Social Media & Insurance: How Insurers Use It and What They Want You To Know About Your Liability

March 26, 2012
National Hurricane Conference, Orlando, FL
Presenter: Lynne McChristian
Florida Representative, Insurance Information Institute
How new & traditional media differ

<table>
<thead>
<tr>
<th>Social Media</th>
<th>Traditional Media</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decentralized</td>
<td>Centralized</td>
</tr>
<tr>
<td>Publically owned</td>
<td>Privately owned</td>
</tr>
<tr>
<td>Little or no specialized skills needed</td>
<td>Requires specific skills and training</td>
</tr>
<tr>
<td>Instantaneous, with both content and comments</td>
<td>Usually longer production time, but this is changing</td>
</tr>
<tr>
<td>Easier to alter</td>
<td>Permanence, such as in a magazine article</td>
</tr>
</tbody>
</table>
Explosive growth – and growing

- Social Networks and Blog sites now account for 23% of all time spent online in the U.S., according to Nielsen Media.
  - This is more than twice the amount of time spent on the #2 category, Online Games.
  - Social networking skews female, and Facebook rules.

- Twitter averages 340 million tweets per day and has 140 million users, as of March 2012.
  - Twitter news followers are more likely to be male, 57% versus 44% of Facebook users.

Sources: Nielsen Social Media Report, Q3 2011; Wikipedia
Social media and trust
If you heard information about a company from one of these people, how credible would that information be?

<table>
<thead>
<tr>
<th>2009</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Academic/expert</strong></td>
<td><strong>Academic/expert</strong></td>
</tr>
<tr>
<td>62%</td>
<td>70%</td>
</tr>
<tr>
<td><strong>Financial/industry analyst</strong></td>
<td><strong>Technical expert in the company</strong></td>
</tr>
<tr>
<td>49%</td>
<td>64%</td>
</tr>
<tr>
<td><strong>Person like yourself</strong></td>
<td><strong>CEO</strong></td>
</tr>
<tr>
<td>47%</td>
<td>50%</td>
</tr>
<tr>
<td><strong>NGO representative</strong></td>
<td><strong>NGO representative</strong></td>
</tr>
<tr>
<td>41%</td>
<td>47%</td>
</tr>
<tr>
<td><strong>Regular employee</strong></td>
<td><strong>Government official</strong></td>
</tr>
<tr>
<td>32%</td>
<td>43%</td>
</tr>
<tr>
<td><strong>CEO</strong></td>
<td><strong>Person like yourself</strong></td>
</tr>
<tr>
<td>31%</td>
<td>43%</td>
</tr>
<tr>
<td><strong>Government official</strong></td>
<td><strong>Regular employee</strong></td>
</tr>
<tr>
<td>29%</td>
<td>34%</td>
</tr>
</tbody>
</table>

Source: Edelman Trust Barometer, 2011
Trust protects reputation

When a company is distrusted

57% will believe negative information after hearing it 1-2 times

15% Will believe positive information after hearing it 1-2 times

When a company is trusted

51% will believe positive information after hearing it 1-2 times

25% Will believe negative information after hearing it 1-2 times

Source: Edelman Trust Barometer, 2011
How many times, in general, do you need to hear something about a specific company to believe that information is likely to be true?

Source: Edelman Trust Barometer, 2011

- 3 times: 33%
- 4-5 times: 26%
- 6-9 times: 8%

59% of people need to hear about it 3-5 times to believe it.
Social media means providing information that is relevant, accessible and friendly.

And, that can be a bit scary for traditionalists…..
Search engine “go-to” source

Where do you generally go first for news about a company?

- Social media
- Friends & family
- Company website
- Broadcast
- Print
- Online news source
- Online search engine

Source: Edelman Trust Barometer, 2011
Flood Insurance Basics

MARCH 21, 2012 - The official start of spring marks the arrival of flood season as the snow melts. Although the mild winter has lowered the likelihood of flooding, remember that heavy spring rainfall can lead to flooding at any time, even in areas where the risk is at or below normal. Learn more about how to insure your home against flooding.

