



How Insurance Companies Can Insure Their Reputation

US Insurance RepTrak[®]

November, 2018

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Focus For Today



- Methodology
- Setting the Scene
- Reputational Insights for the Insurance Industry
- US Insurance RepTrak® 2018 Rankings
- Company Spotlight

Reputation Institute

“*The global leader in reputation intelligence.*”

- Founded in 1997 we have been measuring reputation for more than 20 years
- We measure more than 7,000 companies per year, across 55 countries, and 20 different industries
- We help organizations answer the following three key questions:
 - What is my reputation and how does it compare?
 - How can I improve and protect my reputation?
 - What is the business impact of better managing my reputation?



Gauging Reputation: RepTrak®

THINK

REPTRAK® DIMENSIONS Cognitive Consideration

PRODUCTS & SERVICES
INNOVATION
WORKPLACE
GOVERNANCE
CITIZENSHIP
LEADERSHIP
PERFORMANCE

FEEL

REPTRAK® PULSE Emotional Connection



DO

BEHAVIORIAL INTENTIONS Reputation Outcome

PURCHASE
ADVOCATE FOR
ACCEPT
DEFEND
WORK FOR
INVEST IN

US Insurance RepTrak® 2018

2,920

Individual ratings

44

Nominated Companies

3

Categories: Health, P&C, and / or Life

Informed General Public

Somewhat or very familiar with
company evaluated

2 months

January-February 2018



Setting the Scene:
Understanding the US Insurance Industry

Nation and Industry Under Reputation Stress



United States
Reputational Decline vs. 2017

-3.7 pts

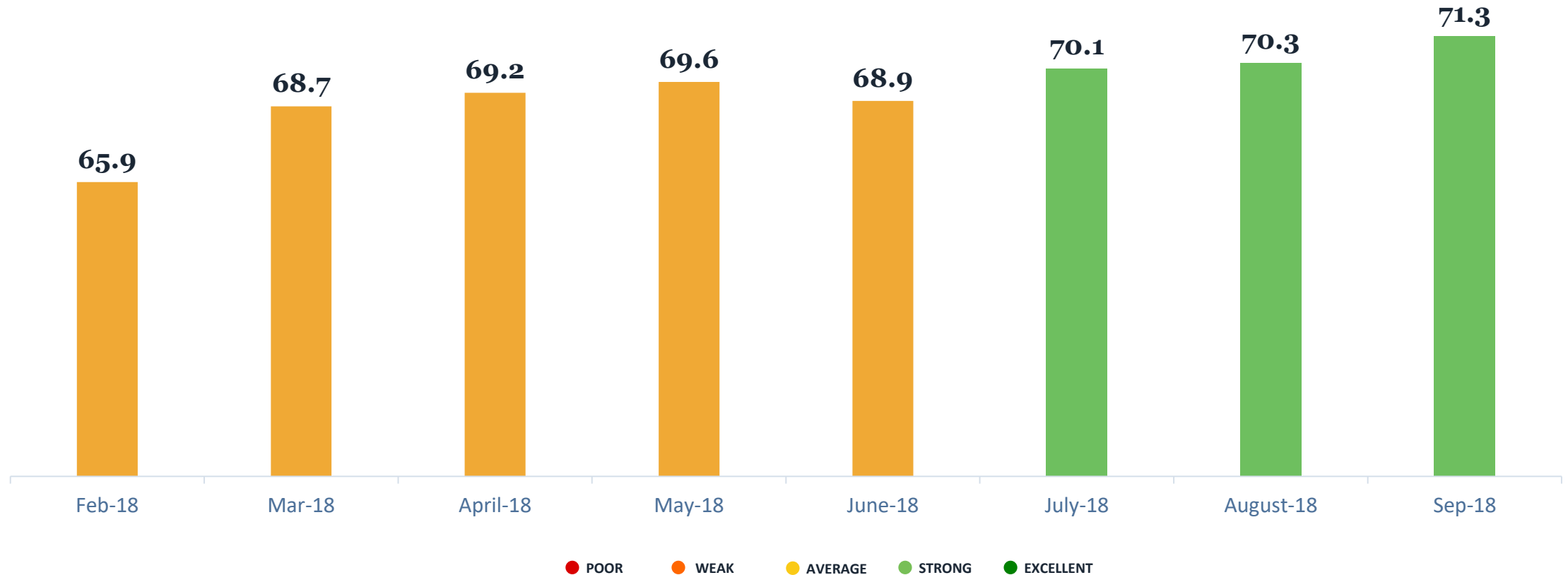


US Insurance Industry
Reputational Decline vs. 2017

-4.3 pts

Signs of a Reputation Recovery on the Horizon

US Insurance Monthly Industry Reputation Tracker



How to Insure Your Reputation: *Key Insights*

1

The Insurance Sector Has
Unique Challenges

The Insurance Industry Has Reputational Work to Do

Financial Industry



+1.4



Insurance Industry



-4.1



Healthcare Industry



Health



P&C



Life



What Drives Insurance Is Not Identical to Other Industries

<u>Dimension</u>	<u>Weight vs. Financial Sector</u>	<u>Weight vs. Healthcare Sector</u>
Products/Services	+	-
Innovation	+	+
Workplace	+	+
Governance	-	+
Citizenship		+
Leadership	-	-
Performance	+	+

Innovation, Workplace, and Performance, have a higher impact on reputation for the insurance industry when compared to the healthcare and financial industries.

