

Customer Perception Survey

Marketing

Q3 2012



Every quarter, SGI asks a sample of 1,000 customers how they feel about SGI. This report summarizes the perceptions that customers have of the company and how these perceptions have changed over time.



PROPRIETARY AND CONFIDENTIAL

EXECUTIVE SUMMARY

Between October 1st and October 15th, SGI conducted its customer perception tracking survey, surveying a sample of 1,000 customers through Insigtrix Research's online panel.

Results for the Q3 2012 customer perception tracking survey indicates that customers' perceptions of SGI, for the most part, have marginally improved over since 2011. While a decline in results was noted when compared to the June 2012 survey, every measure noted improvement over March 2012 results. More specifically, customers are increasingly viewing SGI as being well managed (64% in Q3 2012 compared to 61% in 2011), behaving ethically (63% in Q3 2012 compared to 61% in 2011), and having well trained staff (63% in Q3 2012 compared to 62% in 2011).

Both Balanced Scorecard measures – Auto Fund Value Index and Auto Fund service satisfaction – currently sit above their year end targets. The Auto Fund value index score, which is based on two questions that measure customers' perceived value for products and services provided, currently sits at 75.3% (when averaging out the quarterly scores), slightly above the year end target of 74%. Customers' perceptions of SGI when it comes to providing high standards of customer service have also improved over July 2011 and March 2012 results. When averaging out the quarterly results for this question, 60.2% of customers in 2012 feel SGI is doing a good job in this respect which is considerably above the year end target of 56% for Auto Fund service satisfaction.

Additional findings revealed that the public's overall impression of SGI has remained consistent over the past year with 61% of customers indicating they have a positive impression of the company. Customers with positive impressions continue to feel this way because they have had positive experiences with the company (50%), while customers with negative impressions point to poor customer service (15%) as the being the top reason for their current perception of the company.

Finally, while the March 2012 survey showed that perceptions of SGI's rates have been on the decline, results bounced back in the recent survey, resting slightly below 2011 levels. Nearly six out of ten customers (57%) feel that SGI is doing a good job in maintaining low rates (compared to 60% in 2011 and 49% in March 2012).

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APPENDIX A – Detailed Findings

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METHODOLOGY

In March 2012, SGI, in partnership with Inshtrix Research Inc, began conducting its customer perception tracking survey on a quarterly basis. Going forward, the survey of 1,000 respondents (through the use of Inshtrix Research’s Saskatchewan-only online panel of respondents) will be performed in March, June, September and December of each year.

A sample of 1,000 people were surveyed via Inshtrix’s SaskWatch online panel. To ensure all results reflect the attitudes and opinions of the Saskatchewan public, sample quotas were set for age, gender, region and aboriginal ancestry.

Analysis and charting was performed in Tableau or Excel, while SPSS (industry standard statistical software) was used for statistical testing and to verify the accuracy of all figures presented in this report. Symbols “▲” and “▼” are used to denote statistical significance at the 95% confidence level.

KEY MEASURES

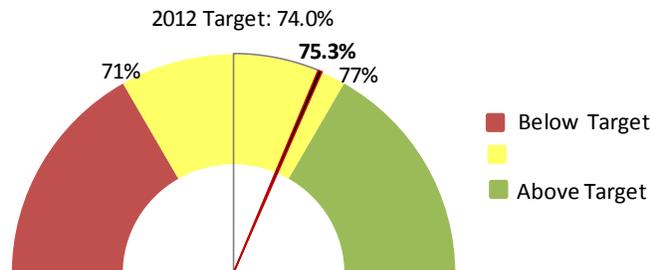
Auto Fund Value Index

The Auto Fund Value Index is based on the results from two questions on the quarterly perception tracking survey regarding the products and services provided by SGI. Customers are asked to indicate the extent to which they agree with the following two statements:

- SGI auto insurance products and services generally seem to be focused on what's best for customers.
- SGI offers good value at the best price.