Recreation

Biking is the most dangerous sport, followed by basketball and football, based on injuries treated in hospital emergency rooms. Over 50,000 cyclists were injured in collisions with motor vehicles in 2009.

I.I.I. Provides Overview of Earthquake Insurance in Mexico

MARCH 20, 2012 - An overview of the Mexican insurance market earthquake history in the U.S. and globally.

One-Year Anniversary of Japan Earthquake and Tsunami

April 2012 marks the one-year anniversary of the most destructive natural disaster in Japanese history.
Insurance Coverage En Español

BUSDNESS

Business Insurance - General
¿Tiene su negocio un plan de emergencia contra desastres?

Specialty Business Insurance
Cobertura de seguros para accidentes nucleares en los Estados Unidos

CONSUMER

Annuities
Sección de ayuda: Preguntas y respuestas

¿Qué es una anualidad?

¿Cómo, cuándo y porque considerar una anualidad como parte del panorama financiero?

¿En qué se diferencian las anualidades de los seguros de vida?

¿Cuánto se debe invertir en una anualidad?

¿Cómo recibir las distribuciones o pagos de las anualidades?

¿Qué son los diferentes tipos de anualidades?

¿Cuáles son las diferencias entre una anualidad fija y una variable?

¿Qué son las diferencias entre anualidades diferidas y anualidades inmediatas, y qué es una anualidad vitalicia?

¿Cómo y dónde se adquiere una anualidad?

DEFINICIONES BÁSICAS DE ANUALIDADES
Improving public understanding of insurance in Florida—what it does and how it works

STRaight Talk
Blogging about insurance in Florida

Sinkhole insurance and your options
AUGUST 16, 2010
Experts can predict the weather, but they can't predict sinkholes. We have more sinkholes in Florida than any other state, and some areas are more vulnerable to sinkholes, such as West Central Florida and Tampa Bay, and they open up when it is very dry or very wet. So, rainy season is hurricane season is sinkhole season.

More

MORE FROM THE STRAIGHT TALK BLOG

- Consumers benefit in fight against auto insurance fraud | AUGUST 13, 2010
- Sinkholes Sinking Citizens Insurance | JULY 30, 2010
- Got new stuff? Update your home inventory | JULY 26, 2010

INSURING FLORIDA WIRE

Be A Responsible Dog Owner
Dogs may be man's best friend, but as an owner you are liable if your pet bites or otherwise causes anyone physical injury. Take steps to avoid liability and ensure your furry friend is happy and healthy.
Policymakers website: InsuranceMatters

User Highlights:
- Tailored
- Focused
- Current
- Clear and Concise
- Factual
- Searchable
- Exportable
- Multimedia Content
- Accessible

Content is arranged so that material most important to policymakers is just one or two clicks away.
I.I.I. Disaster Newsroom Blog

On-site Report: Days 2-3

Round-up: Joplin Before and After

Links to some of the best before-and-after images of Joplin:

NPR: Before and After: Street Views In Joplin
NPR: Before and After: A Slick’s Eye View Of Joplin

The deadly outbreak of E. coli bacteria in Europe is putting attention on the regulation of food safety in the U.S and the need for food systems, agribusiness and other companies to insure against such events.
Social media provides data to help you gauge audience interests and spot trends.
## Social Media Tools and Websites

Using online resources to improve public understanding of insurance.

<table>
<thead>
<tr>
<th></th>
<th>Facebook:</th>
<th>YouTube:</th>
<th>Terms + Conditions blog:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Follow the I.I.I. on Facebook and become a fan to stay connected on breaking news and current insurance topics. Post comments, share opinions and stories.</td>
<td>Watch online videos covering a wide range of insurance topics in the extensive I.I.I. video library. Post comments and embed videos to your company's website or blog.</td>
<td>Claire Wilkinson's insurance industry blog provides timely information and discussion on contemporary insurance topics.</td>
</tr>
<tr>
<td></td>
<td><a href="http://www.facebook.com/InsuranceInformationInstitute">Facebook</a></td>
<td><a href="http://www.youtube.com/user/ilivideo">YouTube</a></td>
<td><a href="http://www.iii.org/insuranceindustryblog/">Terms + Conditions blog</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>I.I.I. Insurance Matters website:</th>
<th>Insuring Florida website:</th>
<th>Twitter:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A site to help public policymakers better understand the unique role played by insurers in managing risk.</td>
<td>An informative site focusing on insurance matters specific to Florida. Includes Lynne McChristian's &quot;StraightTalk&quot; blog.</td>
<td>Follow one or all of the I.I.I. feeds to get timely information in your specific area of interest.</td>
</tr>
<tr>
<td></td>
<td><a href="http://www.iii-insurancematters.org">I.I.I. Insurance Matters org</a></td>
<td><a href="http://www.insuringflorida.org/">Insuring Florida org</a></td>
<td><a href="http://www.twitter.com/iiiorg">Twitter</a></td>
</tr>
</tbody>
</table>

