Welcome!

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 2023, NBCU worked with:
30+ Insurance Industry Advertisers

Property & Casualty
Insurtech
Life
Travel
Business
Health
Contents

01. Looking Back: 2023 in Review
02. Looking Ahead: Key Industry Trends to Watch
03. The Power of Advertising & Media Trends to Watch
04. Partnering with NBCU
Looking Back

2023 IN REVIEW
Battling inflation, higher claims volume, & environmental catastrophes, the Insurance Industry Prioritized Profitability in 2023, as external headwinds forced internal changes
Insurance Brands Re-Assess their overall Strategy & presence in Key Markets in 2023

**Increasing Cost Of Loyalty**
Looking to cut costs where possible, consumers increased policy switching behavior in 2023, even placing cost above convenience/bundling.

**Elusive Profitability**
Inflation, continued supply chain & labor challenges, higher claims volumes, and record payouts for environmental catastrophes resulted in many brands being unprofitable in 2022 despite rate increases.

**More Selective Coverage**
Brands continue to pull back from more climate-vulnerable areas (CA, FL) and be more selective with who they insure (older, less risky drivers) to drive profitability.

**Business Model Optimization**
Insurers continue to invest in technology, including telematics and generative AI, to more effectively and efficiently/profitably serve customers.
Current Landscape

Business Challenges Force Insurers to Re-evaluate Approaches

**Increased Cost of Loyalty**
With rate and premium increases showing no sign of slowing, consumers are increasingly shopping around for the best deals.

**Elusive Profitability**
The inflated price of goods and services paired with a higher claims volume leaves profitable much harder to attain.

**More Selective Coverage**
Accelerated severe weather frequency has forced brands out of various Geographic markets and away from high-risk audiences.

**Business Model Optimization**
Increased investment in innovative solutions to optimize underwriting and claims processes.

**Media Impact**
Higher stakes for both conquering & retention strategies; creating opportunity for precision targeting.

**Media Impact**
Reduced media budgets forcing an emphasis on efficiency.

**Media Impact**
Greater emphasis on strategic local market activation and audience targeting of older, affluent consumers.

**Media Impact**
New messaging tactics to flex newer solutions over legacy messaging campaigns (bundling).

12.4%
Auto insurance shopping grew to 12.4% in Q1 2023

23%
Auto repair prices have surged 23% this past year

$120B
Insured losses due to extreme weather hit $120B in 2022

18.7%
CAGR for telematic-based Auto Insurance Market over next 10 years

Sources:
MARKETPLACE PARTNERSHIP EXAMPLES
How Our Partners Are Evolving Their Media Strategy & Storytelling

Brand Partnerships
Progressive partnered with Warner Bros. & Mattel for a custom creative that placed Progressive mascots into Barbieland

Brand Partnership
In partnership with MAX, State Farm created a custom, 80s-themed creative spoofing a basketball trivia to air before episodes of Winning Time’s second season

Supporting Local Agents
State Farm leveraged the power of premium video on Peacock (Premier and AX) to highlight their brand and local messaging using a zip code targeted campaign

Leveraging Nostalgia
Progressive’s “TV Dad” spot adds a new mascot to the brands portfolio, TV Dad, featuring Reginald VelJohnson as a spoof of his character from the hit 90s show Family Matters
Looking Ahead

KEY INDUSTRY TRENDS TO WATCH
LOOKING AHEAD

Key Insurance Trends We Expect to Influence Marketing & Media Strategies

- Balancing Brand Image With Business Decisions
- Addressing Climate Change & Sustainability
- Evolved Media Mixes & Markets
- Education & Entertainment
Balancing Brand Image With Business Decisions

As brands enforce new profitability measures, these decisions may impact consumer’s perceptions of trust, support & reliability.

As insurance companies exit unprofitable markets and become more selective with who or what they insure, they will need to focus on maintaining trust and a positive brand image to counteract any consumer backlash from these decisions.

We’re Here For You, Unless You Live In...

- The Florida property insurance crisis: Why home insurers are leaving Florida
- California’s largest homeowner insurance provider no longer writing new policies due to wildfire risks
- More insurance companies pull out of Louisiana: ‘We are in a crisis’

I get companies need to make money. I have no problem with that. But to just drop people — you know, it’s scary. It leaves us feeling extremely vulnerable.

Beth Path
Former Allstate Client of 31 Years, California

In Which Case, You May Need To Go Bare

- 200% increase in average home insurance premium in Florida over past five years
- 15% of Floridians have no home insurance (most in the U.S.)

