



HISPANICS AND INSURANCE

HISPANIC AUDIENCES & MEDIA

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WORKING WITH HISPANIC AUDIENCES AND MEDIA

- I. Hispanic Audiences
 - Diversity & Demographics
 - Hispanic Population, Growth & Media Opportunities
- II. Hispanic Media
 - Language and Media Preferences
 - English, Spanish or Both?
- III. Hispanics Perception of Financial & Insurance
 - Misconceptions and cultural influence
 - Issues of interests to Hispanic audiences
- IV. III experience with Hispanic Media & the industry's issues
 - What has worked best?
 - Tips to communicate in Spanish



WORKING WITH HISPANIC AUDIENCES AND MEDIA

- I. Hispanic Audiences
 - Diversity & Demographics
 - Hispanic Population, Growth & Media Opportunities



Hispanics are not a homogeneous group

But

Share traits, values and beliefs

- Country of origin
- Degree of acculturation (First, second, third generations of Hispanics)
- Legal Status
- Level of education
- Income
- Knowledge of English
- Knowledge of US Financial System

- Language
- Family oriented
- Show reverence for tradition, elders and ancestors
- Value introspection and spirituality
- Display a strong entrepreneurial nature



Hispanics are the fastest growing population in the U.S. ⁽¹⁾

- Estimated Hispanic US population is **44.3 million (15%)**.
- The projected Hispanic US population as of July 1, 2050 is **102.6 million (24%)**.
- 32.2 million U.S. household residents speak **Spanish** at home.

Hispanics are educated ⁽¹⁾

- 59% of Hispanics 25 years and older had at least a high school education in 2006.
- 12% of the Hispanics 25 years and older have a bachelor's or higher degree in 2006.

Hispanics are young as a group

- Median age of the Hispanic population in 2006 was **27.4 years** (general population is 36.4 years). ⁽²⁾
- Hispanic teens are the fastest growing segment of the fastest growing population in the U.S. Their group is expected to grow 62% vs. 10% for the general U.S. population by 2020. ⁽³⁾
- According to a release of the Association of Hispanic Advertising Agencies of 2006 ⁽⁴⁾, there is an estimated of **6.3 million Latino teens** in the US ranging between 10 and 19 years old, with about \$20 billion spending power a year.

(1) U.S. Census Bureau (2003, 2007). (2) Hispanics and the Social Security Debate, [Pew Hispanic Center](#), March 16, 2005. (3) *Nuestro Futuro: Hispanic Teens in Their Own Words*, Cheskin . (4) Media Buyer Planner.com.



More Hispanics are starting their Own Business

- There are almost 2 million Hispanic owned businesses today, which is estimated to grow to 3.2 million Hispanic owned business in 2010.
- Among Hispanics, dire economic times often result in a shift of employment from corporations and companies to the establishment of their own small or home based businesses.

Hispanics have a substantial purchasing power

- Nielsen Media Research had estimated that the buying power of Hispanics will exceed \$1 trillion by 2008. New data confirming or rebutting is not yet available.

Hispanics median income, homeownership and insurance expenditure

- According to *Cohorts and Simmons Market Research Bureau (2007)* the median Hispanic household income was at \$35,000 when the general U.S. population was at \$49,000, while homeownership was at 49% among Hispanics and 68% among general US Population.
- The Bureau of Labor and Statistics reports that in 2004 the Hispanic consumer spent \$865 a year on auto insurance.



Insurance knowledge, perception and ownership is related both to acculturation and language use

Acculturation Level	Language Use	Life Insurance ownership
Hispanic Dominant Most 1 st Generation	Spanish Dominant	28%
Biculturalism Hispanic Teenagers & 2 nd Generation	Bilingual	35%
Assimilation (US Dominant) 2 nd And 3 rd Generation	English Dominant	60%



Hispanic Population in US by country of origin -2005

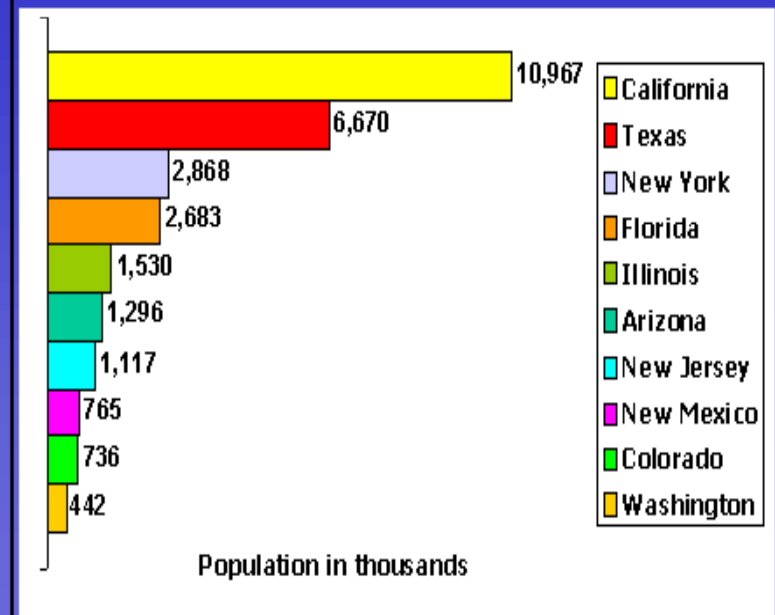
In 2005 in	% of Hispanic Population	Was originally from
California	77.00%	Mexico
Texas	76.05%	Mexico
New York	36.63% 15.87%	Puerto Rico Dominican Rep.
Florida	31.06% 17.97% 13.57%	Cuba Puerto Rico Mexico
Illinois	74.78%	Mexico
Arizona	82.24%	Mexico
New Jersey	32.83% 9.21%	Puerto Rico Mexico
New Mexico	43.12% 55.12%	Mexico Other Hispanics
Colorado	61.28%	Mexico
Washington	74.73%	Mexico
Nevada	72.53%	Mexico
Georgia	63.25% ~8%	Mexico Puerto Rico
North Carolina	63.06% >8%	Mexico Puerto Rico



Where in US is the Hispanic Population Concentrated?

