Introduction

Explore NBCUniversal’s latest perspectives and insights into the Insurance industry. This report provides an overview of recent marketplace dynamics, our prediction of key future trends impacting the industry, and strategic recommendations for Insurance brands and marketers as they navigate what’s next.

Our Approach

At NBCUniversal, we have a legacy of working with a diverse range of Insurance partners to build their brands. This report has been created based on NBCU’s:

- Ongoing Industry Evaluation
- Conversations with Insurance Advertisers and Agencies
- Continual Marketplace Analysis
- Examination of Consumer Attitudes towards the Insurance Industry
In 2022, NBCU worked with:
+35 Insurance Industry Advertisers

TV Networks  Video & Audio Streaming  Studios & Film

Pro Sports & Betting  Live Events  Recreation
Contents

2022 Landscape

Insurance Forward-Looking Trends

NBCU Insurance Strategic Considerations

NBCU Relevant Materials
Overview of Key Insurance Marketplace Dynamics

2022 Landscape
For Insurance brands, 2022 has been the time to adapt to unprecedented times as means to secure business among emerging competitors and economic uncertainty in category that’s been known for its stability.
Insurance Brands Have Adapted to Unprecedented Times In 2022

Cinematic Marketing Approach
Insurance brands are leveraging their mascots & IP more persistently, complimenting standard marketing tactics and ad campaigns with out of the box activations.

Financial Headwinds Take a Toll
Insurtechs are struggling to be profitable and legacy brands are battling Inflation and Supply Chain pressures. Brands are forced to raise premiums against consumers simultaneously looking to cut costs.

Evolving Business Models
In response to economic volatility and the emergence of Insurtech companies, brands are investing in Usage-Based Insurance (UBI) services, Embedded Insurance, and acquiring companies with complementary services.

Policy Switches & Un-Bundling
Inflation has forced consumers to prioritize price over service when deciding on an insurance provider as they seek out the lowest rates.

Re-thinking Audiences and Markets
Navigating the financial headwinds of 2022 has forced brands to evaluate target audience(s) (new / high risk drivers) as well as the geographic markets they operate in given margin pressures.
### Established Brands

<table>
<thead>
<tr>
<th>Human Face</th>
<th>Insurtech</th>
</tr>
</thead>
<tbody>
<tr>
<td>People prefer agents to bots. 64% of millennials and 54% of Gen Z consumers plan to utilize insurance <strong>agents</strong>.</td>
<td><strong>Built on Data &amp; Personalization</strong></td>
</tr>
<tr>
<td>Established insurers have invested heavily in brand, ensuring that consumers recognize their mascots/spokespeople.</td>
<td><strong>Lower Price</strong></td>
</tr>
<tr>
<td><strong>Better Payouts</strong></td>
<td></td>
</tr>
<tr>
<td>80% of consumers (including 70% of 18–24) trust the policy pricing capabilities of legacy over insurtech.</td>
<td><strong>Niche Products</strong></td>
</tr>
<tr>
<td>Established brands are expanding their products to include new offerings such as travel, WFH, pet, disaster insurance and more, offering bundling opportunities.</td>
<td><strong>Convenience</strong></td>
</tr>
<tr>
<td>Consumers want easy-to-use, digital experiences. 41% of consumers are likely to switch their insurance companies in favor of a more digitized one.</td>
<td></td>
</tr>
</tbody>
</table>

**Sources:** Agentero, DeC, eMarketer
Key Trends We Expect to Influence Insurance Marketing & Media Strategies

Insurance Forward-Looking Trends
LOOKING AHEAD, Key Insurance Trends We Expect to Influence Marketing & Media Strategies

- Push for Loyalty
- Rise of Embedded Insurance
- New Ways to Engage
- Navigating Cost Pressures
Push for Loyalty

As consumers look to cut costs, insurance brands will prioritize bundling and technology solutions to drive loyalty amidst raising premiums.

Price, convenience, and customer service are the biggest motivators of switching behavior (54% of consumers have pointed to increases in price as their main reason to switch P&C insurance).¹

In the face of higher premiums, brands will need to implement loyalty building practices such as increased bundling, UBI systems, and smart home solutions.

There was a 3.6% increase in quarterly auto insurance policy switching in Q2 2022.²

Benefits of Bundling

65% of consumers engage in bundling policies under a single provider.¹ By simultaneously providing convenience and pricing benefits, bundling is a key method of securing customer loyalty.

Smart Solutions

>32% of consumers are open to sharing usage data with insurers to secure discounts. Brands are pushing smart-home devices and UBI Auto programs to highlight their cost cutting potential.

Sources: 1. Mintel: Property and Casualty Insurance, 2. JD Power
Rise of Embedded Insurance

With convenience as a top priority, embedded insurance is a natural progression for the industry, eliminating the need for choice when insuring property.