Sources: 1. NPR 2. WSJ 3. NBCNews
Addressing Climate Change & Sustainability

As natural disasters continue to hurt profitability, insurers will be more active in highlighting the need to combat climate change.

2022 marked the second year in a row in which insured losses from natural disasters surpassed $100B, globally.¹

As climate change and sustainability become increasingly important issues for the younger generations, brands will need take stances on them to win-over new consumers and save their bottom-line.

[Insurers] expect catastrophe losses to remain elevated for all the climate-risk reasons we and scientists and everybody else has talked about.

Insurance Information Institute

Sources: 1. InsuranceBusinessMag
As brands need to communicate the reasons for price increases and leaving certain markets, they need to find the balance between educating consumers on these issues while humanizing a commoditized product.

They will continue to leverage humor, original IP and find other ways to ensure their creative is both informative and entertaining.

Recognizing the opportunity today’s landscape presents, Lemonade rolled out its first ever brand campaign, focused on 3 core consumer pain points:

- Customer Service
- Confusing Paperwork
- Speed of Filing

“We think insurance companies should act like it’s 2023, starting with the customer experience.”

Liron Smadja
Head of Brand Marketing, Lemonade

To shed some light on depreciation for cost-sensitive consumers, a recent Farmers Insurance campaign spotlights that “a new car loses ~10% of its value the minute you drive off the lot”
Evolved Media Mixes & Markets

Brands will continue to prioritize efficiency and flexibility in spend as media budgets remain in flux in response to profitability challenges while also being targeting key geographic markets.

In recent years, brands have continued to focus on programmatic spend (increasing from 9% share in 2019 to 20% in 2023). While this trend will not decrease, a new avenue of importance for brands is heaving up on core markets, each of which brings about distinct nuances brands will need to navigate.

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Insurance Spend By Platform (2023)

Brands are capitalizing on programmatic's inherent efficiency and flexibility as well as other cost-efficient channels like search.

- Linear: 40%
- Programmatic: 19%
- Social: 12%
- Streaming: 12%
- Search: 8%
- Other: 8%

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Market Specific Nuances To Keep In Mind

“Language Access In Insurance Documents” Legislation

Recent legislation introduced in Colorado would require all insurance documents be supplied in the native language of the applicant. Brands will likely lean more into Spanish & other language creative.

[GEICO] is leveraging TV on a state-by-state basis to target customers in different local areas.

Damon Burrell
Chief Marketing Officer, GEICO
Balancing Brand Image & Business Decisions
As brands enforce new optimization measures, their image of “security” may fall into combat with a feeling of “unreliability”

Addressing Climate Change & Sustainability
As natural disasters continue to hurt profitability, insurers will be more active in highlighting the need to combat climate change

Evolved Media Mixes & Markets
Brands will emphasize efficiency and flexibility as media budgets remain in flux while also being more explicit in targeting core geographic markets

Education & Entertainment
Brands will need to balance educating consumers on recent pricing issues while maintaining entertaining creatives
The Power of Advertising

& MEDIA TRENDS TO WATCH
The Power of Advertising

Insurance Brand A

-44% Ad Dollars

Insurance Brand B

4x Ad Dollars

-18% Ad Awareness

+39% Ad Awareness

Media Trends to Watch

After significantly cutting spend these past two years, Insurance brands are returning to market with slight trepidation, being more explicit on the markets, audiences, and programming they align with,

The Dominance of Sports

Over the past 3 years, brands have shifted spend out of traditional entertainment and news in favor of Basketball, Football, and Soccer

Entertainment/News Share: -22%
Basketball/Football/Soccer Share: +22%

Cutting Off Unprofitable Markets

Brands are shifting spend across markets, which is reflective of states that they have left due to profitability

California Spend: -5% YoY

Fumbling The Bundle

As bundles become less valuable, messaging about them will dwindle

31%
of bundlers would drop the bundle due to individual rate hikes

Hispanic Audience Conquering Opportunity

More than half of the Hispanic auto insurance market is captured by only 4 insurers

59%
is captured by Allstate, GEICO, Progressive, and State Farm

Sources: 1. SMI, 2. Businesswire, 3. Marketwatch
Partnering with NBCU

CATEGORY PERFORMANCE, STRATEGIC CONSIDERATIONS & PARTNERSHIP EXAMPLES
Insurance
Proven Impact: Across Brand KPIs

**BUSINESS OUTCOME**

**NBCU INSURANCE CAMPAIGNS – Test vs. Control**

<table>
<thead>
<tr>
<th>Brand Familiarity</th>
<th>Ad Recall</th>
<th>Brand Favorability</th>
<th>Brand Consideration</th>
</tr>
</thead>
<tbody>
<tr>
<td>+8%</td>
<td>+17%</td>
<td>+5%</td>
<td>+3%</td>
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</table>