### Social Media Users/Traffic

- Facebook: 700
- Twitter: 6,162
- YouTube: 505,025
- T&C: 3,000+
- Insuring Florida blog: 1,500+
I.I.I. Social Media Outreach

Facebook

About 700 people “Like” this page.

Over 200 links to I.I.I. content posted.

Average impressions higher for older posts.
## Top Ten Content, by Pageviews
### February 2012

<table>
<thead>
<tr>
<th>Rank</th>
<th>Keyword</th>
<th>Total</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Facts/Stats: Auto Insurance</td>
<td>2,434</td>
<td>21.42%</td>
</tr>
<tr>
<td>2</td>
<td>Press Release: Six Questions to Ask When Shopping for Homeowners Insurance</td>
<td>1,364</td>
<td>12.00%</td>
</tr>
<tr>
<td>3</td>
<td>Facts/Stats: Home Insurance</td>
<td>1,288</td>
<td>11.34%</td>
</tr>
<tr>
<td>4</td>
<td>Presentation: An Industry and Economy in Transition: Overview and Outlook for P/C Insurance Markets for 2012 and Beyond</td>
<td>1,084</td>
<td>9.54%</td>
</tr>
<tr>
<td>5</td>
<td>Issues Update: Cell Phones</td>
<td>1,034</td>
<td>9.10%</td>
</tr>
<tr>
<td>6</td>
<td>Article: What coverage is included in a standard homeowners insurance policy?</td>
<td>1,017</td>
<td>8.95%</td>
</tr>
<tr>
<td>7</td>
<td>International Fact Book: Country Profiles</td>
<td>894</td>
<td>7.87%</td>
</tr>
<tr>
<td>8</td>
<td>Article: What is covered by a basic auto policy?</td>
<td>795</td>
<td>7.00%</td>
</tr>
<tr>
<td>9</td>
<td>Issues Update: Motorcycle Crashes</td>
<td>788</td>
<td>6.94%</td>
</tr>
<tr>
<td>10</td>
<td>Facts/Stats: Life Insurance</td>
<td>664</td>
<td>5.84%</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>11,362</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>
Top Five Videos by Pageviews
February 2012

- Valentine’s Day Gifts: 27%
- Auto Insurance Quiz: 15%
- Informed Citizen Auto Insurance: 16%
- Uninsured Motorists Threats on the Road: 17%
- Underinsurance: 25%

Total: 867 pageviews

Highlighted Videos
- Are You Underinsured?
- Valentine's Gifts
- Uninsured Motorists
- Lightning Myths
- How to File a Homeowners Claim
Top 10 Referral Sites for the I.I.I.
February 2012

- facebook.com: 784
- en.wikipedia.org: 738
- learn.flvs.net: 611
- answers.yahoo.com: 586
- t.co (Twitter): 474
- statefarm.com: 462
- nytimes.com: 457
- m.facebook.com: 347
- intranet.opr.statefarm.org: 231
- knowyourstuff.org: 220
Social Media: Tools & Tips
This business of blogs

Blogs are an educational approach to marketing.

Elements of blogging:

1. **Add value.**
   - Address a problem, concern or need.

2. **Use headlines and hooks and include links.**
   - Catchy titles help you stand out in the crowd.
   - Using links directs users to other relevant content.

3. **Share “how to” tips.**
   - People want to know the “how” rather than the “what”.

4. **Love the checklist.**
   - List formats are easy to digest.

