INSURING NATIONAL SUCCESS WITH LOCAL IMPACT
What We'll Cover

1. Current Landscape
2. Specific Media Implications
3. Power of Local
4. The NBCU Opportunity
Current Landscape Overview
Insurance Brands continue to 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 ‘22 & 1H ‘23 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
Furthermore, These Business Challenges are Forcing Insurers to Re-evaluate Media 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 profitability 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 processing

### Media Impact
- Higher stakes for both Conquering & Retention strategies; creating opportunity for precision targeting

- Reduced media budgets forcing an emphasis on efficiency

- Greater emphasis on strategic local market activation and audience targeting

- New messaging tactics to flex technological solutions

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**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: 1. JDPower 2. CNBC 3. Insurancebusinessmag 4. Future Market Insights*
Specific Media Implications
What We're Hearing From Insurance Clients...

As our partners define their marketing goals for the coming year, core themes have emerged...

**Personalization**

“Personalized messaging for topics of interest”

“Ensure the right message reaches the right consumer”

**Targeting**

“Target audiences through contextually relevant programming”

“Match high value customers to products”

**Local & National Mentality**

“Improve lives nationally and locally”

“Local and national media will work in concert”
Across The Marketplace, Spend is Shifting From Linear To Digital

As of 20/21, Digital share has eclipsed Linear and continues to be an area of growth for the category. This growth is primarily driven by Programmatic, Streaming, and Social as marketers emphasize performance.

Source: 1. SMI Core 2.0, Insurance Category, Note: Streaming is composed of Pure Play – Video and TV Network – Digital, Shortform is composed of Youtube and Twitch, Programmatic is composed of Ad Network/Exchange + 33% Ad Tech/Fees.

Other Digital: Print Digital + Display + Internet Radio
Other: Radio + OOH + Print
While Linear spend Shifts Out of Cable and into Broadcast, Local presents a Great Opportunity for Growth, continuing to fluctuate at around 10% of total spend

Linear Deep Dive\(^1\)
(BY17/18 – BY21/22)

<table>
<thead>
<tr>
<th>Year</th>
<th>Other</th>
<th>Syndication TV</th>
<th>Local TV</th>
<th>Broadcast TV</th>
<th>Cable TV</th>
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<td>BY 17/18</td>
<td></td>
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<tr>
<td>$2.4B</td>
<td>5%</td>
<td>34%</td>
<td>9%</td>
<td>51%</td>
<td>2%</td>
</tr>
<tr>
<td>BY 18/19</td>
<td>4%</td>
<td>33%</td>
<td>10%</td>
<td>50%</td>
<td>2%</td>
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<td>33%</td>
<td>10%</td>
<td>49%</td>
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</tr>
<tr>
<td>BY 19/20</td>
<td>4%</td>
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<td>10%</td>
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<td>44%</td>
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<tr>
<td>BY 20/21</td>
<td>3%</td>
<td>39%</td>
<td>8%</td>
<td>45%</td>
<td>4%</td>
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<tr>
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<td>3%</td>
<td>39%</td>
<td>8%</td>
<td>45%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Source: SMI
A Dominant Local Footprint

NBCU Local's 31 markets generate over 56% of total insurance category local spend

Over $400M in spend across...

11 NBC Stations, + New England Cable News
35MM TV households, 28% of U.S., eight of top ten markets
140MM Page Views / Mo

31 Telemundo Stations
Including the top 21 Hispanic markets
Reaching 72%+ U.S. Hispanic TV HH
35MM Page Views / Mo

5 Regional Sports Nets
Aligned with premier sports franchises
40MM Page Views / Mo

Source: Adobe Analytics
Power of Local
Evolving Regional Dynamics Have Necessitated Geo-Specific Strategies

- 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'
- The Florida property insurance crisis: Why home insurers are leaving Florida
- Colorado bill would add translation requirements for insurance documents

Home prices continue to rise in the east while falling in the west

Most Dangerous States for Drivers

Source: 1. NYT 2. Forbes
...While Also Elevating The Importance Of Identifying Profitable Consumers

**Safe Drivers**

**Affluent Renters**

**Hispanic Consumers**

- 33% of Latino's currently renting are mortgage ready to buy a home
- 129i Plan to change homeowners' insurance in next 12 months
- 80i Less likely than NHW to change insurance due to rate increase

### INSURANCE CATEGORY GROWTH

<table>
<thead>
<tr>
<th>Category</th>
<th>2018 vs 2023</th>
<th>PCT Change</th>
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</thead>
<tbody>
<tr>
<td>Auto</td>
<td>+26%</td>
<td></td>
</tr>
<tr>
<td>Homeowners</td>
<td>+56%</td>
<td>+33%</td>
</tr>
<tr>
<td>Life</td>
<td>+34%</td>
<td>+19%</td>
</tr>
</tbody>
</table>

Activation within key local markets is more important than ever before.