- Half of all the Hispanics in the US live in two states: California and Texas.
- Hispanics in California accounted for about 11.0 million persons and 31% of the Hispanic population in the U.S. of 2000.
- Texas had almost 6.7 million persons and 19% in 2000.

Census 2000: Top 10 States by Hispanic Population



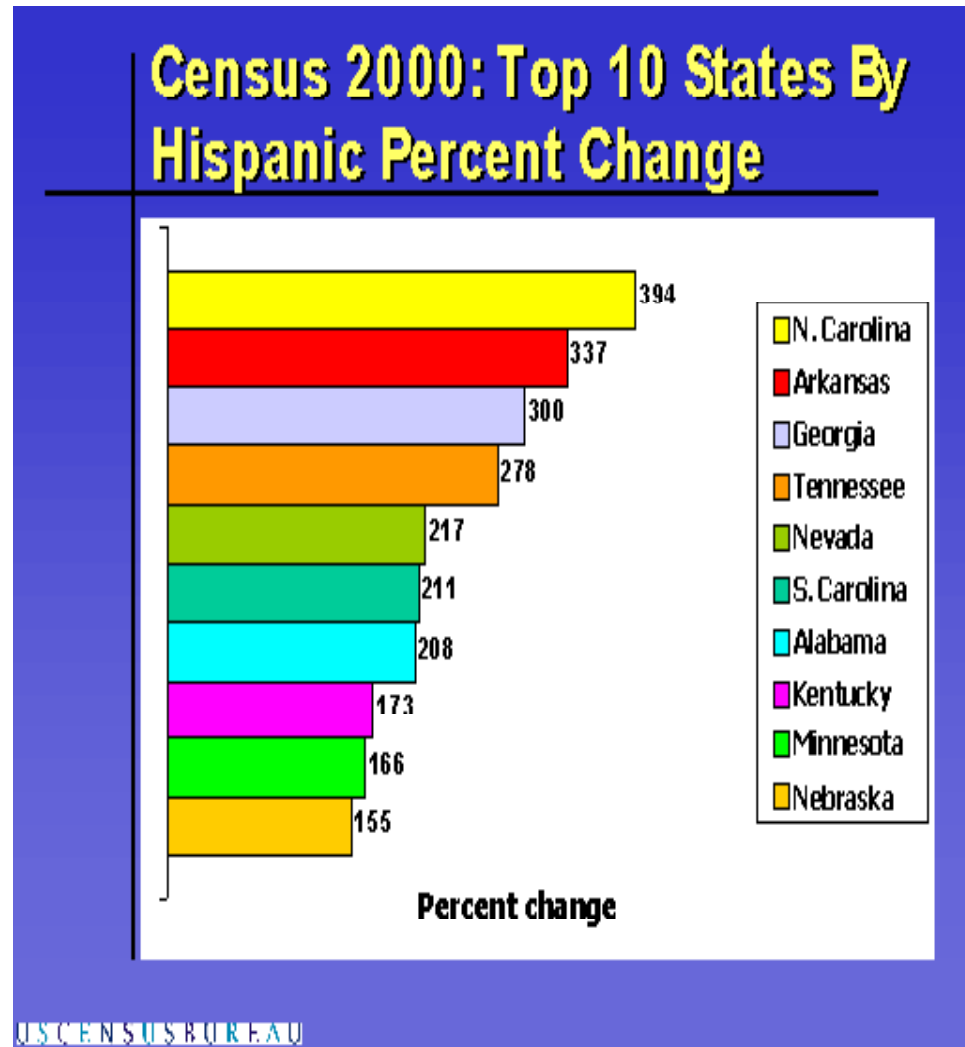
U.S. CENSUS BUREAU

Source: US Census 2000



Where is the Hispanic Population Growing the most?

- North Carolina's Hispanic population grew by almost 400 percent between 1990 and 2000.
- Of the 10 states with the largest percent increase in the Hispanic population, seven are located in the South:
 - North Carolina
 - Arkansas
 - Georgia
 - Tennessee
 - South Carolina
 - Alabama
 - Kentucky
- In 5 years, from 2000 to 2005, Nevada's Hispanic population increased from 19% to 23.5% of the state total population.