5. **Be a storyteller.**
   - Stories stick, and they let readers sell themselves.
   - Comments build a sense of community.
Telling Personal Stories...
Blogs are about personality & audience

I.I.I. Blogs

Terms & Conditions
- Written by Claire Wilkinson.
- Several each week.
- National scope.
- Audience is insurance industry professionals.
  - Blog title makes sense to practitioners.

Straight Talk
- Written by Lynne McChristian.
- Weekly blog.
- Florida only.
- Audience is consumer.
  - Blog title addresses Florida market challenges.
- Led to monthly column in trade publication.
Following the I.I.I.

Twitter accounts:

- @InsuringFLA
- @iiiorg
- @III_Research
- @Bob_Hartwig
- @LWorters
- @JeanneSalvatore
- and more…….
Facts on Facebook

Why use it?

- Feeds your content dynamically to your followers’ pages, so you can proactively push out information you most want them to access.
- It helps maintain a presence with customers during the long periods when your company may not be top of their minds.
- They can hear stories that remind them of the value insurers provide every day.
- This is your chance to re-invent relationships with customers and create a real dialogue and sense of community.
Develop a social media strategy

- Develop an overall social media policy – with written procedures, processes and goals.
  - Remember, social media makes PEOPLE interact, not the company. Identify the professional talent within your organization who is empowered to engage in online chatter.

- Ask:
  - What do you want to achieve with social media?
    - How do you get what you want?
  - How are your competitors using it?
  - How will you get noticed? What will you do to create community?
How are insurers doing in the social media space?

A sampling of insurers in the social media mix
Just for fun….

15,555 “Likes” on Facebook

• Gecko Tracker
• 237,097 “Likes”

Brostache App

“Using your smart phone to do dumb things.”
Facebook Fans: Getting personal and being a personality

Corporate Site

All business:
75,143 fans

Mayhem’s Site

Humor + business:
1,228,455 fans
Going with the Flo

Flo, the Progressive Girl

Other Flo pages:

- Want to dress like Flo?
- Dress like Flo for Halloween.
- Flo Fun Pack.
  - Bobble-head doll.
  - Screen saver.
  - Ringtone.
Auto Learning Center | Teen Drivers

More Accidents Happen When Teens Are Out of School

Jun 30, 2011
According to Students Against Destructive Decisions (SADD) research, teens spend 44 percent more hours driving each week in the summer than during the school year. Read more

Explore More Teen Drivers Articles

Most Recent | Most Popular

Distracted Driving Problem Extends Beyond Texting
by Holly Anderson, Editor in Chief | Dec 14, 2011

Holly’s Blog: Tools For Safe Teen Driving
by Holly Anderson, Editor in Chief | Oct 19, 2011

Tools for Teen Driving Safety
by SPFLearn State Farm™ Employee | Oct 17, 2011

More Accidents Happen When Teens Are Out of School
by SPFLearn State Farm™ Employee | Jun 30, 2011

Webbing While Driving
by Holly Anderson, Editor in Chief | Apr 23, 2011

Get a Quote Now

Auto
ZIP/Postal Code

Facebook Activity

Parking Tips To Help Avoid Door Dings | Auto | State Farm
208 people recommend this.

4 Remodeling Projects That May Pay Off | Maintenance | State Farm
9 people recommend this.
State Farm examples

The Youth Advisory Board is charged with helping State Farm design and implement a $5 million-a-year signature service-learning initiative to address important issues.

The Embrace Life® Awards program honors 13 men and women who have renewed their lives and inspired others through their perseverance following the loss of a spouse or parent.
Advocacy
Take Action Now! Ask your senators to support the Merkley-Levin Amendment

A few weeks ago, I asked you to urge your senators to amend a portion of the Restoring American Financial Stability Act of 2010 (S. 3217) currently pending in the U.S. Senate. Today, I am writing to thank you for your efforts and inform you that your concerns were heard. Your outreach sent a strong message to the Senate and prompted the introduction of an amendment that addresses the concerns of USAA and our valued members.