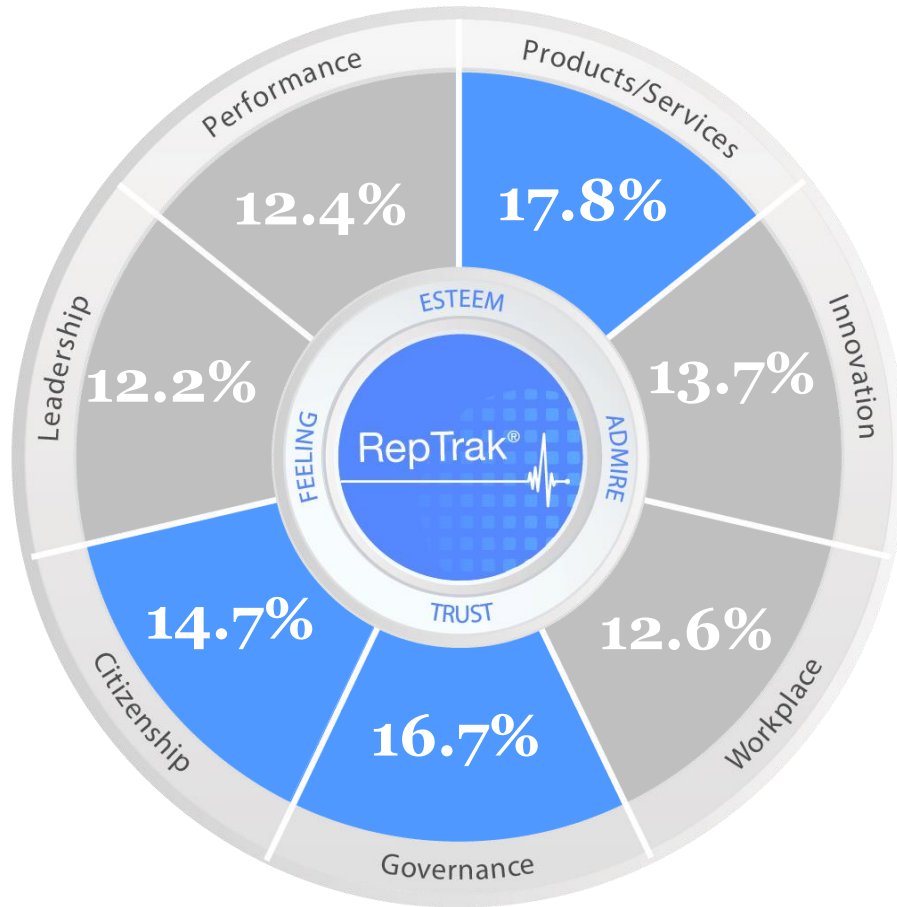
If insurance companies want to differentiate from financial services and healthcare companies, they should focus their efforts on these dimensions.

Significant Difference > 0.2

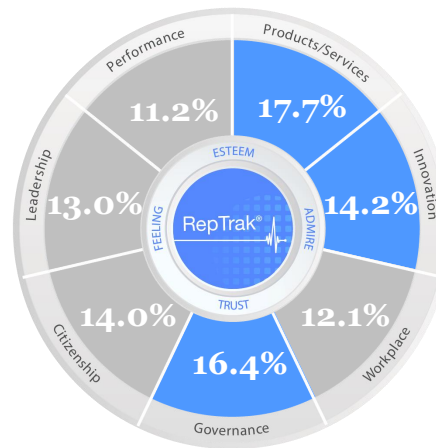
2 Products/Services and Responsibility Matter