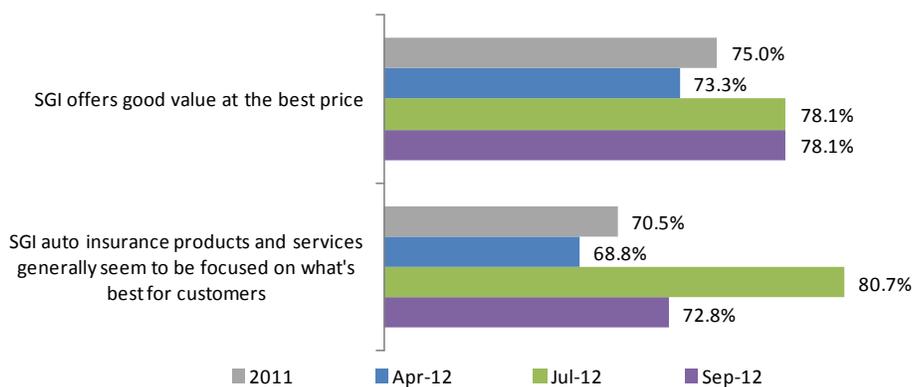
While results from the Q3 survey showed a slight decrease in the Auto Fund Value Index score over the Q2 survey, customers are happier with SGI's products and services than they were in July 2011 and March 2012. Compared to the second quarter, 73% of customers indicated SGI's products and services are focused on what is best for the customer (81% in Q2). Overall, 78% of customers felt SGI offers good value at the best price which is consistent with Q2 survey. The net result for Q3 is a score of 76% (compared to 71% in Q1 and 79% in Q2), averaging an overall score of 75.3% for 2012.

Figure 1: Auto Fund Value Index Score vs. Target



Note: Target limits are based on the "margin of error" for 95% confidence intervals.

Figure 2: Auto Fund Value Index Scores Over Time



Auto Fund Service Satisfaction

Roughly 58% of respondents indicated SGI is doing a good or excellent job in terms of providing high standards of customer service, while another 27% provided a neutral rating in the third quarter. Similar to the Auto Fund Value Index, this result also experienced a slight decrease between June and September, resting at a score slightly higher than the 2011 and Q1 2012 results. Despite this, the average Auto Fund Service Satisfaction score for 2012 is currently 60.2%, exceeding the year-end target of 56%.

Figure 3: Auto Fund Service Satisfaction Score vs. Target

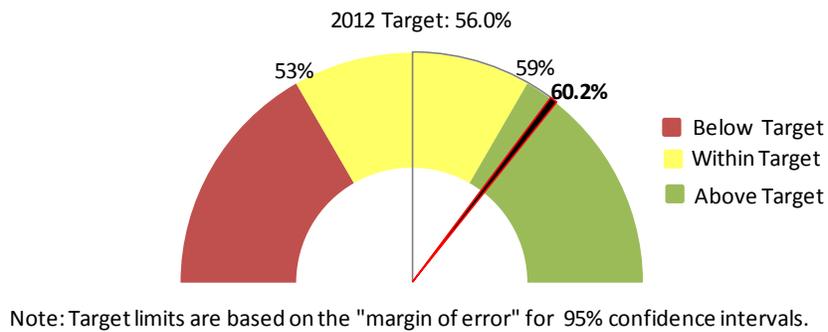
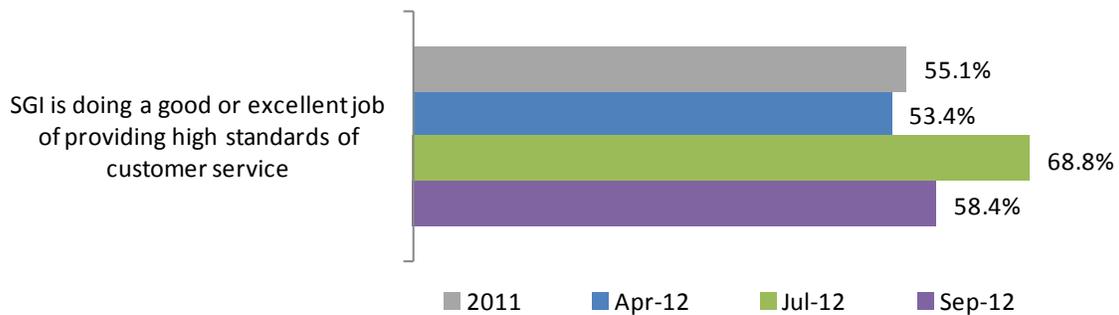