As you now know, the Senate has been debating this sweeping financial reform bill which includes a provision, known as the Volcker Rule, which would limit the investment activities of banks and their affiliates. USAA supports financial reform that protects consumers, including limiting investment activities by banks. But, extending investment restrictions to our affiliated insurance company portfolios, which are already subject to well-defined state regulations, would drastically impact our ability to continue to offer our members a full spectrum of financial services products.

In response to your outpouring of e-mails and phone calls to senators, Sen. Jeff Merkley and Sen. Carl Levin introduced an amendment clarifying that the restrictions of the Volcker Rule should not adversely affect state-regulated insurance investments. Senators Merkley and Levin recognize the value and highly regulated nature of insurance portfolio investments made by entities like USAA and have crafted an amendment that will allow USAA to continue to serve our members as we do today. We need your support to ensure that this critical amendment is included in the final bill.

I am asking you to please contact your U.S. senators immediately and urge them to support the new Merkley-Levin Amendment (#3931).

Thank you again for your help and support.

Act Now!

Please fill out your contact information in the privacy-protected registration form below, which will help us identify your senators and create a personalized letter from you, and then click the CONTINUE button to:

- Review and submit your email to your senators, share with others, and;
- Read more about this important issue, including a link to USAA’s Newsroom for more information on this piece of legislation.

Prefix: [ ]
First Name: [ ]
Last Name: [ ]
Address 1: [ ]
Address 2: [ ]
City: [ ]
Social Media, Liability and Insurance
<table>
<thead>
<tr>
<th>Description</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated costs should customers create hundreds of thousands of negative</td>
<td>$50,000 of outside PR costs + $100,000 extra ad media costs + $50,000 extra customer service costs + $100,000 lost executive time/focus</td>
</tr>
<tr>
<td>impressions about product quality</td>
<td>+ $50,000 short-term sales loss + $20,000 to fly advocates to facility + $5,000 cash outlays (such as charities)</td>
</tr>
<tr>
<td></td>
<td>= $375,000 total for worst-case scenario</td>
</tr>
<tr>
<td>Likelihood of occurrence</td>
<td>20% (once every 5 years)</td>
</tr>
<tr>
<td>Percent social media assets can mitigate effects</td>
<td>33% (because company’s rapid response team can engage advocates, reduce loss costs)</td>
</tr>
<tr>
<td>Total value of risk mitigation</td>
<td>$375,000 x 20% x 33% = $25,000</td>
</tr>
</tbody>
</table>

Source: Forrester Research, Inc.
Social media litigation

Lawsuits range from absurd to serious.

- A Michigan woman sued a man for more than $8,000 in damages after a romance sparked on Facebook fizzled.

- Singer Courtney Love was sued in May 2011 for alleged defamation on Twitter by former lawyers representing her in a 2008 case to recover money allegedly stolen from her late husband’s estate.

  • In March 2011, Love paid $430,000 plus interest to settle a Twitter defamation lawsuit by her former designer over comments made on Twitter and MySpace.

- In Sept. 2011, the National Labor Relations Board found that a nonprofit organization unlawfully discharged employees after they posted comments on Facebook about working conditions.
Areas where liability could arise

- **Advertising Liability**
  - Truth in advertising; bloggers must disclose endorsements.

- **Cyberstalking**
  - Some state address this in general harassment statutes, while others have stand-alone laws.

- **Defamation**
  - Also trade libel for disparaging another’s goods or services.

- **Employer’s Liability**
  - Use of social media to recruit and research employees.

Source: Augie Ray, “The ROI of Social Media,” July 19, 2010
Areas where liability could arise (continued)

- **Intellectual Property.**
  - Copyrighted material off limits without permission.

- **Privacy Liability.**
  - Companies have a right to protect people who join their social networking pages.

- **Security Breach Liability.**
  - Keeping customer data and personal information secure.

- **Trade Secrets.**
  - Protecting your own information and that of competitors.
  - Beware the spy who ‘Likes’ you.
Some people think they can say whatever they want online, yet most of us know better.

- What is your “listening platform” to pick up on the chatter?
- How can you best manage the flow of information?
- Have you reviewed your social media policy?
Thank you for your time and your attention!

Follow me @InsuringFLA –
Or contact me the “old-fashioned way” at lynnem@iii.org.