Focus on Products and Responsible Behavior

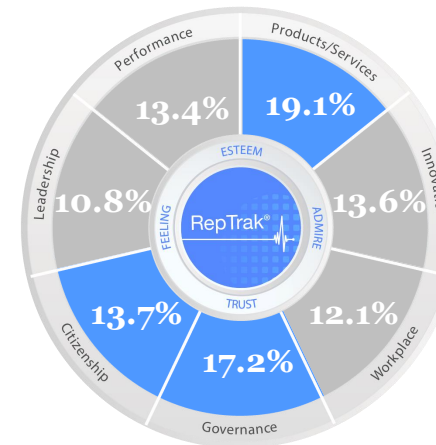
US Insurance Sector 2018



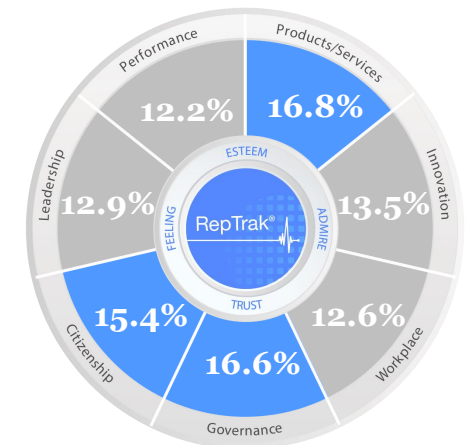
Health



P&C



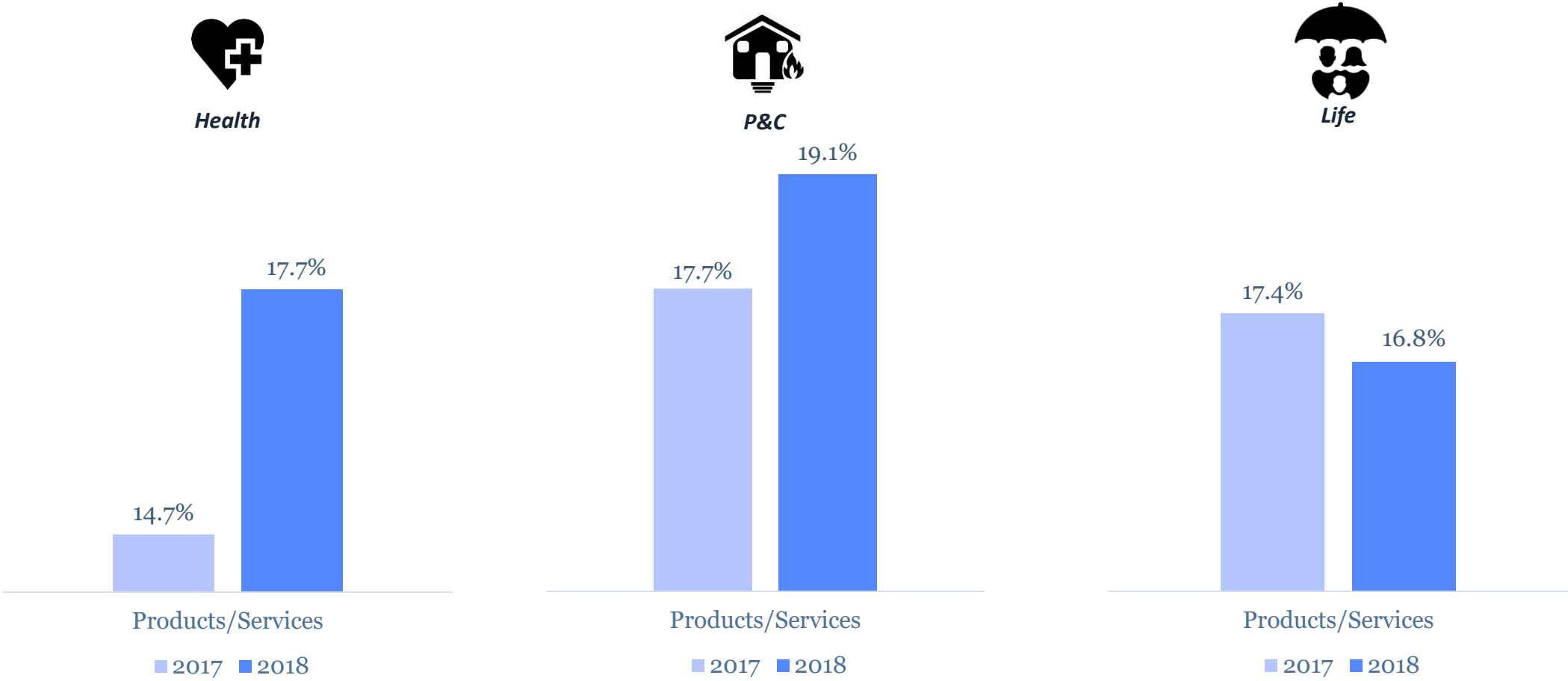
Life



Significant Difference > 0.2

Product Assurance is the Overall Most Important Driver

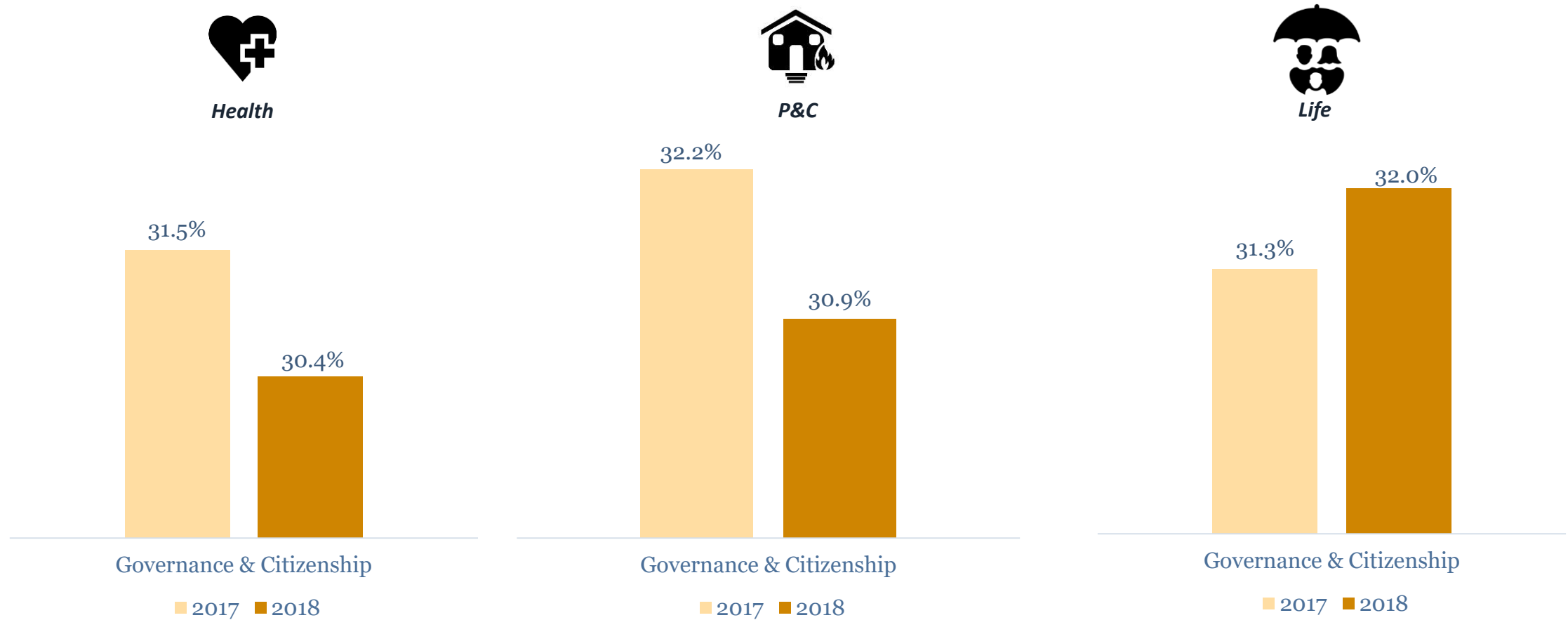
US Insurance Products/Services Dimension Weight Changes: 2017-2108