Figure 4: Auto Fund Service Satisfaction Score Over Time



CORPORATE IMAGE

Corporate Perceptions of SGI

In the third quarter, customers were also asked to rate how good of a job they feel SGI is doing as it relates to a number of factors including:

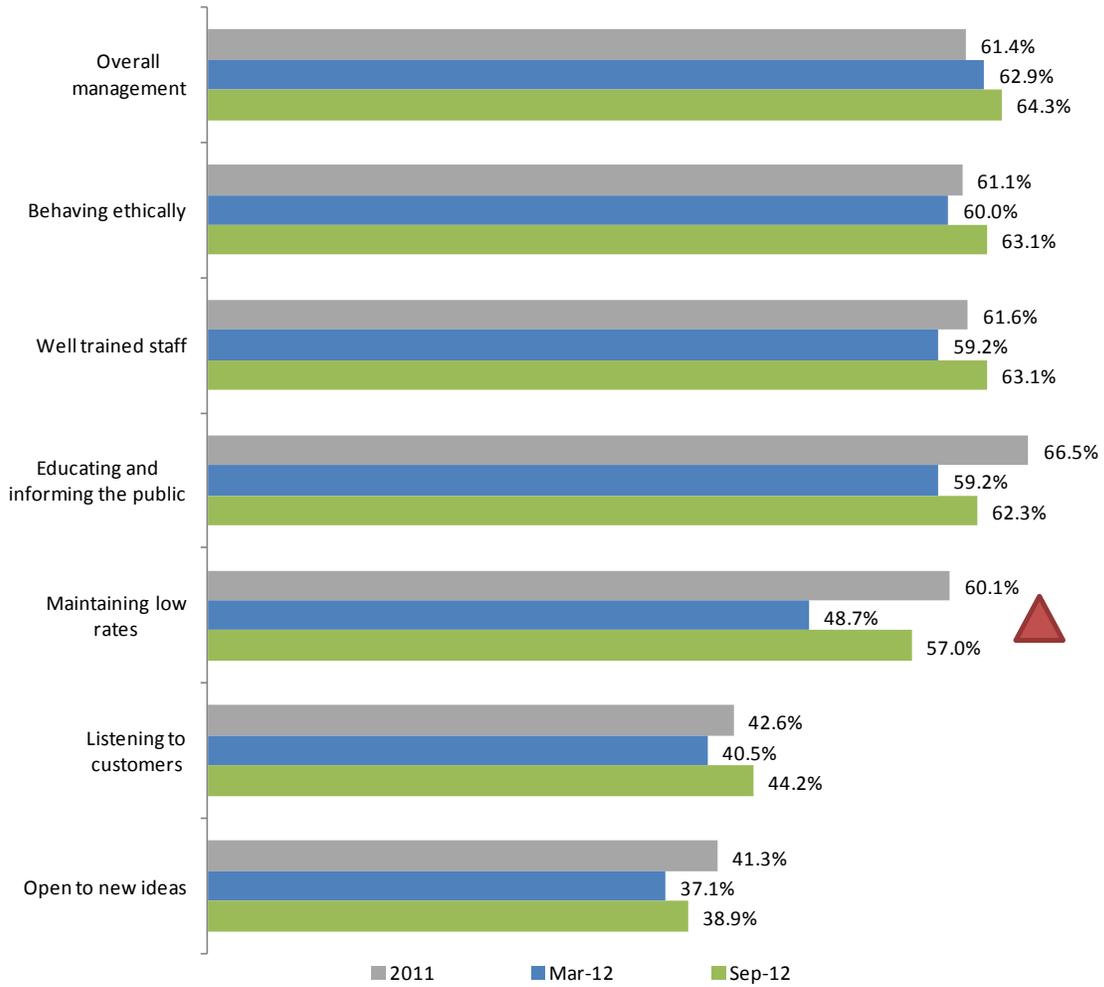
- Overall management
- Listening to customers
- Behaving ethically
- Educating and informing the public
- Maintaining low rates
- Open to new ideas
- Having well trained staff

Since March 2012, customers' perceptions of SGI have increased for all service-related factors and in some cases have shown marginal improvements over July 2011 results. Customers are increasing viewing SGI as being a well managed organization and slightly more customers believe SGI behaves ethically and has well trained staff compared to 2011 results.