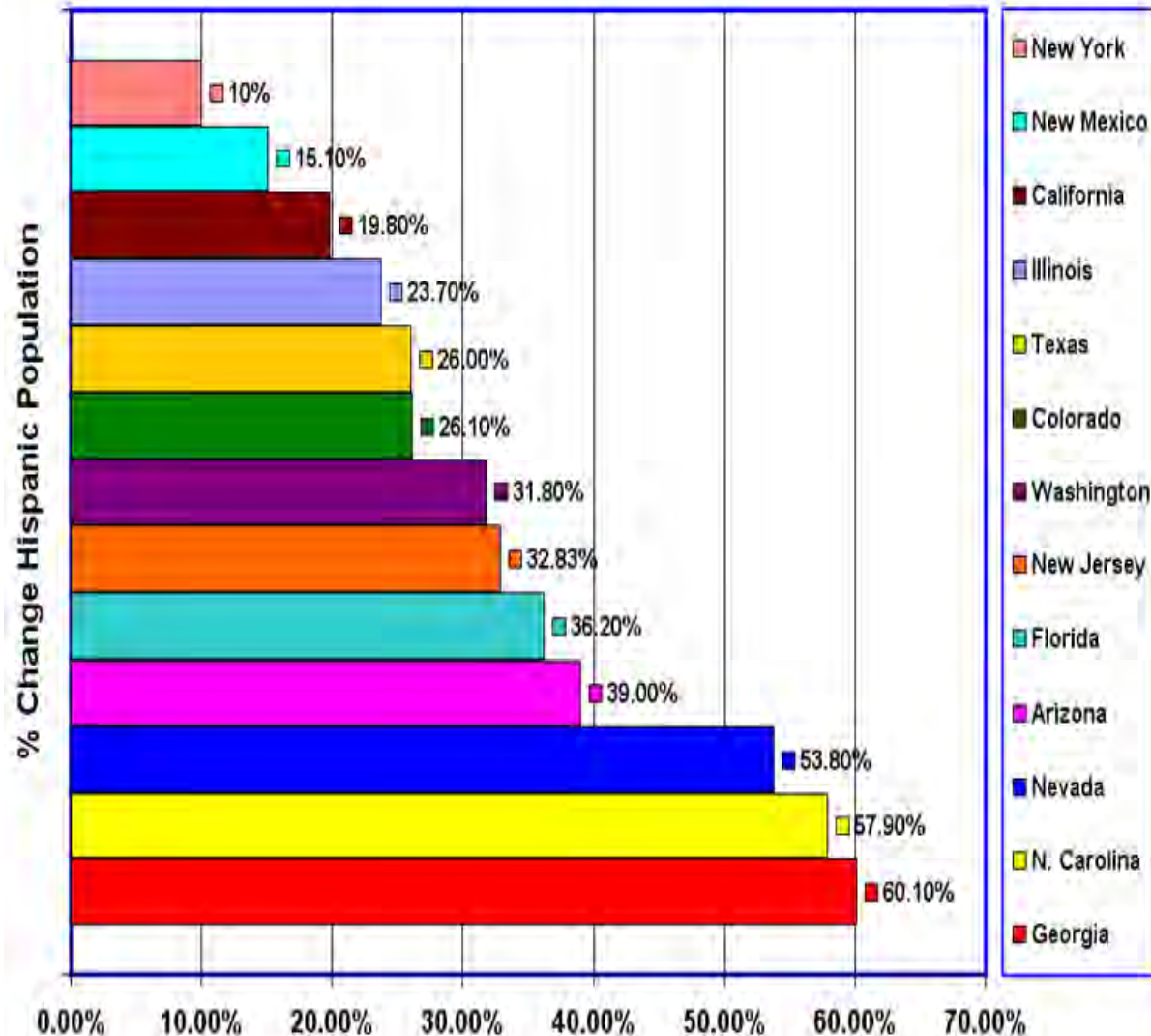


Source: US Census 2000



Most growth of Hispanic population from 2000-2006 were in States not considered “traditionally” Hispanic

- To the growth of almost 400% in Hispanic population experienced in North Carolina between 1990 and 2000, the following 6 years added another 57.9% of Hispanic population growth.
- Georgia added 60.1%.
- Nevada added 53.8%.
- Growth in other traditionally Hispanic high population states such as California and New York growth was not as sharp in 2000-2006.



Source: Pew Hispanic Center & US Census



WORKING WITH HISPANIC AUDIENCES AND MEDIA

II Hispanic Media

- Language and Media Preferences
- English, Spanish or Both?

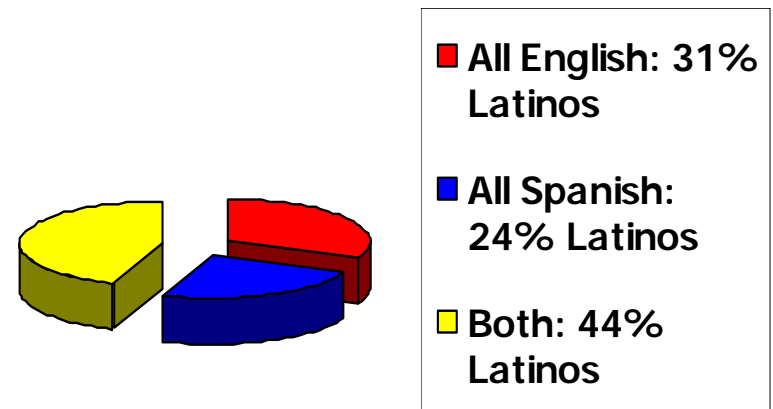


How do Hispanics like to obtain their news and information?

A survey done by Pew Hispanic Center in 2004 indicates that

- More Latinos get at least some of their news in both English and Spanish instead of in just one language.
- Even fluent English speakers rely on Spanish language media to get news from Latin America and about Hispanic communities in the United States.
- Most of the language switchers are of the second generation, or the children of immigrants.
- Consumption of Spanish-language media persists –with lower frequency – into the third or later generation.