Significant Difference > 0.2

Governance/Citizenship is Key — But Losing Traction

US Insurance Combined Governance & Citizenship Dimension Weight Changes: 2017-2108



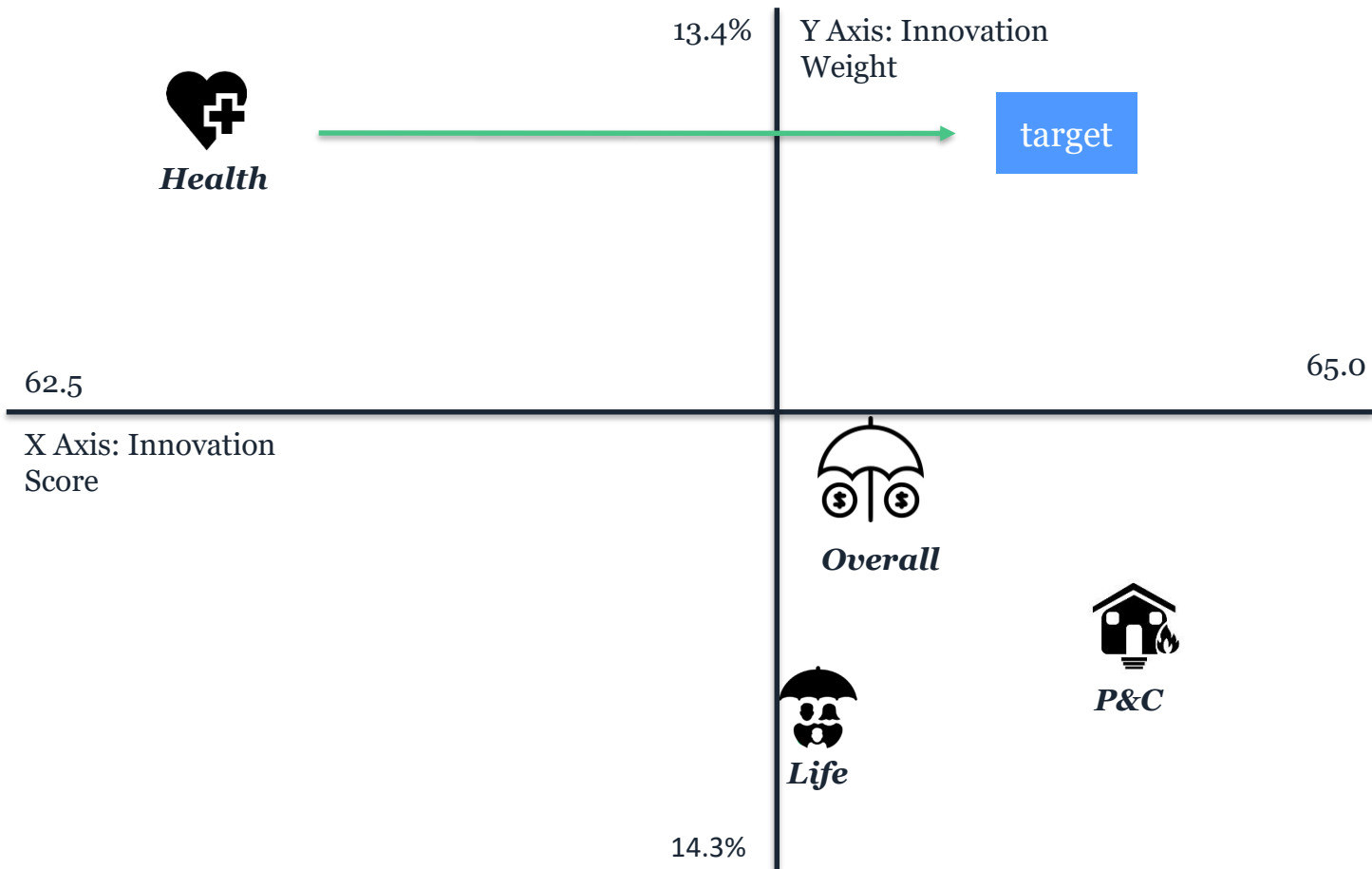
Significant Difference > 0.2

3

Health Insurance Needs to
Deliver on Innovation

Health Insurance Sees High Impact Yet Low Scores for Innovation

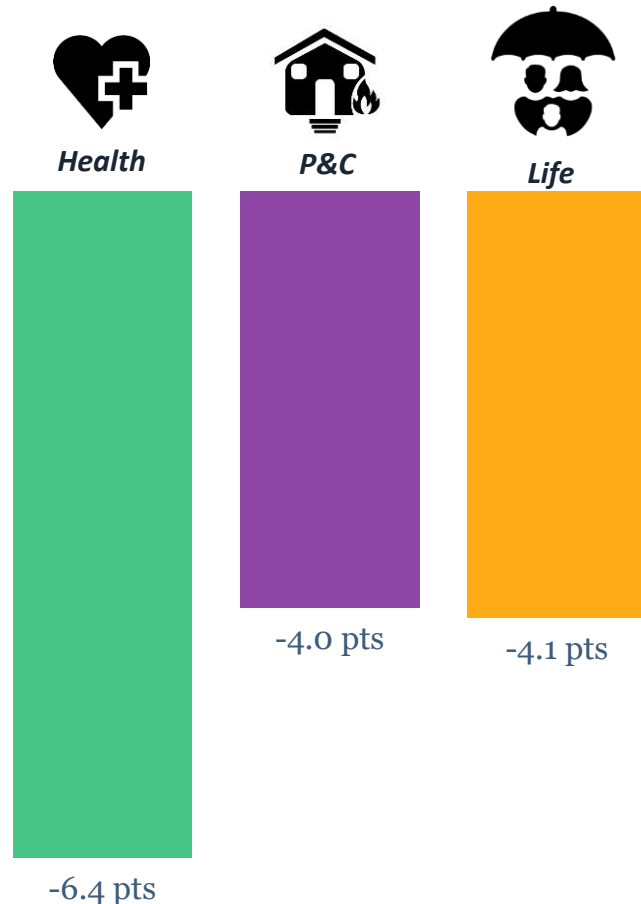
US Insurance Sector Innovation Graph 2018:
Innovation Score by Innovation Weight



Health Insurance companies see the highest impact in innovation from all insurance categories. Yet, they also score the lowest in comparison. Innovation is their **biggest opportunity to differentiate** from other types of insurance companies.

