Insuring Success Amidst Downturn

Brand Opportunity During Increased Policy Switching
In This Deck, We Will Review…

1. A brief overview of the current insurance industry landscape

2. How consumer behavior is adapting to the changing industry

3. The opportunity arising from these changes

4. How media & marketing can help to address these opportunities
There Are Multiple Headwinds Facing Insurers Today

Like all industries, the insurance category continues to be greatly impacted by the current macroeconomic environment.

Inflation, supply chain challenges and rising interest rates are putting incredible amounts of pressure on our insurance brands.

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
Policy Switching Behaviors

What Is Driving Switching Behaviors And How Brands Should Respond
Why Do Consumers Switch Insurance Policies?
There Are 3 Key Factors that Drive Policy Switching

- **Pricing**: 54% of consumers have pointed to increases in price as their main reason to switch P&C insurance.¹
- **Convenience**: 41% of consumers are likely to switch insurance companies in favor of more digitized ones.²
- **Customer Service**: 38% of consumers have said an unsatisfactory claims experience would lead them to switch P&C insurers.¹

Sources: 1. Mintel, 2. eMarketer
What Is The Impact Of Policy Switching?

Policy Switching Has Widespread Implications

Although switching is at the single-policy level, due to bundling, this switching behavior impacts a much wider segment of the industry.

65% of consumers have multiple insurance policies bundled under one provider\(^2\)

31% of bundlers said they “definitely will” switch their home insurer if they switch their auto insurer due to a premium increase. \(^1\)

Source: 1. JD Power
Why Are We Discussing Policy Switching Now?
Policy Switching Behaviors are Increasing Substantially

Looking to **cut costs amidst economic volatility**, consumers are shopping around for new insurance policies with **cheaper rates and better payouts**.

**+198%** Increase in site/app traffic for *Policy Genius* from May – Aug 2022

**+236%** Increase in site/app traffic for *The Zebra* from May – July 2022

What Policies are Consumers Cutting?

**+3.6%** in quarterly auto insurance policy switching in Q2 2022.

**~15%** of millennials plan to switch/buy homeowners insurance in the next 6 months.

**>20%** of millennials plan to switch/buy health insurance in the next 6 months.

Sources: 1. Comscore, 2. JD Power, 3. Forbes
With Increased Policy Switching Behavior, Brands Can Lean Into Two Opportunities

Conquesting
With price outweighing the convenience of bundling, brands have a great opportunity to secure new customers.

Driving Loyalty
As price pressure drives consumers to cut costs, brands will need to drive loyalty amongst existing customers.
# How To Leverage Marketing To Address These Opportunities

## Brand Messaging Considerations

### Conquering

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<tr>
<th>Cost-Saving Innovations</th>
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<tr>
<td><strong>&gt;32%</strong> of consumers are open to sharing usage data with insurers to secure discounts</td>
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<td><strong>48%</strong> increase in UBI Drivers 2020 – 2022 as consumers look to secure cheaper rates.</td>
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<th>Lower Rates &amp; Better Payouts</th>
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<td><strong>#1</strong> reason to switch providers is a price increase upon renewal</td>
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### Leveraging Loyalty

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<th>Flexible Bundling</th>
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<td>Prevent customers from dropping the entire bundle through <strong>flexible policies</strong></td>
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<th>Trusted Mascots</th>
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<tr>
<td><strong>55%</strong> of consumers consider provider reputation when shopping for insurance</td>
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<th>Humanization</th>
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<td>People prefer agents to bots. 64% of millennials and 54% of Gen Z consumers plan to utilize insurance <strong>agents</strong></td>
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<th>Proven Record</th>
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<td><strong>80%</strong> of consumers (including 70% of 18-24) trust the policy pricing capabilities of established brands</td>
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01. **Embrace Fandom & Cultural Moments**

Make the most out of Q4 by aligning with a plethora of culturally relevant events including Holiday Specials, Sports Content, and more.

02. **Explore Interactive Experiences**

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

03. **Connect Locally & Personally**

Take your national brand to the main street level, positioning yourself for local audiences and addressing key markets.

04. **Reach Emerging Audiences**

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

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**Insurance Strategic Considerations**

How To Leverage Media To Address These Opportunities
| 01. Embrace Fandom & Cultural Moments |
| Conquering: Boost unaided awareness to stay on top of prospective consumers minds this holiday season and become the next brand they look at when exploring new policies |
| Building Loyalty: Promote brand trust and loyalty by aligning with content that resonates emotionally with consumers. |

| 02. Explore Interactive Experiences |
| Conquering: Establish connections with prospective consumers outside of the funnel to boost awareness & consideration once they begin shopping around. |
| Building Loyalty: Remain relevant outside of the funnel to boost brand loyalty. |

| 03. Connect Locally and Personally |
| Conquering: Reach prospective customers via local activations to demonstrate how your brand engages and drives impact within communities. |
| Building Loyalty: Build trust with existing customers by showcasing the ways your brand shows up to support local businesses during a time of economic difficulty. |

| 04. Reach Emerging Audience |
| Conquering: Younger audiences as well as multicultural audiences present huge growth opportunities, making it critical to build awareness and consideration right now. |
| Building Loyalty: Emerging audiences are poised to make big, insurable purchases in the coming years and maintaining their business is key. |
Embrace Fandom & Cultural Moments
Make the most out of Q4 by aligning with a plethora of culturally relevant events including holiday specials, sports content, and more.

*Programming Dates Subject to Change*
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
- Gear towards app downloads by having a tap to app feature (Apple News)

Note: Activation feasibility would require further discussion
03. Connect Locally & Personally
Take your national brand to the main street level, positioning yourself for local audiences and addressing key markets.

Power of Distribution
With the power of targeting, local stations, national scale, and global reach, NBCU is a single powerhouse partner to communicate your story.

Local Insight
With access to thought leaders, researchers, and influencers by both geography and expertise, NBCU understands how to balance local nuances and universal truths.

Community Activations
With world class resources, platforms, creative and data expertise, NBCU can open the door to custom community sponsorship opportunities (such as Open Doors).
Reach Emerging Audiences
Impactfully reach emerging audiences in order to stand out and build trust among the competitive landscape.

Leverage NBCUnified to mine for audience insights….

- 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 homeownership growth in America will comprised of Hispanic buyers for the next 20 years.

…and target through AdSmart

Source: Mintel, CNBC, NBCUnified