<table>
<thead>
<tr>
<th>Search Engagement</th>
<th>Purchase Intent</th>
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</thead>
<tbody>
<tr>
<td>+24%</td>
<td>+8%</td>
</tr>
</tbody>
</table>

Source: NBCU Ad Impact Database 2017-2022, 24 Brand Impact. NBCU measured Insurance campaigns. Custom research, vendors vary. Average of exposed vs. control cells for NBCU. Top 2 box; Search Engagement (SER Index): EDO, Volume in five minutes following ads airing on NBCU vs. same brand competitive averages expressed as an index (124).
Campaigns Across More Than One Platform Are More Effective

NBCU Campaigns: Multi-Platform vs. Single Platform
% Lift

- Ad Recall: +25%
- Brand Favorability: +23%
- Brand Consideration: +34%
- Brand Recommendation: +22%

Source: NBCU Ad Impact Database 2017-2022, 489 Brand Impact Studies
Custom research, vendors vary. Average of test cells for 2+ platforms vs. single platform campaigns
## Strategic Consideration for Driving Growth for Insurance Brands

### Sports & Live Events

<table>
<thead>
<tr>
<th>Why</th>
<th>Insurers need to be top of mind when insurable moments occur, and despite prioritization &amp; exclusion of certain markets, they still serve a wide audience</th>
</tr>
</thead>
<tbody>
<tr>
<td>How</td>
<td>Leverage sports &amp; live events to maximize reach and drive brand metrics</td>
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### Maintain Flexibility & Efficiency In Media Buys

<table>
<thead>
<tr>
<th>Why</th>
<th>As economic uncertainty and environmental events continue to impact profits, brands will need flexibility to accommodate changes in messaging strategy and overall investment</th>
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<tbody>
<tr>
<td>How</td>
<td>Programmatic investment across linear and digital</td>
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</tbody>
</table>

### Execute Seamless National & Local Campaigns

<table>
<thead>
<tr>
<th>Why</th>
<th>An increased focus on profitable geographic markets requires more explicit geotargeting without neglecting national messaging</th>
</tr>
</thead>
<tbody>
<tr>
<td>How</td>
<td>Amplify a national campaign through complimentary local activations to drive local awareness (agents) at scale</td>
</tr>
</tbody>
</table>

### Leverage Data To Understand & Reach Key Audiences

<table>
<thead>
<tr>
<th>Why</th>
<th>Identifying profitable audiences can assuage incurred claims losses during times of high inflation</th>
</tr>
</thead>
<tbody>
<tr>
<td>How</td>
<td>Maximize the potential of 1st &amp; 3rd party data to identify and target the most profitable consumer segments</td>
</tr>
</tbody>
</table>
NBCU solutions for delivering Brand & Business Impact for Insurance Brands

Sports & Live Events

Maintain Flexibility & Efficiency In Media Buys

Execute Seamless National & Local Campaigns

Leverage Data To Understand & Reach Key Audiences

Flexibility & Automation Across One Platform

- NBCU Streaming
- Data-Driven Linear (DDL)
- Cross-Platform (XP)
- Managed Service
- Programmatic
- Fandango360
- Anzu
- Commercial Innovation

National Goal
- Mass Reach
- Geo-Targeting
- Singular Messaging

Market Goals
- Grassroots Connections
- Zip Code Targeting
- Localized Messaging

Potential Audiences
- Car Purchase Intenders
- Current Bundlers
- New Pet Owners
- New Homeowner
How Our Partners Are Evolving Their Media Strategy & Storytelling

Small Business Spotlight Partnerships
Tailored to both Hispanic Heritage Month and Women's Small Business Month, State Farm & NBCU built a unique visual Open Doors story for each cultural month that included QR codes, driving to the Open Doors website that featured a virtual marketing and creative playbook.

Custom Content
Leveraging fan favorite brand mascot Flo, we partnered with Progressive to transform Flo into a WWE wrestler whose name, “The Bundle Maker,” promoted Progressive’s current bundle messaging.

Commercial Innovations
With customized ad innovations like tune-in and in-show pause ads that spoke authentically to fans, GEICO aligned with “The Office” on Peacock.

Live Event Activations
State Farm and Bravo connected with superfans through an immersive, meaningful experience, The Bravohood Presented by State Farm, along with activations across all screens to reach 30K on-site visits and 27K total virtual interactions.