The most significant improvement over results in March 2012 was with respect to customers' perceptions of SGI's rates. When measured in March 2012, customers were identified as becoming increasing less satisfied with SGI regarding its rates. However, the third quarter survey showed that customers' perceptions have almost completely bounced back to be in line with results measured in 2011.

Results from the third quarter survey also show that SGI continues to struggle with being seen as a company that is open to new ideas and as a company that listens to its customers. This is consistent with results from March 2012 and July 2011.

Figure 5: Corporate Perceptions of SGI (percentage who feel SGI is doing a good or very good job)



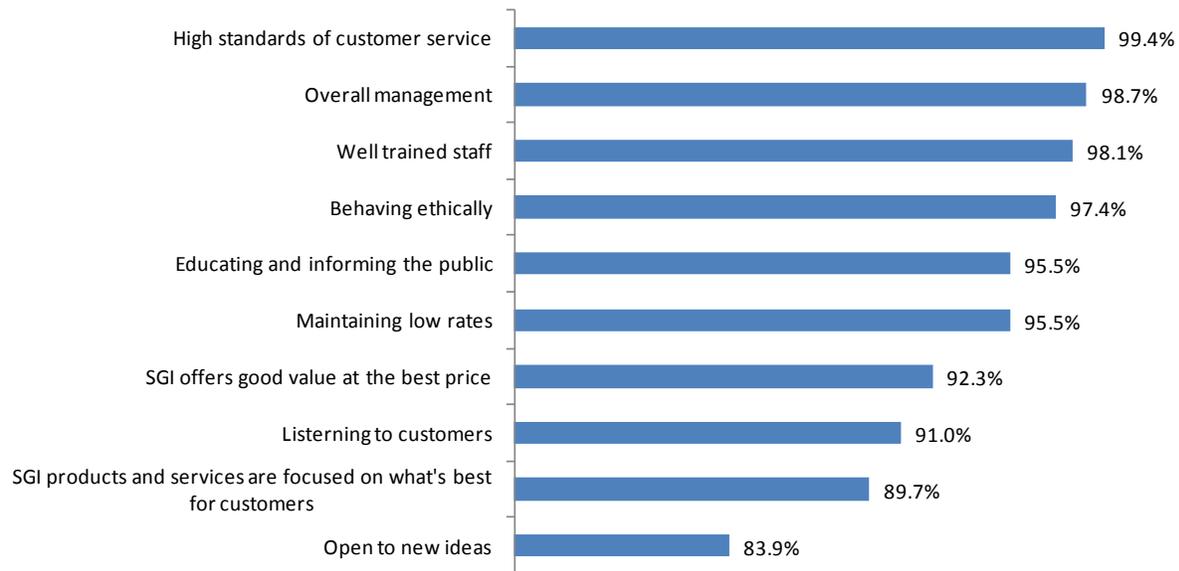
Q. What kind of job do you think SGI is doing in terms of...
 Base: All online respondents with favourable ratings; n=1,000

Overall Impression of SGI

Similar to previous quarters, customers were asked to rate their overall impression of SGI. In September 2012, 61% of respondents indicated they view SGI positively which is in line with results from June (61%) and March (58%) of this year.

Results from the most recent survey also show that customer service and overall management of SGI have a strongest impact on customers' overall impression of the SGI brand. Nearly all respondents who indicated they have a very positive impression of SGI also indicated the company is doing a good or very good job of providing high standards of customer service (99.4%) and believe SGI is well managed (98.7%). Conversely, only 84% of those who have a very positive impression of SGI view the company as being one that is open to new ideas.

Figure 6: Key Drivers of Overall Impression (percentage of respondents with a "very positive" impression of SGI who rate SGI favourably in terms of...)



Respondent Base: Respondents who indicated they had very positive impression of SGI.

Respondents were also asked to indicate why they rated their overall impression of SGI as they had. Similar to Q1 and Q2 surveys, 82% of customers who have a positive impression of SGI also have good things to say about the company. With the feedback provided by this group of customers, half (50%) of respondents stated they have always had positive experiences with SGI which is a slight increase from the results observed in Q2 (48%). In addition, 18% stated they view SGI positively because of its affordable rates (identical to Q2).

Alternatively, over two-thirds (68%) of those who have a neutral or negative impression of SGI also have negative things to say about the company. Customers in this group pointed to poor customer service (15%) as the being the top reason for their current perception of the company (a significant increase from 9% in Q2). Another 14% view SGI less favourably because of high premiums/deductibles and poor claims experiences (slightly up from 11% in Q2).