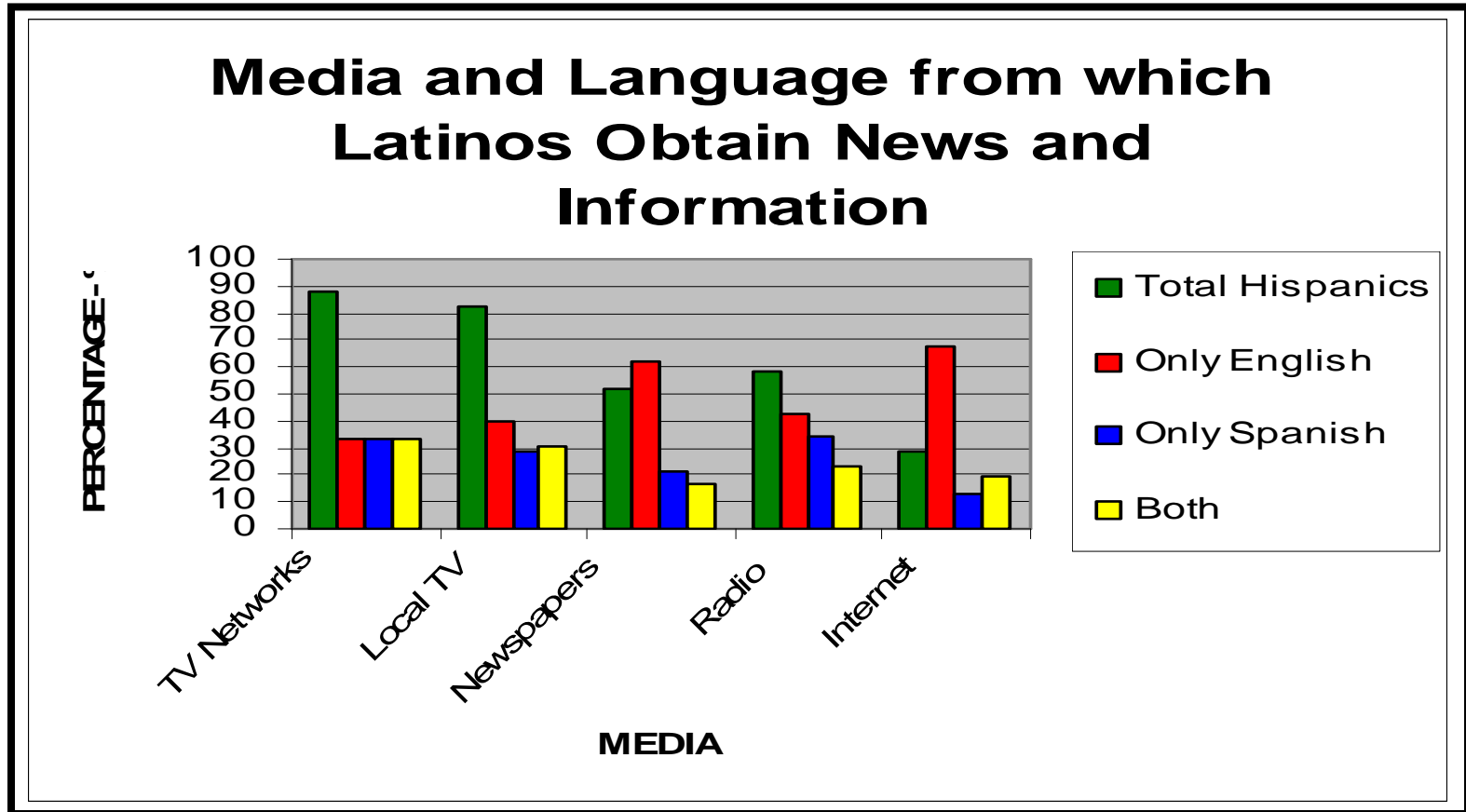
Language Preference for News and information



Source: *Changing Channels and Crisscrossing Cultures: Survey of Latinos on the News Media*. By Roberto Suro, Director, Pew Hispanic Center - April 2004



Latinos pick and choose the language and the types of media from which they prefer to obtain news





Knowing their

helps

Deciding about...

1. Degree of acculturation (1st, 2nd, 3rd. generations of Hispanics)
2. Entrepreneurial nature
3. Knowledge of English
4. Age, income and purchasing power
5. Country of origin
6. Knowledge of Financial US System
7. Reverence for tradition, elder's and ancestors, and value of introspection and spirituality

1. Using Spanish or English for PR message.
2. Reaching to business associations and specialized media rather than using just general Hispanic media.
3. Type of media to target: radio, TV, print or community media.
4. Type of programming to select in the media target.
5. Adapting and customizing the message to serve a more targeted audience.
6. Type of message and topics to develop for directing through the media outlets to the final audiences.
7. Select media, formats and programs related to such values



Spanish language Newspapers, radio and TV stations soar

- **Spanish-language TV stations operating in the US increased from 206 in 2001 to 342 in 2006.**
- **Number of Hispanic programmed radio stations increased 24% from 2002 to 2006**
- **Spanish-language dailies, weeklies, magazines and other print outlets grew from 381 in 1970 to 1,675 in 2004.**

Community publications have a main role for Hispanics:

- **Mostly used by recently arrived foreign-born Hispanics due to their dependency on Spanish media exclusively.**



Hispanic community publications are abundant in almost all markets and resonate extraordinarily with Hispanic audiences

- Mostly are distributed free and rely totally upon advertising revenue for survival.
- Most can't afford hiring staff writers or paying for wire service contracts, so they depend on pro bono collaborators, contributions from advertisers and press releases.
- Are very receptive to ready made content and Press Releases in Spanish.
- III has localized and contacted community publications in Spanish in several states: New York and New Jersey, Florida, Texas, Tennessee, & Washington D.C., for a start.