Three Of The Biggest Opportunities In Local

- Incremental Geo-Targeted Reach on top of foundational National Media
- Hyper-Targeting Profitable Audiences while avoiding unprofitable audiences
- Whitespaces with Opportunities to Dominate Share of Market
The NBCU Opportunity

Making National + Local Seamless
THIS “OR” THAT
The Legacy GTM Selling Strategy

National
National Goal
Mass Reach
Geo-Targeting
General Market
Singular Messaging
National Mascots
Currencies
Efficiency

OR

Local
Market Goals
Grassroots Connections
Zip Code Targeting
Hispanic Market
Localized Messaging
Regional Agents
Outcomes
Effectiveness
Activating On Local Shouldn’t Feel Like Extra Work...

NBCU’s Approach is Rooted in Streamlined National + Local

- **Localize National Campaigns**
  - +89% custom content brand recall vs. competitive broadcast

- **Effective Incremental Reach**
  - +37% boost in Unaided Awareness for brands complimenting national campaigns with local

- **Engaging Ad Formats & Innovations**
  - 79% Of consumers are less likely to change the channel when seeing an Ad Innovation
LOCALIZE NATIONAL CAMPAIGN

National

Standard National Messaging

Local

Local Tag at the End Promoting Agent

Need Help Localizing Creative? Try Storyteq's Cloud-based Creative Automation platform allows users to fully customize their content at scale including localizing, personalizing, and other versioning (see slide 31 to learn more)

Promote local agents by aligning them with well-recognized brand/corporate messaging, while activating hyper-locally within their zip code trading area via zip code targeting on Peacock Premier and Peacock AX
EFFECTIVE INCREMENTAL REACH

National

227M
Adults 18+ Every Month

Local

&

48
Owned Stations
NBC + Telemundo + RSNs

210
DMAs available
through the hyper local
audience targeting of NBC
Spot On featuring Peacock

Complement national brand marketing with localized messaging tailored to target audiences or most profitable offerings in key geographic regions.
Key NBCUniversal Local Market Reach

NBCU Local provides additional reach in markets where Insurance Ad Spend over-indexes relative to that area's population.

Source: 2022 Kantar/Vivvix Spending info - Local Mkt spending across Insurance Category; 2023 Claritas market population.
Encourage engagement by leveraging various ad formats and innovations on a national scale, complimented by local activations to drive full funnel impact and establish a community presence in specific markets.

Source: Phoenix MI Brand Effect – Monthly Ad Innovation Report
DYNAMIC Branch Locator

Product Description

Insurance branch locator with scan and scrolling capabilities
SET ASIDE “OR” FOR “AND”

New GTM Strategy Through Insurance Lens

National
- National Goal
- Mass Reach
- Geo-Targeting
- General Market
- National Messaging
- National Mascots
- Currencies
- Efficiency

Local
- Market Goals
- Grassroots Connections
- Zip Code Targeting
- Hispanic Market
- Localized Messaging
- Regional Agents
- Outcomes
- Effectiveness
Case Studies:
National + Local In Action
Auto Case Study: National Message + Local Dealer

IMPACT:
LOCAL MESSAGING SUPPORTS NATIONAL MESSAGE DRIVING EXCEPTIONAL LIFTS

Source: Kantar, Control n=243, Total Exposed n=1204; Local Exposed n=319. Total Exposed definitely exposed to national campaign, Local Exposed definitely exposed to local campaigns. September 2021 - January 2022
Finance Case Study: Heavy Up National Ads

IMPACT: LOCAL COMPONENT REINFORCED THE OLYMPICS PARTNERSHIP AND ALLOWED THE BRAND MESSAGING TO FURTHER BREAK THROUGH

THANK YOU!
Both major insurance business lines have unique challenges

**AUTO**

- Steep premiums, rate hikes, and ride sharing have hurt overall auto demand
  - 75% of US adults will hold an auto policy this year, **down from 77.2% in 2019**
  - Forecasts predict **further declines thru 2025**
- 15% knowingly allowed coverage to lapse or drove **without valid insurance** over past 6 months
  - 30% of those who allowed coverage to lapse cite an inability to pay as the main reason
- **New vehicle sales** are predicted to reach **14.1M in 2023, up 3% YoY**, due to a bounce back in inventory