Largest Dimension Decline is in Innovation

Innovation Dimension Score Changes:
2017-2018 by Insurance Category



Innovation is most important to Health Insurance (compared to P&C and Life). Yet, it's declining at the fastest rate of all insurance categories

Health Insurance companies must prioritize Innovation to improve overall reputation and stand out from other categories.

Significant Difference > 0.2

Improving Innovation Increases Willingness to Purchase

Scores of Healthcare Insurance Companies



Innovation has a direct effect on willingness to buy from health insurance companies.

Of the seven Health Insurance companies we measured, the company with the highest innovation score has 25% higher willingness to purchase over the Health Insurance company with the lowest Innovation score.

Improving Innovation affects the bottom line of Health Insurance companies.

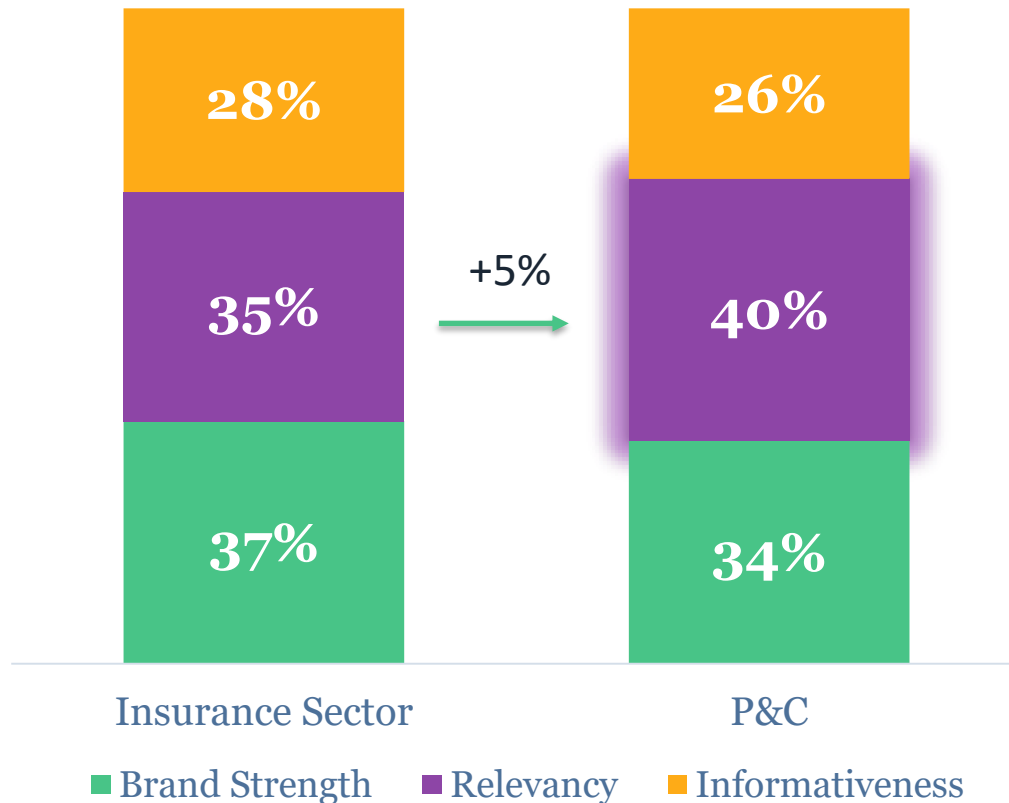
Significant Difference > 0.2

4

P&C Should Focus on its
Brand Relevancy

Brand Strength Helps, Being Relevant is the Opportunity

US Insurance Expressiveness
Dimension Weights 2018



Expressiveness— comprised of brand strength, relevancy, and informativeness— is critical to insurance companies, impacting **28%** of overall insurance reputation. However, relevancy is the biggest opportunity among P&C companies, accounting for **40%** of expressiveness and **9%** of overall P&C reputation.