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Hispanics are heavy users of radio and TV ⁽¹⁾

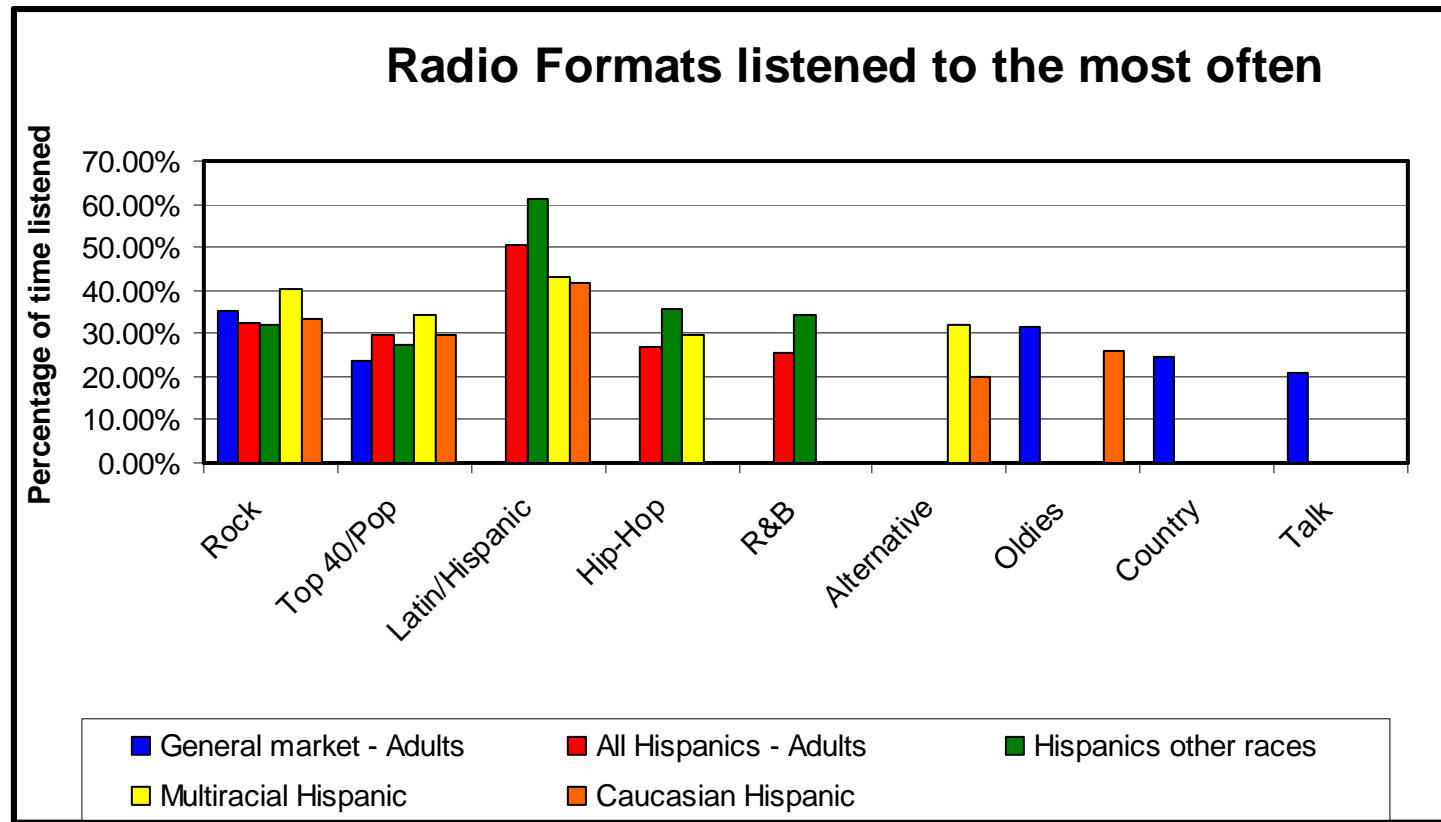
- **Hispanics spend more time listening to the radio (22 hours per week) than non-Hispanics (19 hours per week).**
- **More Hispanics listen to radio at work than non-Hispanics: 52% Vs 44%.**

Advertisers are investing more every year in Spanish language media ⁽²⁾

- **Spanish-language Network TV stations receive the highest amount of advertising dollars.**
- **Each year the total advertising amount in Spanish language media has increased. From 2005 to 2006, 14.4%.**
- **The investment increases differently each year. 2006 spot Radio spending increased 31% over 2005.**
- **In 2006 there was an increase of 20% in Cable TV spend.**



Hispanics listen to radio more than general audiences and prefer Hispanic-Latino formats