**HOME**

- **Policy ownership forecasted to drop** to 88.2% in 2025, down from 90.8% in 2021
  - US homeownership rates dropped to 66% in 1Q’23, down from 68% in 2Q’20
- Despite stagnation in property sales, **homeowners’ policy shopping has increased** yoy after remaining somewhat flat for previous years
  - 26% yoy increase in Feb ‘23
  - 19% yoy increase in Mar ‘23
- **22% of homeowners want to move** by the end of 2023
  - Only 11% of that segment feel confident they will
- **Homebuying market seeing glimmers of hope**
  - Apr ‘23 new home sales beat expectations, growing 11.8% yoy
## NBCU Local

### Spend by Market

<table>
<thead>
<tr>
<th>Market</th>
<th>NBCU Spend</th>
<th>Other Local Spend</th>
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<tbody>
<tr>
<td><strong>Duopoly Markets</strong> ($)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Los Angeles, KNBC (2)</td>
<td>53M</td>
<td>SF Bay Area, KNTV (10) 18M</td>
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<tr>
<td>New York, WNBC (1)</td>
<td>46M</td>
<td>Washington, D.C., WRC (8) 16M</td>
</tr>
<tr>
<td>Miami, WTVJ (18)</td>
<td>29M</td>
<td>Boston, WBTS (9)    16M</td>
</tr>
<tr>
<td>Chicago, WMAQ (3)</td>
<td>27M</td>
<td>San Diego, KNSD (30) 8M</td>
</tr>
<tr>
<td>Philadelphia, WCAU (4)</td>
<td>25M</td>
<td>Hartford, WVIT (34) 5M</td>
</tr>
<tr>
<td>Dallas, KXAS (5)</td>
<td>21M</td>
<td></td>
</tr>
<tr>
<td><strong>Non-Duopoly Markets</strong> ($)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Houston, KTMD (4)</td>
<td>25M</td>
<td>Raleigh, WZGS (34) 5M</td>
</tr>
<tr>
<td>Tampa, WRMD (13)</td>
<td>14M</td>
<td>Providence, WRIW (44) 4M</td>
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<tr>
<td>Phoenix, KTAZ (8)</td>
<td>12M</td>
<td>Albuquerque, KASA/KTEL (19) 3M</td>
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<tr>
<td>Salt Lake City, KULX (30)</td>
<td>11M</td>
<td>Fresno, KNSO (15) 2M</td>
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<tr>
<td>Orlando, WTMO (10)</td>
<td>11M</td>
<td>Ft. Myers, WWDT (33) 2M</td>
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<tr>
<td>Denver, KDEN (18)</td>
<td>9M</td>
<td>Tucson, KHRR (27) 2M</td>
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<tr>
<td>Las Vegas, KBLR (24)</td>
<td>9M</td>
<td>El Paso, KTD0 (20) 2M</td>
</tr>
<tr>
<td>San Antonio, KVDA (7)</td>
<td>7M</td>
<td>Richmond, WZTD (77) 1M</td>
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<tr>
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<td>6M</td>
<td>Springfield, WDMR (63) 1M</td>
</tr>
<tr>
<td>West Palm Beach, WSCV (51)</td>
<td>6M</td>
<td>McAllen, KTLK (11) 1M</td>
</tr>
</tbody>
</table>
Localizing Content through Storyteq

Storyteq’s Cloud-based Creative Automation platform enables both creative and marketing teams to produce multiple variations of premium videos, HTML5 banners, and statics in minutes.

From original designs, users can leverage the power of unique templating to improve creative workflows, stay on brand, and build digital assets in bulk. This allows users to fully customize their content at scale including localizing, personalizing, and other versioning that works across multiple audiences and markets.

- Dealers were able to opt into the global campaign at a local level.
- Dealers uploaded customer data and Storyteq Local executed the campaign from brand-compliant templates.
- Dealers were able to create bespoke content across multiple channels, including email, SMS, paid media and print, in order to target the right customers at the right time.
  - Content was personalized and localized by language and brand.