26% of consumers are open to being insured directly by tech companies.

Through various partnerships and acquisitions, insurance providers as well as OEMs have begun experimenting with embedded insurance – insurance which is directly tied to the purchase of property.

“...as the current market downturn will lead many cross-industry players to seek new revenue streams, the opportunities to embed insurance in third-party platforms will be plentiful.”

Sources: 1. Mintel: Property and Casualty Insurance, 2. eMarketer.com

Tesla has rolled out its own insurance, Tesla Insurance, affording customers cheaper rates by continually tracking driving behavior (similar to a UBI model).

Tesla plans to make Tesla Insurance available to 80% of U.S. customers by the end of 2022.
New Ways to Engage

In an industry heavily reliant on media, insurance brands will be driving campaign innovation across all channels to differentiate themselves amongst competition.

Fostering unaided awareness is integral for insurance brands given the industry’s low level of consumer engagement.

Entering 2023, brands have proven the importance of mascots, influencers & celebrity spokespeople and will now be innovating new ways to leverage IP and transcend traditional media.

Written by the fictional mascot of Progressive’s highly successful *Un-becoming Your Parents* campaign, this coffee table book sold out in 5 weeks.

Jake from State Farm was prominently featured in NBA 2K22 as an interactive character with his own storyline.
Navigating Cost Pressures

Consumers aren’t alone in their efforts to cut costs and insurance brands will be looking to do the same as increased cost of goods lead to heftier claims.

Historically, Insurance companies have increased share of media spend as a percentage of their revenue.¹

In Q1 2022, Progressive reduced media spend by 8%, reflecting the sentiment of most P&C insurers who have begun scaling back their marketing spend.²

Insurance CMOs are now tasked with maximizing the returns of smaller ad budgets while their brands look internally to resolve cost/profit issues.

Supply Issues

Price of motor vehicle parts and equipment rose 22.8% this past year

6.3% increase in Progressive Auto Insurance Rates from Feb 2021 - 2022

6.1% increase in average P/C premiums in Q2 2022

Inflation & Interest Rates

Negative

Rising interest rates adversely impact home ownership as higher mortgage rates deter sales and impact home values

Positive

Higher rates on auto loans adversely impact both new and used auto sales

“This is quite positive, as rate hikes mean profitability will increase on the asset side because we are mostly invested in bonds.”

Ludovic Subran
Allianz SE

Sources: 1. Magna, 2. Insider Intelligence
SUMMARY
Key Insurance Trends We Expect to Influence Marketing & Media Strategies

Push for Loyalty
As consumers look to cut costs wherever possible, insurance brands will need to lean into customer loyalty as means of retaining business amidst rising premiums.

Rise of Embedded Insurance
Embedded insurance is a natural next step in the insurance industry, eliminating the need for choice when it comes to insuring property.

New Ways to Engage
In an industry heavily reliant on media, insurance brands will be driving campaign innovation across all channels.

Navigating Cost Pressures
Insurance brands will be looking to make changes as increased cost of goods lead to heftier claims and profitability becomes less attainable for insurtechs.
Key Considerations for Driving Growth for Insurance Brands

NBCU Insurance Strategic Considerations
Insurance Strategic Considerations

01. Creative and Contextual Alignment

In addition to showing up in mass reach environments like tentpoles, align with moments relating to insurable situations in order to drive brand consideration.

02. Explore Interactive Experiences

Differentiate your brand through engaging, interactive marketing, including activations in virtual spaces like the metaverse.

03. Expand Brand Approach & Collaboration

Leverage NBCUs vault of IP and world-renowned production capabilities to allow brand mascots to transcended the marketing landscape.

04. Supercharge Your Data-led Approach

Leverage 1P or 3P data to target audiences across platforms, reinforcing brand messaging with prospective & existing customers.

05. Reach Emerging Audiences

Reach & Engage emerging audiences to stand out and build trust among the competitive landscape.
Insurance Strategic Considerations

01. Creative and Contextual Alignment

Why: Aligning with relevant content and situations will help brands strengthen unaided awareness with consumers when faced with an insurable moment.

Good For: Awareness | Consideration | Discovery | Brand Perception | Engagement

02. Explore Interactive Experiences

Why: Leveraging interactive marketing tools drives brand engagement to establish a relationship for future business.

Good For: Awareness | Consideration | Discovery | Engagement | Conversion | CRM/Lead Generation

03. Expand Brand Approach & Collaboration

Why: Leveraging brand IP across media supports awareness and growth, a critical advantage in an industry where marketing is driven by IP.

Good For: Awareness | Consideration | Familiarity | Purchase Intent | Loyalty | Perception

04. Supercharge Your Data-led Approach

Why: Data-led media approaches can drive impact at all stages of the funnel, especially in the mid to lower funnel.