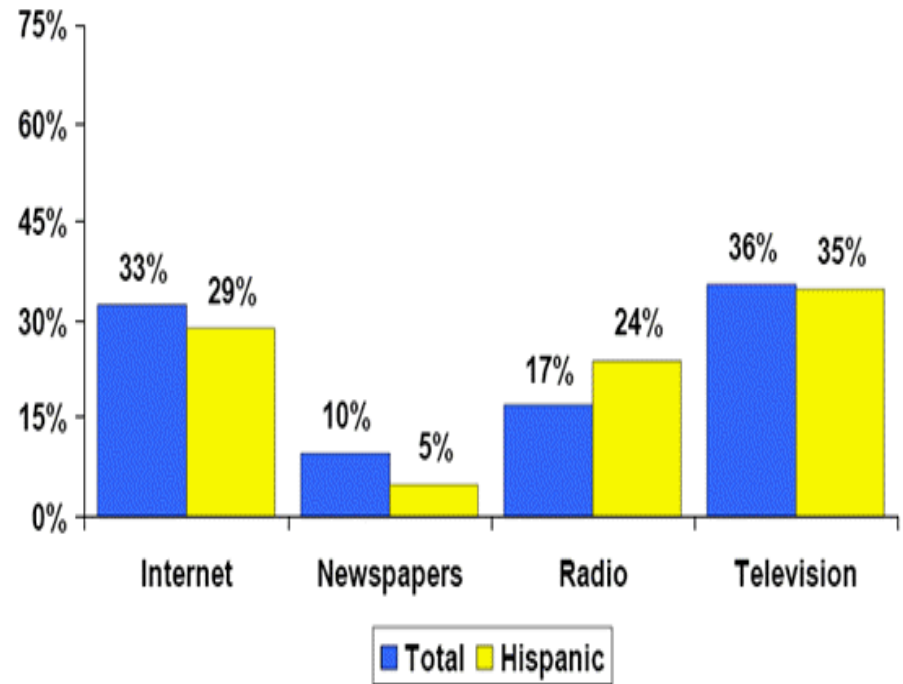


For Hispanics radio and television are “essential”

According to Edison Media Research and Arbitron (2007)

- Hispanics are more likely than the U.S. market to say radio is “essential”: 24% vs. 17% general market.
- Hispanics are slightly more likely to choose radio to receive information in the event of a news occurrence: 14% vs. 10%.
- Hispanics are more likely to listen to the radio while working: 52% vs. 44%.
- Hispanics are significantly more likely to own an iPod: 24% vs. 18%
- However, most Hispanic iPod owners - 55% - would choose to keep radio over their iPod if forced to give one up.

“Among Internet, Newspapers, Radio and Television, which one... is most essential to your life?”



Base: Total Population 12+



© 2007 Arbitron Inc./Edison Media Research



Spanish-Language Advertising is a growing trend: Where does the Insurance industry advertise?

2006: according to Nielsen Media Research

- Spending for the Top 20 product categories reached \$3.7 billion.
- The largest recipient of advertising among all Spanish-language media in 2006 was Broadcast Media Partners (Univision parent company). Received \$264.2 million in spending from all type of advertisers.
- The automotive category (factory and dealer association advertising) spent \$630 million in all media.
- The auto insurance industry in 2006 spent \$73.4 million.

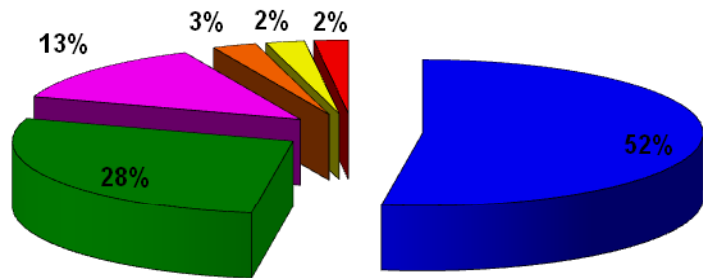
2007: Hispanic Market Weekly report indicated that as of September 2007

- Auto insurers had spent \$78.7 million this way:
 - TV Networks: \$58.4 million
 - Local TV: \$13.9 million
 - Cable TV: \$2.9 million
 - Other media: Radio, newspapers, magazines: \$3.5 million



Spanish-Language Advertising is a growing trend

Spanish Language Media Ad Spending - 2006

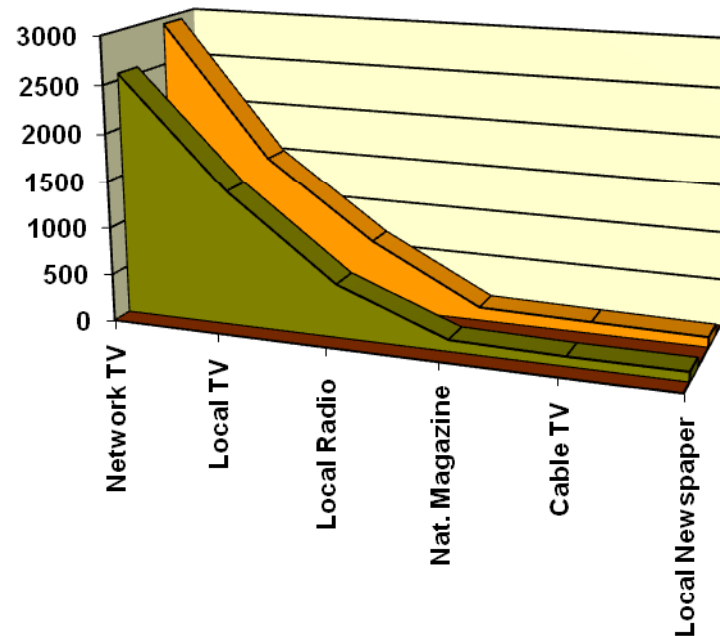


- | | |
|---------------|---------------------|
| ■ Network TV | ■ Local TV |
| ■ Local Radio | ■ National Magazine |
| ■ Cable TV | ■ Local Newspaper |

Some changes of 2006:

