

NBCUniversal

2022

Insurance Industry Assessment



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
-



NBCUniversal Has a Unique Perspective

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.

LEGACY AND INSURTECH BRANDS ACROSS INSURANCE ARE Looking to Leverage their respective Competitive Advantages

Established Brands



Human Face

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



Brand

Established insurers have invested heavily in brand, ensuring that consumers recognize their mascots/spokespeople.

Insurtech



Built on Data & Personalization

Insurtechs can provide **more bespoke policies**, as early adopters of big-data tech to tailor price to usage.



Lower Price

Insurtechs can often offer **more competitive rates** w/ less overhead given digital first nature.



Better Payouts

80% of consumers (including **70%** of 18-24) **trust the policy pricing capabilities of legacy** over insurtech.



Diversity of Products

Established brands are **expanding their products** to include new offerings such as travel, WFH, pet, disaster insurance and more, offering bundling opportunities.



Niche Products

Insurtechs can focus on **new value pools**, finding and focusing on niche products and consumers segments rather than mass market products.



Convenience

Consumers want **easy-to-use, digital experiences**. **41%** of consumers are likely to switch their insurance companies in favor of a more **digitized** one.

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.

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.”

INSIDER
INTELLIGENCE eMarketer

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.



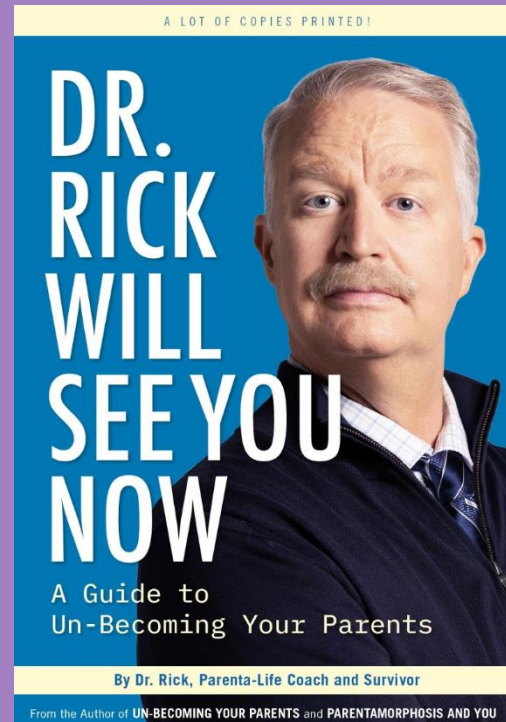
New Ways to Engage

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.

PROGRESSIVE



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

State Farm



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.

Sources: 1. Magna, 2. Insider Intelligence.

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

*"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

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

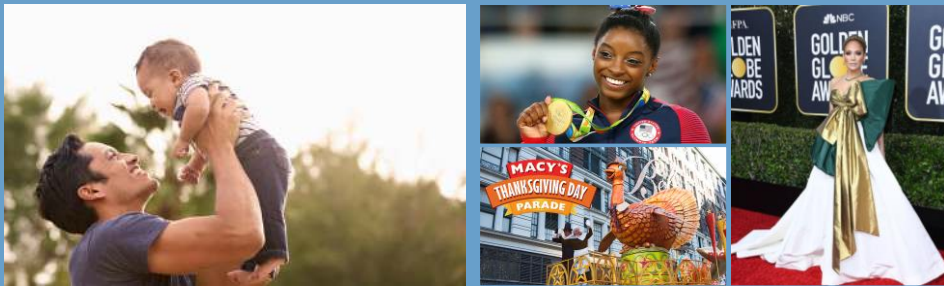
Why: Younger audiences as well as multicultural audiences present huge growth opportunities, making it critical to build awareness and consideration right now.

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

01. Creative and Contextual Alignment

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.

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

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)

03. Expand Brand Approach & Collaboration

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



Leverage NBCU IP & Talent

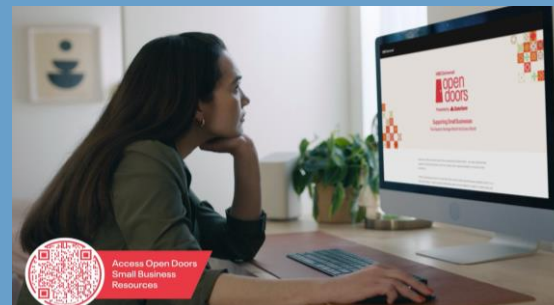
Align your brand with NBCU's premium, brand-safe, passion point content