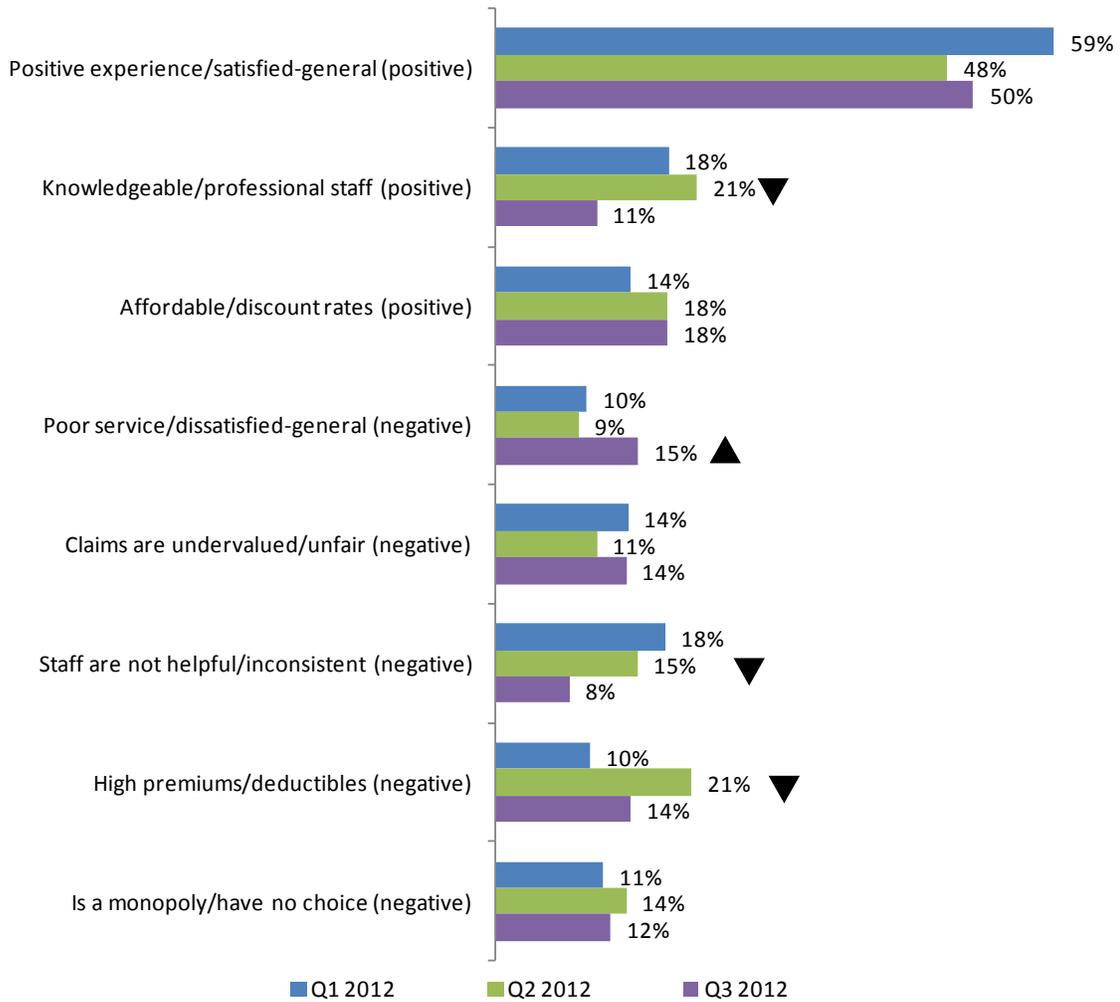
Figure 7: Reasons for Having a Positive or Negative Impression of SGI