But P&C Companies See Lowest Scores on Relevancy

Expressiveness Dimension Scores P&C Insurance Companies



Brand Strength

- Stands out from the crowd
- Delivers a consistent experience
- Appears genuine



Informativeness

- Sufficient communication
- Frequent communication



Relevancy

- Relevant communication
- Value alignment
- Open exchange with the public

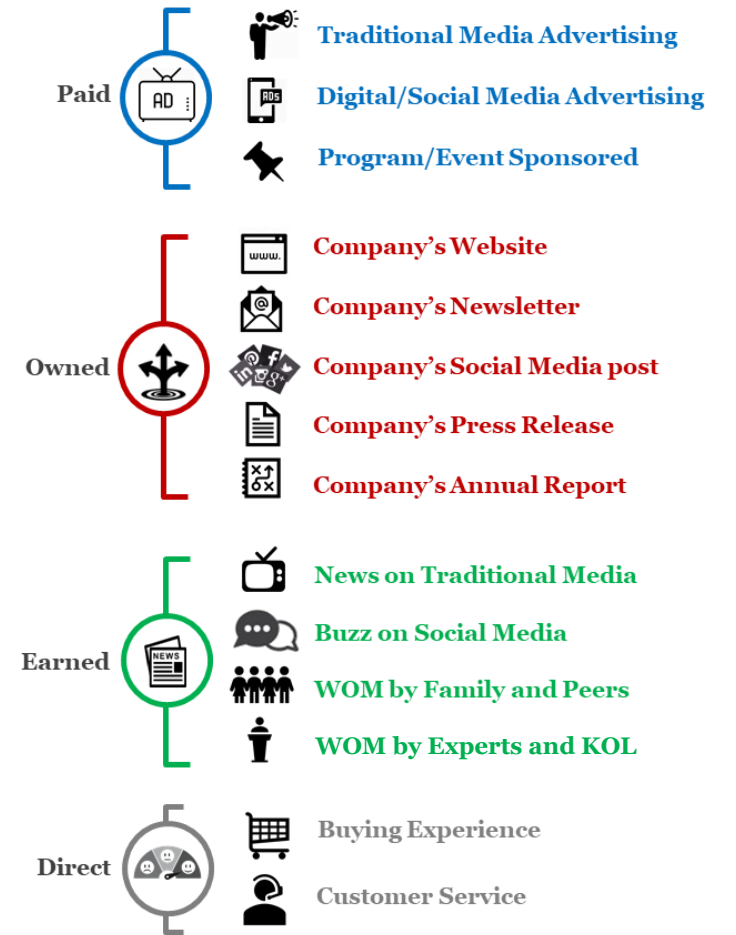
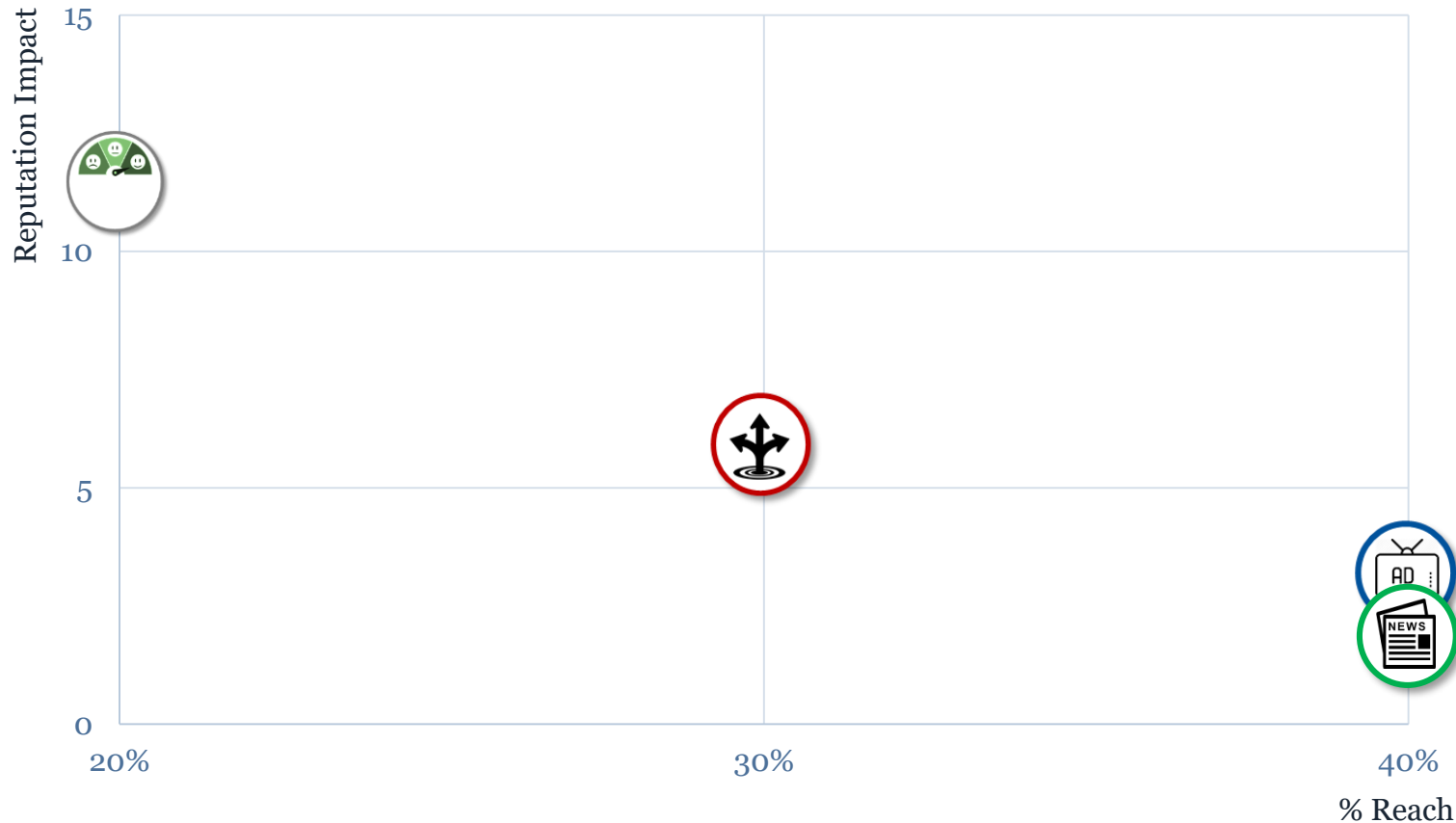
While Relevancy is the most important expressiveness dimension for P&C companies, it fares worst, with an *average* score of **62.5**.