Good For: Awareness | Consideration | Purchase Intent | Incremental Reach | Targeted Reach | Acquisition | Retention | Loyalty

05. Reach Emerging Audiences

Why: Younger audiences as well as multicultural audiences present huge growth opportunities, making it critical to build awareness and consideration right now.

Good For: Awareness | Consideration | Purchase Intent | Acquisition | Targeted Reach | Loyalty | Engagement
01. Creative and Contextual Alignment

Align the right creative within specific cultural events + other ‘insurable moment’ content to drive consideration

Memorable Moments
Align your relevant creative within content addressing important moments

From key cultural moments like Hispanic Heritage Month or the Golden Globes to live news coverage of the world’s biggest events, there are always opportunities to run alongside memorable moments at NBCU.

Contextual Alignment
Place your brand near contextually relevant scenes in programming across the NBCU portfolio

AI-powered proprietary technology scans episode-level video metadata, scripts, and closed captioning and can categorizes content accordingly based on General Genre, IAB taxonomy (examples below), or News Theme

“Home and Garden” “Automotive” “Real Estate”
02. Explore Interactive Experiences

Differentiate your brand through engaging, interactive marketing, such as metaverse activations, real-world events, and campaign gamification.

**Leverage Interactive Platforms for Education**
- Position your brand as an educational resource to build trust and engagement with consumers
- Cross-platform education campaigns with a trusted media partner can authentically position brands as educational resources (for example, branded content)

**Drive Brand Interaction In Virtual Spaces**
- Leverage interactive spaces like real-world sponsorships to meet consumers wherever they are
- Innovative activations in the metaverse and other digital platforms connect brands with consumers virtually to drive real-world engagement

**Encourage Mobile Engagement**
- Interactive mobile activations help brands connect on the device consumers engage with the most
- Drive app downloads through “tap-to-app” (Apple News)

Note: Activation feasibility would require further discussion
03. Expand Brand Approach & Collaboration

Leverage NBCUs vault of IP and world-renowned production capabilities to allow brand mascots to transcend the marketing landscape.

**Leverage NBCU IP & Talent**
Align your brand with NBCU’s premium, brand-safe, passion point content

- Utilize Our IP for Marketing Campaigns
- Our Talent and Premier Live Events as Megaphones

**Extend Your Brand**
Leverage NBCU's entertainment ecosystem and capabilities to bring your IP to life in new ways for consumers

- Production Capabilities
- Content Integrations
- Custom Community Activations (Open Doors for resources, platforms, creative and data expertise)
04. Supercharge Your Data-led Approach

Leverage 1P or 3P data to target audiences across platforms, reinforcing brand messaging with prospective & existing customers.

Leverage NBCUnified to mine for audience insights…

... expand through lookalike modeling… target through AdSmart

Multicultural

23%

of multicultural consumers plan to buy a car every 2 to 3 years

Millennials

30%

of millennials plan to switch their homeowner's insurance within next year

Hispanics

70%

of US homeowner growth will comprised of Hispanic buyers for the next 20 years.

Source: Mintel, CNBC, NBCUnified
05. Reach Emerging Audiences

Impactfully reach emerging audiences in order to stand out and build trust among the competitive landscape.

Incremental Reach
Expand distribution by including platforms tailored toward more elusive and niche audiences.

**EX A M P L E S:**

<table>
<thead>
<tr>
<th>Audience</th>
<th>Platform</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millennial &amp; Gen Z</td>
<td>PAX</td>
</tr>
<tr>
<td>Travelers</td>
<td>ReachTV</td>
</tr>
<tr>
<td>Gamers</td>
<td>Anzu</td>
</tr>
<tr>
<td>Mobile Savvy</td>
<td>Apple News</td>
</tr>
</tbody>
</table>

Passion Points
Understanding audience interests creates opportunity to build connections with prospective consumers.

**EX A M P L E S:**

<table>
<thead>
<tr>
<th>Audience</th>
<th>Passion Point Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sports Lovers</td>
<td>Sunday Night Football</td>
</tr>
<tr>
<td>Multicultural</td>
<td>Heritage Events</td>
</tr>
<tr>
<td>Female Millennial / Gen Z</td>
<td>The Rundown on E!</td>
</tr>
<tr>
<td>Small Business Owners</td>
<td>Open Doors Initiative (SMB support)</td>
</tr>
</tbody>
</table>
Example Insurance Industry Partnerships

NBCU Relevant Materials
Insurance Partnership Examples
NBCU Insurance Industry Content
TOGETHER SITE

Category Content & Strategies

Embracing & Connecting with Today's American Family

Rise of Insurtech: Part I, The Opportunity for Emerging Brands

Insuring a Great Holiday Season: Q4 Insurance Opportunities

Rise of Insurtech: Part II, How Established Brands Can Compete

Insurance Case Studies

Peacock & Branded Shelf + GEICO WHM Recap

AdSmart Data-driven Linear + Insurance Brand