- Increase of 31% in spot radio
- Increase of 20% Cable TV

Spanish Language Advertising Growth in 2006: 14.4%



■ 2005 - \$4,892.5 millions ■ 2006 - \$5,599.1 millions



New Media & Web gains rapid preference among Hispanics

- **56% of Latinos in the U.S. use the internet (1).**
- **One in three Latinos who speak only Spanish go on line (2).**
- **Digital Divide narrows. Access to the internet at home was (3):**
 - **In 2003: 51% for Hispanics and 68% for general population.**
 - **In 2007: 61% for Hispanics and 74% for general population.**

Mobile consumption - cell phones, PDA's and internet access via handheld devices - gaining audience among Hispanics (3)

- **70.9% English-speaking Hispanics use mobile communications. Market average is 47.9%.**
- **Hispanic cell phone users are younger than average: 51.5% of Hispanic cell phone users are 18 to 34 years old, compared to 31% of the general population.**
- **More inclined to access news via mobile browsers: 18.8% vs 9.6% all subscribers.**
- **Pattern of above-average use of mobile content: e-mail, text messaging, photo messaging, ringtone purchase, download games, listening to music, etc.**



Hispanic or Latino?

- More Hispanics interviewed preferred to identify themselves as “Hispanics” than as “Latinos”
- Residents of New Jersey are the highest group to indicate preference for “Latino” over “Hispanic”
- Almost half of those interviewed had no preference

Preferred Term to Identify Themselves	California	Texas	N. York	N. Jersey	Florida
By Country of origin of Respondent/Parent	55%	43%	66%	62%	62%
Either Latino or Hispanic	24%	33%	22%	23%	18%
As American	20%	22%	12%	12%	19%
When choosing between Hispanic and Latino?	California	Texas	N. York	N. Jersey	Florida
Hispanic	32%	45%	31%	27%	31%
Latino	17%	8%	17%	20%	15%
No Preference	51%	47%	52%	53%	54%
Hispanic majority by Country of Origin	California	Texas	N. York	N. Jersey	Florida
Mexico	77%	76%	9%	9%	14%
Puerto Rico	1%	1%	37%	33%	18%
Cuba	>1%	>1%	2%	7%	31%
Dominican Republic	>1%	>1%	16%	9%	3%

Source: US Census 2000 – Pew Hispanic Center survey 2002



WORKING WITH HISPANIC AUDIENCES AND MEDIA

- III Hispanics Perception of Financial & Insurance
 - Misconceptions and cultural influence
 - Issues of interests to Hispanic audiences



Many Hispanics...

- Don't know how the financial system works in U.S.
- Don't trust banks and insurance companies because of their previous (negative) experiences with these institutions from their home country.
- Self-insure ("saving for a rainy day") instead of acquiring insurance protection for unexpected losses.
- Relying on family as a resource in the event of a natural disaster.
- View insurance merely as an expense.
- First generation immigrants still believe their retirement resources will come from their children; while second generation immigrants (the children raised in US) will grow up adapted to the reality of having to plan for their own retirement.
- View the family business as part or all of their retirement plan.
- Are loyal consumers; follow their elders' recommendations and keep successful business relations for generations.
- Most Hispanics buy their policies through face-to-face interactions with agents, brokers, and financial planners. LIMRA International studies indicate a preference to be served by Hispanics, agents that speak Spanish or who are from similar cultures.



Some Hispanics Views on

Life Insurance ⁽¹⁾

- **Life insurance is not viewed as a priority** as is saving for college, purchase of a home or saving in general. It's seldom used in the countries of origin.
- **Many Hispanics come from countries where life insurance is only accessible and marketed to high income population**, therefore, perceive that premiums are too high and feel discouraged from considering it.
- **Many Hispanics feel they do not have enough knowledge** of the product, how it is priced and how to shop for it - or if there is **sufficient information in Spanish, where to find it.**

Property Insurance ⁽²⁾

- **Homeowners and car insurance are generally mandatory** as part of financing such purchases, therefore, many Hispanics view them as expenses instead of protection of their assets.
- **Home insurance is not commonly obtained in most Latin American countries.** In Mexico for example, of 21.5 million private dwellings 60% are potentially insurable but fewer than 10% are covered by any form of insurance.
- **Damages for Flood insurance (including storm surge) in Mexico is a covered peril in standard policies.**



Suggestions for addressing misperceptions about the financial and insurance industry

- Educate Hispanics in order to eliminate their cultural “luggage” against insurance – Demonstrate how insurance industry in US is different from their country of origin experience.
- Extend the education of Hispanic consumers into the younger generations – Young Hispanics many times have the “role” of translators and educators of the family and have an active part in the decision making of the group.
- Recognize most Hispanics would prefer face-to-face interaction – Prefer using professionals that know the audience and how to approach them considering their cultural perspective.
- Create a relationship of trust with the Hispanic consumer by becoming involved in their community – Agents and insurer’s employees are “ambassadors” of the company. When they are trusted, the company would be assessed as a positive brand.
- Maximize “teachable moments” from everyday news situations – For example: disasters, consumer price spikes (such as gasoline) or the current economic crisis.