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%

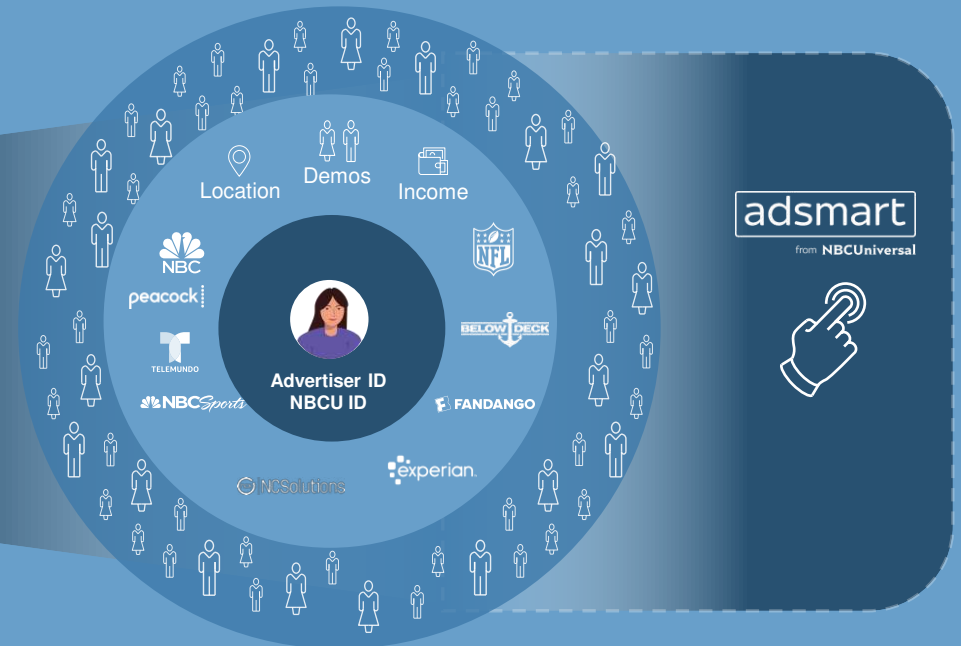
of millennials plan to switch their homeowner's insurance within next year



Hispanics

70%

of US homeownership growth will comprise of Hispanic buyers for the next 20 years.



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.

EXAMPLES:

Audience

Millennial & Gen Z
Travelers
Gamers
Mobile Savvy

Platform

PAX
ReachTV
Anzu
Apple News

Passion Points

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

EXAMPLES:

Audience

Sports Lovers
Multicultural
Female Millennial / Gen Z
Small Business Owners

Passion Point Content

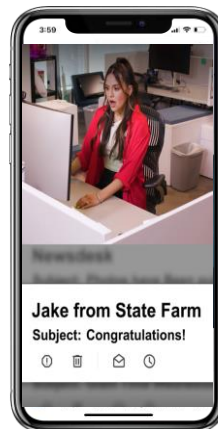
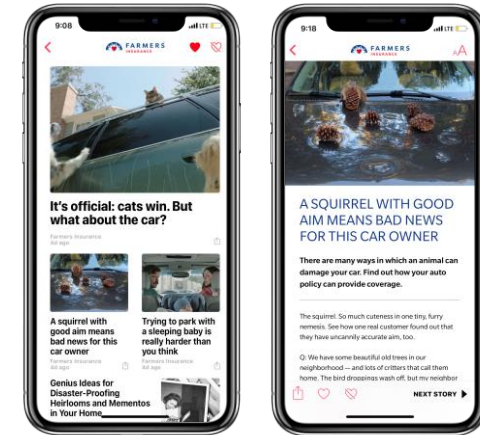
Sunday Night Football
Heritage Events
The Rundown on E!
Open Doors Initiative
(SMB support)

Example Insurance Industry Partnerships

NBCU Relevant Materials

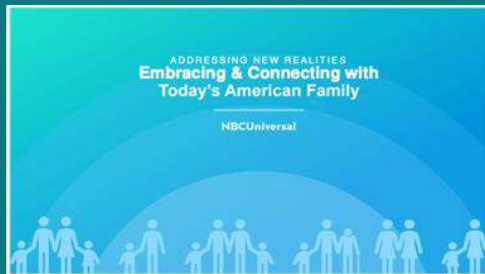


Insurance Partnership Examples



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

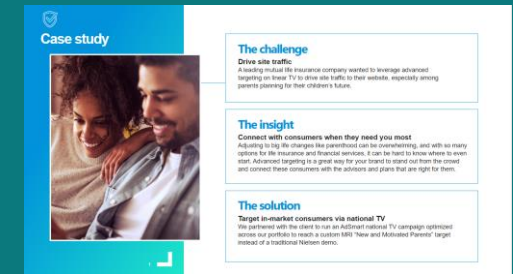


Rise of Insurtech: Part II,
How Established Brands Can Compete

Insurance Case Studies



Peacock & Branded Shelf +
GEICO WHM Recap



AdSmart Data-driven Linear +
Insurance Brand

2022 Insurance Industry Assessment

NBCUniversal

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