	Positive Impression		Negative or Neutral Impression		Total	
	Count	Percentage	Count	Percentage	Count	Percentage
NET: POSITIVE	503	82.1%	63	16.3%	566	56.6%
Positive experience/satisfied-general	309	50.4%	38	9.8%	347	34.7%
Affordable/discount rates	111	18.1%	12	3.1%	123	12.3%
Knowledgeable/professional staff	65	10.6%	6	1.6%	71	7.1%
Courteous staff	50	8.2%	1	0.3%	51	5.1%
Prompt service	30	4.9%	1	0.3%	31	3.1%
SGI makes the province money/money stays in SK	8	1.3%	0	0.0%	8	0.8%
Other Positive	62	10.1%	7	1.8%	69	6.9%
NET: NEGATIVE	92	15.0%	262	67.7%	354	35.4%
Poor service/dissatisfied-general	2	0.3%	58	15.0%	60	6.0%
High premiums/deductibles	13	2.1%	55	14.2%	68	6.8%
Claims are undervalued/unfair	9	1.5%	53	13.7%	62	6.2%
Is a monopoly/have no choice	12	2.0%	47	12.1%	59	5.9%
Staff are not helpful/inconsistent	7	1.1%	30	7.8%	37	3.7%
Focused on making profits	5	0.8%	18	4.7%	23	2.3%
Long processes/slow response	5	0.8%	16	4.1%	21	2.1%
Negative stories from peers	17	2.8%	14	3.6%	31	3.1%
Not perfect/room for improvement	11	1.8%	3	0.8%	14	1.4%
Other Negative	17	2.8%	60	15.5%	77	7.7%
NET: NEUTRAL	51	8.3%	79	20.4%	130	13.0%
Not satisfied or dissatisfied/somewhat	4	0.7%	22	5.7%	26	2.6%
Based on customer/past experience-unspecified	18	2.9%	19	4.9%	37	3.7%
Good and bad experiences	2	0.3%	14	3.6%	16	1.6%
Rarely deal with SGI/haven't made claim	11	1.8%	12	3.1%	23	2.3%
Other Neutral	16	2.6%	12	3.1%	28	2.8%
Don't know/no reason	13	2.1%	20	5.2%	33	3.3%

Q. Why do you say that? (overall impression)

Base: All respondents, n=1,000; Positive Impression, n=613; Neutral/Negative Impression, n=387

Figure 8: Survey Comparisons of Reasons for Having a Positive or Negative Impression of SGI