P&C companies must communicate more relevantly in order to see reputational increases.

● POOR ● WEAK ● AVERAGE ● STRONG ● EXCELLENT

Relevancy Stems from Communication Practices

Channel Impact on Reputation
P&C Insurance Companies 2018

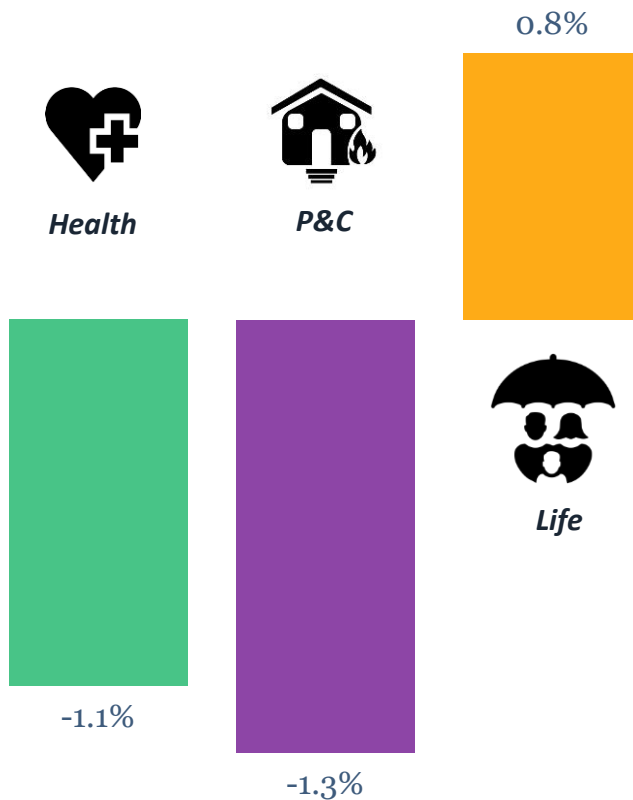


5

Life Insurance Companies –
Work on Corporate
Responsibility

A Strong Moral Compass: Life's Greatest Opportunity

US Insurance Breakdown
Governance & Citizenship Dimension
Weight Changes: 2017 to 2018



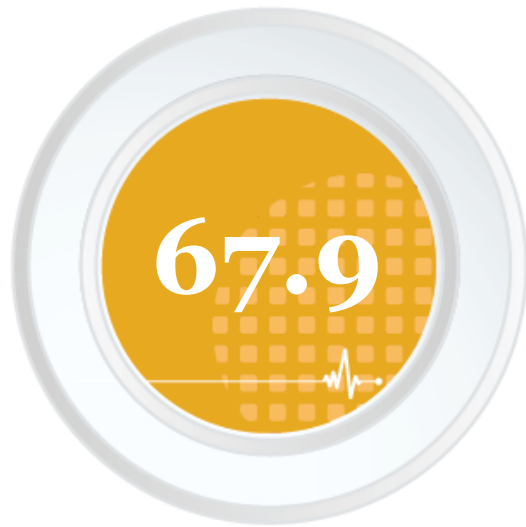
While Governance and Citizenship are losing traction for both health and P&C insurance companies, they are **gaining in reputational** importance for Life insurance companies.

The biggest reputational opportunity for Life insurance companies is to focus on these two dimensions.

Significant Difference > 0.2

But Are Areas in Which This Category is Struggling

Governance Score:
Life



- Fair business practices
- Transparent business practices
- Behaves ethically

-2.9 since
2017

Citizenship Score:
Life



- Supports good causes
- Positive influence on society
- Protects the environment

-4.4 since
2017

Significant Difference > 0.2

● POOR ● WEAK ● AVERAGE ● STRONG ● EXCELLENT

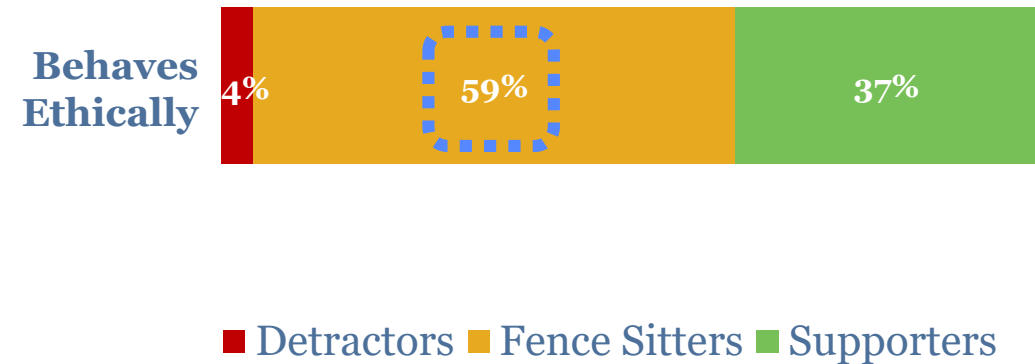
Must Improve Perception of Behaving Ethically

Behaving ethically, an attribute of Governance, is the largest single driver of all attributes on Life insurance companies' reputation score, with **5.8%** impact.

However, **59%** of respondents are on the fence as to whether life and investment companies are behaving ethically.



























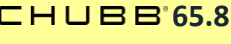

















Life insurance companies score in the *average* range on behaving ethically: **68.8** points.

