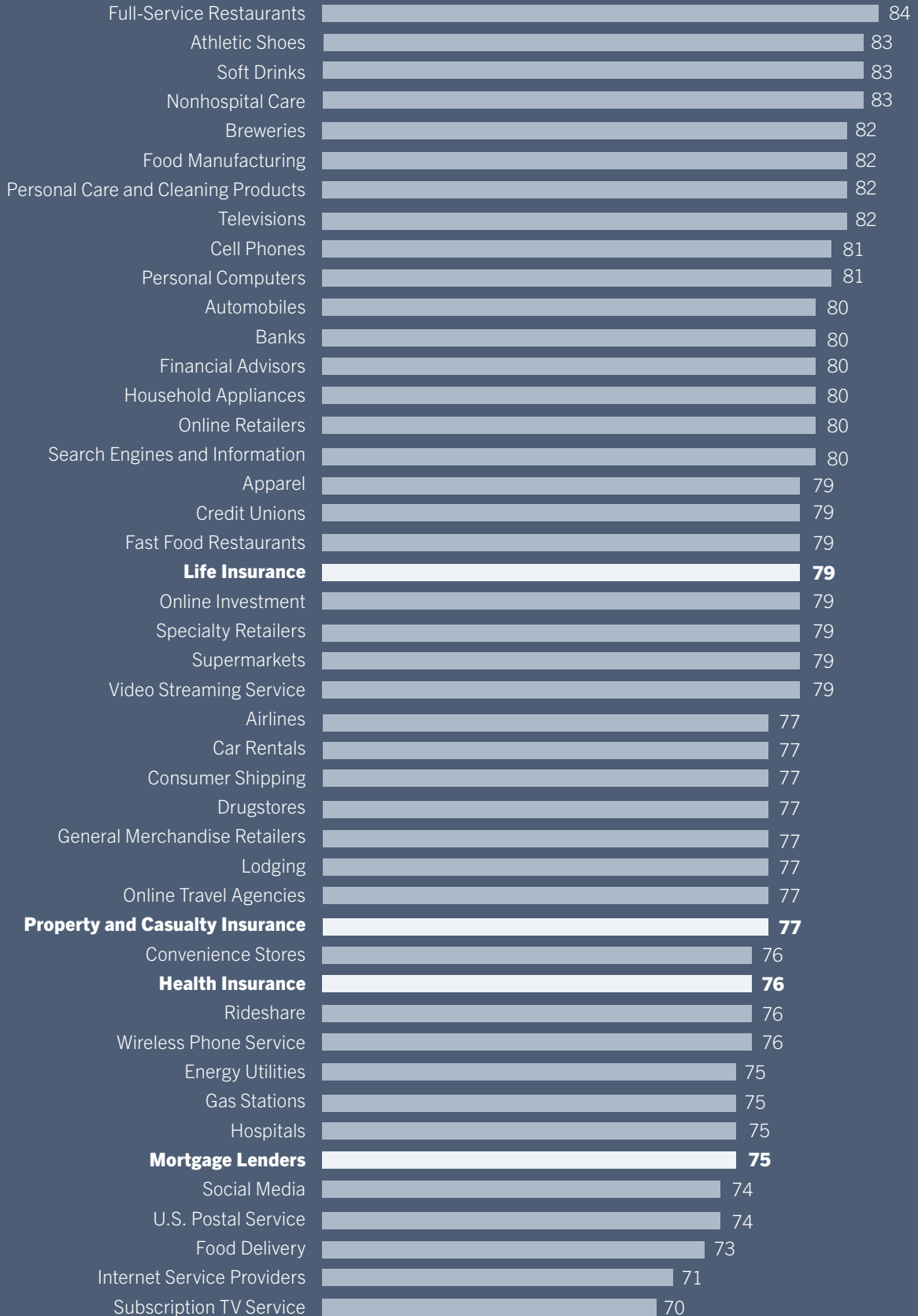
AMERICAN CUSTOMER SATISFACTION INDEX:
MORTGAGE LENDERS
 Customer Experience Benchmarks 2024
 0-100 Scale



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Customer Satisfaction Benchmarks by Industry

0-100 Scale



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Methodology

The *ACSI Insurance and Mortgage Lenders Study 2024* is based on 14,855 completed surveys. Customers were chosen at random and contacted via email between October 2023 and September 2024. Customers are asked to evaluate their recent experiences with the largest companies in terms of market share, plus an aggregate category consisting of “all other”—and thus smaller—companies.

ACSI survey data are used as inputs to the Index’s cause-and-effect econometric model, which estimates customer satisfaction as the result of the survey-measured inputs of customer expectations, perceptions of quality, and perceptions of value. The ACSI model, in turn, links customer satisfaction with the survey-measured outcomes of customer complaints and customer loyalty. ACSI clients receive confidential industry-competitive and best-in-class data on all modeled variables and customer experience benchmarks.

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 roughly 200,000 responses annually as inputs to an econometric model for analyzing customer satisfaction with approximately 400 companies in about 40 industries and 10 economic sectors, including various services of federal and local government agencies. ACSI results are released throughout the year, with all measures reported on a scale of 0 to 100.

ACSI data have proven to be strongly related to several 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. At the macro level, customer satisfaction has been shown to be predictive of both consumer spending and GDP growth.

Contact Information

For more information regarding this study; the health insurance, life insurance, property and casualty insurance, and mortgage lender industries; and how the ACSI can help your company harness the power of customer satisfaction to improve your bottom line, visit www.theacsi.org or contact:

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