Q. Why do you say that? (overall impression)
 Base: All respondents; n=1,002 for Q2 and n=1,000 for Q3

DEMOGRAPHIC ANALYSIS

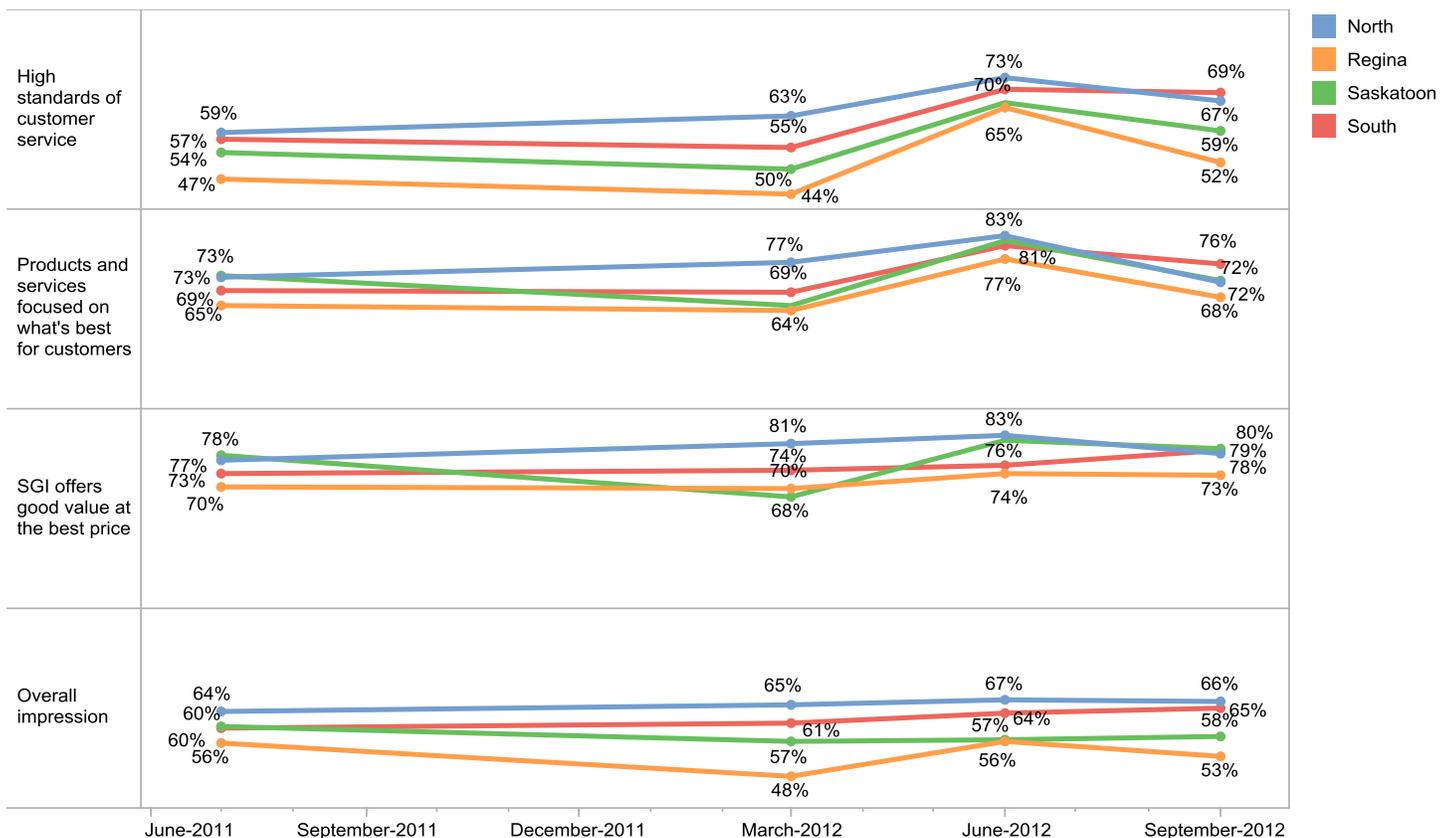
Demographic Trends

Analysis of all responses reveals a decrease in overall perceptions of the company for most measures and demographics. However, the results resemble perceptions from the first quarter. In addition, similar to the previous two quarterly surveys, very few results were found to be statistically different for each demographic measured. Similar to the second quarter results, several trends are worth noting.

Region

Throughout the last three surveys, customers from the northern part of the province continue to rate SGI the highest. However, in September, customers from southern Saskatchewan rated SGI slightly higher than northern Saskatchewan customers with respect to how well SGI provides high standards of customer service and ensures products and services are focused on what's best for customers. Residents in Regina continued to rate SGI the lowest amongst all regions, which is consistent with results from the previous three surveys.

Figure 9: Region and Favourable Responses



Age Groups

Several noteworthy trends were also observed when comparing age groups. Overall, customers had a more negative perception of SGI when it came to “products and services focused on what’s best for customers” for each age group in September compared to June. The most notable decrease identified was for individuals between the ages of 18 and 24 (14%). In addition, there was a slight improvement in perceptions for 24 to 44 year old customers with respect to SGI offering good value at the best price.

Figure 10: Age Groups and Favourable Responses

		June 2011	March 2012	June 2012	September 2012	Difference Between Jun. 2012 & Sept. 2012
Products and services focused on what's best for customers	18 to 24	65%	66%	77%	63%	-14% ▼
	25 to 34	68%	70%	85%	77%	-8% ▼
	35 to 44	69%	68%	79%	73%	-6% ▼
	45 to 54	71%	66%	80%	74%	-6% ▼
	55 to 64	70%	72%	81%	74%	-7% ▼
	65 +	81%	70%	80%	72%	-8% ▼
SGI offers good value at the best price	18 to 24	69%	65%	75%	75%	0%
	25 to 34	75%	75%	81%	84%	3%
	35 to 44	70%	70%	76%	79%	3%
	45 to 54	75%	74%	78%	74%	-4%
	55 to 64	77%	78%	80%	79%	-1%
	65 +	83%	73%	78%	80%	2%
High standards of customer service	18 to 24	56%	49%	59%	55%	-4%
	25 to 34	57%	52%	70%	59%	-11% ▼
	35 to 44	51%	50%	74%	61%	-13% ▼
	45 to 54	52%	55%	61%	62%	1%
	55 to 64	53%	56%	76%	69%	-7% ▼
	65 +	65%	57%	72%	73%	1%
Overall impression	18 to 24	57%	56%	57%	58%	1%
	25 to 34	59%	59%	66%	60%	-6%
	35 to 44	56%	50%	58%	61%	3%
	45 to 54	63%	58%	58%	59%	1%
	55 to 64	59%	62%	63%	63%	0%
	65 +	70%	65%	67%	69%	2%