WORKING WITH HISPANIC AUDIENCES AND MEDIA

- IV III's experience with Hispanic Media & the industry's issues
 - What has worked best?
 - Tips to communicate in Spanish



III Hispanic initiatives have helped dissipate common misperceptions of insurance among U.S. Hispanic audiences

1. By providing accurate information to substitute for common misperceptions about insurance among Hispanics such as:
 1. "Insurance is a big expense; is a luxury"
 2. "Insurance is more expensive than I can pay"
 3. "Insurers will not pay for my claims" and "Insurers charge whatever they want and there is nothing I can do"
 4. "Insurers will not be here when I need them"

With effective key messages such as:

 1. "Insurance provides an economic safety net that can help achieve financial independence"
 2. "Knowing how to shop for insurance and purchasing the right amount of coverage will help to save money and maximize insurance dollars"
 3. "Insurance in the United States is state regulated. Consumers have rights and can contact their state regulator with questions or complaints"
 4. "Although rarely needed, Insurers are often backed by state guaranty funds and associations in the event of an insolvency"
2. By maximizing "teachable moments" from everyday news situations that directly affect Hispanic communities such as natural disasters, consumer price spikes (such as gasoline) or the current economic crisis.



Issues III uses that resonate with Hispanic Audiences

1. Family first – Life insurance rates are lowest in 10 years
2. Savings – How to maximize insurance and related dollars
 - High gas prices – Car insurance is a competitive market.
 - Homeownership mortgage payments spiked – Insurance is readily available from private insurers and last-resort markets adding choices for shopping around.
 - Loss of homes to foreclosures in many major Hispanic markets (Florida, California, Nevada) has caused rapid increases in rent prices – Renter's insurance is available at low premiums.
3. Credit's role in the US financial system – It's role as underwriting criterion
 - Many Hispanic consumers (even) in current critical times are unaware that credit worthiness impacts more than loan rates, and don't know credit is an underwriting criterion for insurance rates in various geographical areas of high Hispanic population (example, in Florida).
4. Disaster recovery resources – Insurance provides financial recovery tools
 - Many areas and states with high Hispanic populations are typically in the path of hurricanes, tornadoes, floods, wildfires, earthquakes and other natural and man-made disasters.
5. Consumer protection – Insurance is a regulated industry by State laws
 - Insolvencies are rare, but if happen, state laws and guaranty funds work as safeguards of the public interest.



Learning from the I.I.I.'s Hispanic media outreach initiatives

- **Nationally:** Among 2008 activities, III has successfully distributed a claims-filing VNR in Spanish, which ran on 45 Spanish language TV stations and reached an audience of over 1.3 million viewers.
- **III has created localized Spanish community publications contacts in several states:** New York, New Jersey, Florida, Texas, Tennessee & Washington D.C., for a start.
- **Florida local Spanish speaking TV and radio stations** regularly invites III to discuss broad fundamentals on Insurance, savings tips and consumer disaster preparation: Radio Caracol AM, Mega TV, Univision and Telemundo's local channels.
- **National Spanish networks and New York Media** (Univision, Telemundo, Bloomberg *Video on Demand*, Mega TV) regularly air satellite interviews and pre-recorded tapes of consumer information pieces about insurance and disaster preparedness.
- **Internet widespread presence with mayor Spanish portals** Terra.com, Univision.com, MSN Latino and AOL Latino and numerous medium and small internet outlets.



Hispanic media response to outreach initiatives varies according to local characteristics

- **Florida:** Most penetration is with local and network Spanish TV stations and AM local radio stations. Local community media utilizes III content, interviews and releases on a regular bases.
- **In California:** Peter Morgana from the Insurance Information Network of California IINC, indicated that their best media penetration is with TV stations, mostly Univision Network, followed by Spanish Newspaper *La Opinión* and almost zero radio penetration.
- **Insurance Council of Texas** conducted a media tour this summer visiting radio stations and print publications, and with a relatively low investment in print ads and radio spots produced an exposure of their message with numerous additional interviews reaching a Spanish speaking audience of about 880,000.



What works best to reach the Hispanic Media

Personal contact with Hispanic media: What is a preferable practice with general media is crucial with the Hispanic one.

- **Know their needs – ask them.** Talk to writers, reporters, editor and the assignment manager as much as possible.
- **Meet them in person - go for coffee:** include **in your contacts** producers, anchors and news director of TV or radio station.
- **Contact the outlet's webmaster** no matter if is a newspaper, TV or radio station. Do not assume they share content; many times they don't.
- **Call them** with ideas for future stories and offer them some exclusive materials before general distribution if they show interest.

Serve their needs: Provide content that interest their audiences and make sure it is **Ready to go!** Most Hispanic outlets don't have time or resources for translating from English unless it is absolutely indispensable.

- Adjust materials to their formats as much as possible.
- Provide them with testimonials, real life cases and local interview opportunities with consumers of insurance products with positive stories.
- Provide them with evergreen content that can be used in related stories: audio quotes, video bites or even general topic articles.

If possible invest in some commercial time or ads: Most local, community printed media, AM radio stations and local TV outlets suffer from lack of advertisement investment and they rely on such for survival. Invest a little, receive a lot.

- **Serve as liaisons to possible clients for the media outlet.**



Suggestions for addressing Hispanics in Spanish

- Bilingual level of Hispanics varies within any group – Decide if the target audience would benefit better from a message in Spanish or English.

- If materials are to be prepared in Spanish, secure the use of native speaking specialists - Use proven professionals that know the audience and how to approach them considering their cultural perspective.

- Basic recommendations when addressing audiences in Spanish:
 - Keep it neutral and grammatically correct.
 - Remind customers that English is the official language for the actual documents, financial contracts, policy, etc.
 - When explaining financial concepts in Spanish, accompany them with the corresponding English terms.
 - Testimonials and personal references usually have a bigger impact than statistics, facts or data among Hispanic buyers.



THANK YOU VERY MUCH

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