Insurance Companies: How ValChoice Helps You

The ValChoice grading system enables insurance companies to differentiate from their competition and build customer loyalty. Finally, an alternative to expensive advertising.

ValChoice®

Why an Insurance Grading System?

ValChoice is working to help the entire insurance industry. This includes consumers buying insurance, agents selling insurance and companies offering insurance products. We help by making insurance easy-to-understand. By using ValChoice's independent grades, it's finally possible to immediately see the value delivered, measured through a detailed analysis of critical purchase criteria: price, protection and service.

ValChoice provides consumers with summary information for free. Agents, advisors and insurance companies can tap the power of ValChoice rankings via ValChoice subscription services. As part of a ValChoice subscription, agents and advisors can generate custom reports for their clients showing how various companies compare. Insurance companies will be able to use ValChoice rankings to communicate the value of their current products and to further improve their future offerings. The following details how ValChoice addresses the critical needs of insurance companies.

The Need for Differentiation

Many carriers are looking for ways to differentiate themselves from the competition. Differentiation allows them to grow their businesses more profitably and increase customer loyalty. In addition, producers need a consistent flow of high-quality leads and tools that increase conversion rate. And for consumers, they want to understand what they are getting for the large amount of money spent on insurance. The ValChoice grading system meets all of these needs.

Advertising (expensive) vs. Differentiating (effective)

Using the auto insurance market as an example, a primary value proposition offered to consumers is low price. However, while many companies work to differentiate based on price, only a few companies can offer the lowest tier prices.

Meanwhile, other companies try to differentiate themselves through reliability or service. However, since there are currently no quantitative analytics to prove which companies are actually the best, these companies utilize large advertising budgets to convince people they are the best in these areas.

A more cost-effective method for differentiating is to offer independent proof of performance from a credible source. Independent proof of performance is the reason grading systems exist in other industries. At last such a system exists

for insurance. Quantitative analysis of insurance enables companies to reduce advertising costs and increase conversion rates. This will enable companies embracing the approach of providing proof of performance to enjoy significant opportunities to dramatically reduce marketing and sales costs and gain market share. Click here for more information on ValChoice Conversion Rate Tools.

How the Grading System Benefits Insurance Companies

The availability of a quantitative grading system changes the competitive landscape. For the first time, insurance companies can differentiate based on both the type of customer they are targeting as well as independent, quantitative analysis of the value provided. Value is measured in the three categories consumers care about most:

- Price
- Protection
- Service

For carriers wishing to target customers by type, ValChoice tools grade performance by risk category. For example, in the auto insurance industry, we break customer type into the industry standard categories of: Preferred, Standard and Non-standard.

Finally, carriers can make a technical product understandable by differentiating in multiple ways that customers care about. This not only helps carriers win more business, but it's also a key reason customers will keep coming back.

How the Grading System Works

ValChoice calculates a value grade for writing companies by Line-of-Business. Grades are presented by state in order to best help consumers. Grades are calculated by constructing a multiple-year performance model for the industry. A multi-year performance model is used to minimize the impact of catastrophic events. After the model is created, both groups and writing companies are graded against the performance model on a state-by-state basis.

Components of Your ValChoice Grade

Price

The price portion of the ValChoice grade analyzes financial data and provides a comparison showing how insurers vary in terms of the price and coverage they offer in each state. The information is portrayed through a fuel-gauge-style image with the mid-point on the gauge representing the industry average.

Mid-point on the gauges represents industry average performance.

Protection

The Protection grade is based on examining all forms of losses as well as confirmed consumer complaints. The analysis is presented in an easy-to-understand image showing how good the company's claims payment performance is specific to a particular state. This analysis is also portrayed with a fuel-gauge-style image.

Compared to peer group companies.

Service

The Service Quality component of the overall score is based on complaints filed with insurance commissioners. As with all other components of the grading system, this

Information is collected for both groups of companies and individual writing companies, then turned into a star-rating system that is easy to understand by consumers, agents and advisors.

ValChoice Score

The ValChoice Score is a combination of the three subcomponents of the grading system described above: Price, Protection and Service. Consumers can decide which

grade is most important to them, or make a purchase decision simply based on the VaChoice Score. Like the price and the protection grades, the ValChoice Score is represented with an easy-to-understand fuel-gauge-like image with the center (yellow) being industry average. Click here for a video explaining ValChoice subscription services in more detail.

Total Value Score combines all elements of ValChoice grading system.

How ValChoice Helps You

Companies with high ValChoice scores can immediately realize cost savings, higher close rates and an improved return on investment from their marketing campaigns. With company comparisons made by the risk categories of Preferred, Standard and Non Standard, companies can easily target specific groups of consumers when working to build the business.

Click here for a personalized demonstration of ValChoice Conversion Rate Tools or to discuss using ValChoice materials in your marketing campaigns.

About ValChoice

ValChoice® is the only company to provide consumers, agents and advisors with information on which home and auto insurance companies offer the best price, protection and service. The company's advanced analytics platform collects and analyzes millions of financial and complaint data points and delivers the results in an easy-to-use service that Forbes Magazine describe as "Carfax for insurance." Using ValChoice, consumers are finally able to shop for insurance based on value rather than making decisions blindly based on price or advertising campaigns.