Life Score Distribution For Behaving Ethically



Insurance RepTrak[®]:
How Companies Compare in 2018

US Insurance RepTrak® 2018 Ranking

1  75.7	2  73.5	3  70.8	4  70.6	5  69.8	6  69.4	7  69.4	8  69.2	9  68.9	10  68.6
11  68.5	12  68.3	13  67.9	14  67.8	15  67.5	16  67.5	17  67.3	18  67.3	19  67.3	20  67.0
21  66.8	22  66.7	23  66.5	24  66.4	25  66.2	26  65.8	27  65.8	28  65.5	29  65.4	30  65.0
31  64.9	32  64.6	33  64.6	34  64.5	35  64.5	36  64.4	37  63.9	38  63.8	39  62.8	40  62.6
41  61.7	42  60.9	43  60.6	44  54.2						

● POOR ● WEAK ● AVERAGE ● STRONG ● EXCELLENT

Insurance RepTrak Rankings by Category

Healthcare	Score
Blue Cross Blue Shield	70.6
CIGNA	67.8
Humana	67.3
United Healthcare	64.5
Aetna	63.9
Anthem, Inc.	62.6
Kaiser Permanente	61.7

Life	Score
MetLife	73.5
New York Life Insurance	70.8
Unum Group	69.4
Allianz	68.6
Pacific Life Insurance	68.3
Mutual of Omaha	67.9
Aflac	67.5
MassMutual	67.3
National Guardian Life	67.0
CUNA	66.8
Colonial Life Insurance	66.1
John Hancock	65.8
Penn Mutual	64.6
Prudential	64.5
Northwestern Mutual	64.4
AXA	63.8
Genworth Financial	60.9
Transamerica	60.6

P&C	Score
USAA Insurance	75.7
Hanover Insurance	69.8
Progressive	69.4
Farmers' Insurance	69.2
Allstate	68.9
The Hartford	68.5
State Farm	67.5
Amica Mutual	67.3
Geico	66.7
Zurich Insurance	66.5
Travelers	66.4
Chubb	65.8
Liberty Mutual	65.5
American Family	65.4
Assurant	65.0
American Financial	64.9
Nationwide	64.6
esurance	62.8
AIG	54.2

● POOR
 ● WEAK
 ● AVERAGE
 ● STRONG
 ● EXCELLENT

Insurance Company Spotlights:

P&C Spotlight: USAA Insurance

A well-rounded company with high integrity, USAA Insurance outperforms in:

- **#1** in Reputation
- **#1** in Expressiveness
- **#1** in Relevancy
- **#1** in Products/Services
- **#1** in Governance
- **#2** in Citizenship
- **#2** in Innovation



TAMPA BAY
BUSINESS JOURNAL

[USAA Announces Drop in Life Insurance Rates](#)

(10/15/18)



THE
FINANCIAL
BRAND.COM

[Why USAA is The Most Beloved Brand on Earth](#)

(09/09/18)



Forbes

[How USAA Bakes Customer Experience Innovation Into Its Company Culture](#)

(09/30/18)

Health Insurance Spotlight: CIGNA

Cigna is the second most reputable healthcare company, ranking 14th on our Insurance Index overall.

It has the highest Innovation Score of all healthcare insurance companies, with a score of **64.9**.

This is **1.9** points higher than the average healthcare insurance Innovation score.

We target specific innovation in the customer experience, digital capabilities, advanced analytics and artificial intelligence that provide key areas of competitive advantage. Our goal is to continue to focus on targeted technology investments to enable our strategic business objectives.

-Cigna Annual Report, 2017



Life Spotlight: Unum Group

Unum Group Charitable Statistics

\$7.5M

Corporate contributions, including \$1.6M in matching gifts

77,000

Employee volunteer hours

3,814

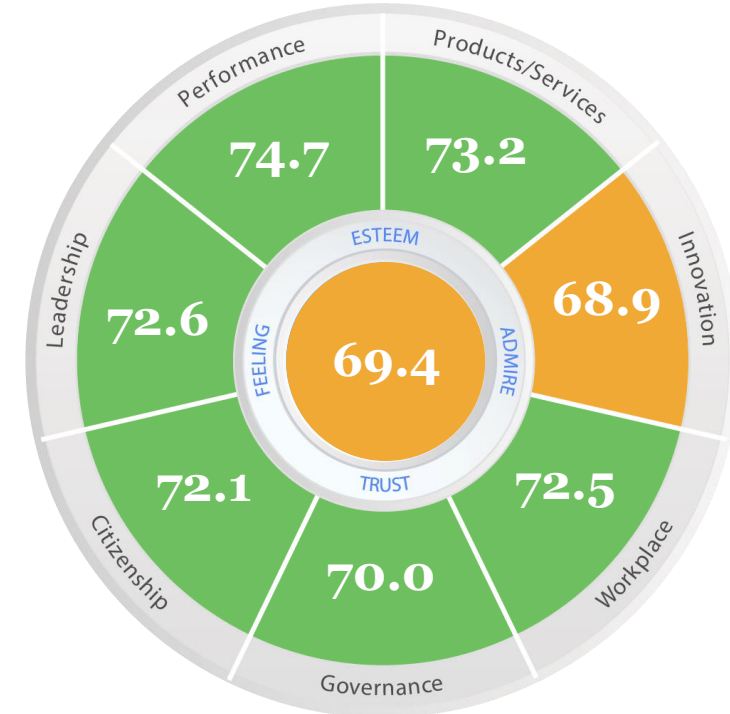
Employees contributed to local United Way organizations to make a positive impact on the communities we call home

Unum Group Three Pillars of Giving

- Education
- Health and Wellness
- Arts & Culture



2018 Pulse and Dimension Scores



● POOR ● WEAK ● AVERAGE ● STRONG ● EXCELLENT

In Summary....

Insurance Industry RepTrak[®]: Summary

1. The Insurance Sector Has Unique Challenges
2. Products/Services and Responsibility Matter
3. For Health Insurance— Also Focus on Innovation
4. For P&C— Need to Increase Brand Relevancy
5. For Life— Be Viewed as Highly Responsible

Thank You

Is your insurance company reputation ready?

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