

# In This Deck, We Will Review...

A brief overview of the current insurance industry landscape

How consumer behavior is adapting to the changing industry

The **opportunity arising** from these changes

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



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



**Positive** 

GG

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**

of consumers have pointed to increases in price as their main reason to switch P&C insurance.1



#### Convenience

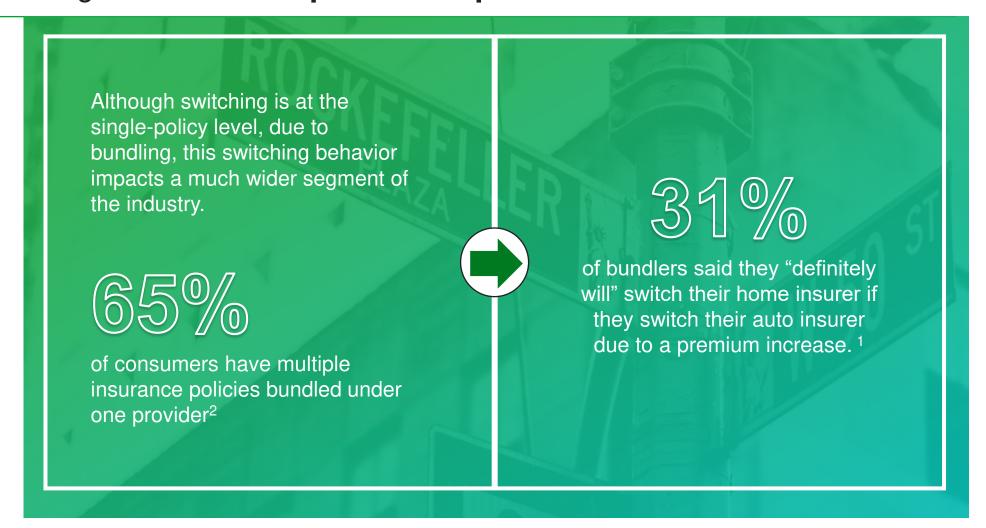
of consumers are likely to switch insurance companies in favor of more digitized ones.2



#### **Customer Service**

of consumers have said an unsatisfactory claims **experience** would lead them to switch P&C insurers.1

# What Is The Impact Of Policy Switching? Policy Switching Has Widespread Implications



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.

Increase in site/app traffic for Policy Genius from May - Aug 2022<sup>1</sup>

Increase in site/app traffic for *The Zebra* from May - July 2022

### What Policies are Consumers **Cutting?**



in quarterly auto insurance policy switching in Q2 2022.2



of millennials plan to switch/buy homeowners insurance in the next 6 months. 3



of millennials plan to switch/buy health insurance in the next 6 months. 3

# 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**

#### Conquesting



### Cost-Saving Innovations

>32% of consumers are open to sharing usage data with insurers to secure discounts

48% increase in UBI **Drivers** 2020 – 2022 as consumers look to secure cheaper rates.



#### ower Rates & Better Payouts



reason to switch providers is a price increase upon renewal

#### **Leveraging Loyalty**



### Flexible Bundling

Prevent customers from dropping the entire bundle through flexible policies



### Trusted Mascots

55% of consumers consider provider reputation when shopping for insurance



#### Humanization

People prefer agents to bots. 64% of millennials and 54% of Gen Z consumers plan to utilize insurance agents



#### **Proven Record**

80% of consumers (including 70% of 18-24) trust the policy pricing capabilities of established brands

### **Insurance** Strategic Considerations



01.

# **Embrace Fandom & Cultural Moments**

02.

# **Explore Interactive Experiences**

03.

# Connect Locally & Personally

04.

# Reach Emerging Audiences

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

Differentiate your brand through engaging, interactive marketing including activations in virtual spaces like the metaverse. Take your national brand to the main street level, positioning yourself for local audiences and addressing key markets. Impactfully reach emerging audiences in order to stand out and build trust among the competitive landscape.

# How To Leverage Media To Address These Opportunities Insurance Strategic Considerations



01.

## **Embrace Fandom & Cultural Moments**

Conquesting: 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**

Conquesting: 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**

Conquesting: 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.

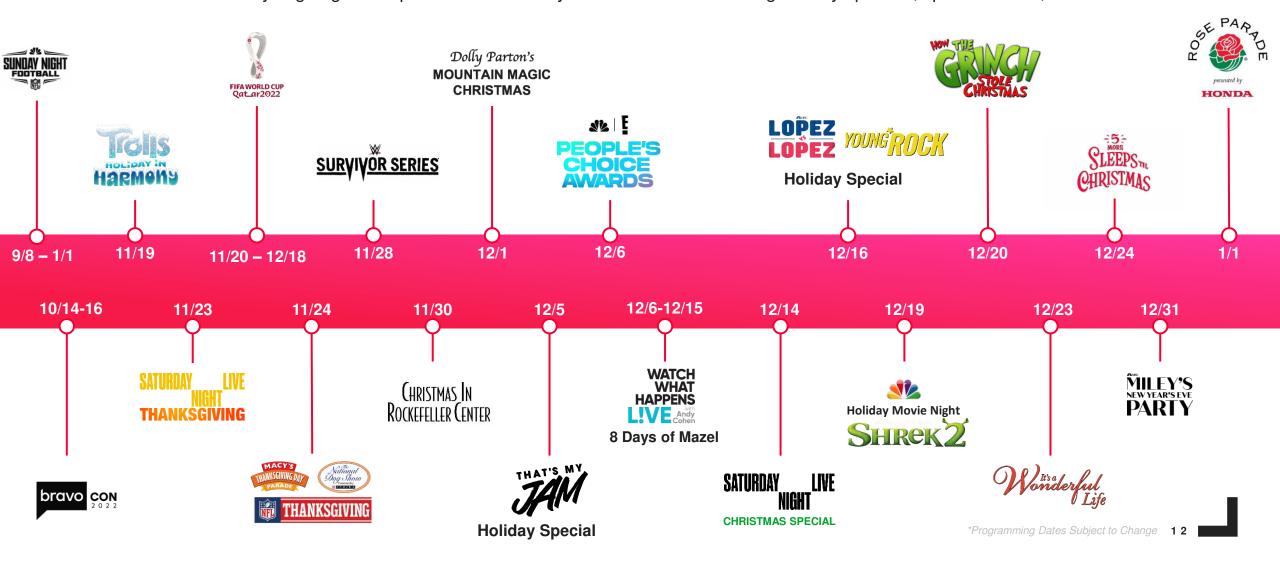
# Reach Emerging Audience

Conquesting: 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.



#### 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 helps 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

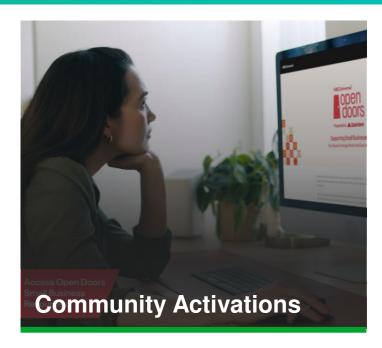
Take your national brand to the main street level, positioning yourself for local audiences and addressing key markets.



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



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



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....

... expand through lookalike modeling...

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



NBCUniversal 15 Source: Mintel, CNBC, NBCUnified