Base: All online respondents (based on favourable ratings) n=1,000 for Q1 & Q3; n=1,002 for Q2

Education

Compared to June 2012, customers with the lowest level education were found to have a more positive perception of SGI in September – the most significant increase was noted for the measure “products and services focused on what’s best for customers”, rising by 14%. However, customers with the lowest level of education continue to have a negative impression of SGI compared to the other demographics – only 45% stated they had a positive impression which dropped by 5% since June 2012.

Figure 11: Education and Favourable Responses

		June 2011	March 2012	June 2012	September 2012	Difference Between Jun. 2012 & Sept. 2012
Products and services focused on what's best for customers	Some high school (or less)	63%	77%	63%	71%	8% ▲
	Completed high school diploma	68%	68%	77%	72%	-5% ▼
	Some technical or university	69%	67%	82%	73%	-9% ▼
	Technical diploma	70%	68%	77%	70%	-7% ▼
	University degree	74%	72%	87%	75%	-12% ▼
SGI offers good value at the best price	Some high school (or less)	67%	79%	60%	74%	14% ▲
	Completed high school diploma	73%	69%	76%	74%	-2%
	Some technical or university	76%	69%	78%	80%	2%
	Technical diploma	71%	76%	80%	79%	-1%
	University degree	80%	78%	79%	78%	-1%
High standards of customer service	Some high school (or less)	52%	62%	57%	65%	8% ▲
	Completed high school diploma	53%	55%	67%	70%	3%
	Some technical or university	56%	52%	71%	60%	-11% ▼
	Technical diploma	53%	55%	68%	62%	-6%
	University degree	57%	54%	71%	64%	-7% ▼
Overall impression	Some high school (or less)	67%	62%	50%	45%	-5%
	Completed high school diploma	59%	61%	60%	63%	3%
	Some technical or university	58%	56%	63%	63%	0%
	Technical diploma	60%	58%	60%	60%	0%
	University degree	62%	61%	64%	62%	-2%

Base: All online respondents (based on favourable ratings) n=1,000 for Q1 & Q3; n=1,002 for Q2

Income

Similar to the age and education demographics, there was a decrease for the measure “products and services focused on what’s best for customers” between June 2012 and September 2012 – the most significant was for individuals who make less than \$25,000/year which decreased by 16%. However, between June and September 2012, there was a slight increase in positive perceptions of SGI for the measures “SGI offers good value at the best price” and overall impression for individuals who make less than \$25,000/year.

Figure 12: Income and Favourable Responses

		June 2011	March 2012	June 2012	September 2012	Difference Between Jun. 2012 & Sept. 2012
Products and services focused on what's best for customers	Less than \$25,000	61%	68%	84%	68%	-16% ▼
	\$25,000 to \$49,999	74%	75%	82%	72%	-10% ▼
	\$50,000 to \$100,000	73%	68%	82%	76%	-6% ▼
	Over \$100,000	69%	71%	82%	74%	-8% ▼
SGI offers good value at the best price	Less than \$25,000	69%	73%	75%	79%	4%
	\$25,000 to \$49,999	77%	79%	80%	78%	-2%
	\$50,000 to \$100,000	76%	74%	80%	73%	-7% ▼
	Over \$100,000	76%	75%	79%	75%	-4%
High standards of customer service	Less than \$25,000	44%	50%	66%	63%	-3%
	\$25,000 to \$49,999	57%	57%	69%	64%	-5%
	\$50,000 to \$100,000	59%	59%	72%	65%	-7% ▼
	Over \$100,000	51%	53%	71%	63%	-8% ▼
Overall impression	Less than \$25,000	50%	55%	57%	58%	1%
	\$25,000 to \$49,999	64%	64%	66%	57%	-9% ▼
	\$50,000 to \$100,000	63%	61%	63%	65%	2%
	Over \$100,000	56%	58%	63%	64%	1%

Base: All online respondents (based on favourable ratings) n=1,000 for Q1 & Q3; n=1,002 for Q2