



## **2010 Showalter Innovation Award Winner – Grassroots**

### **Political Involvement Program Innovation Award© For Accomplishments in PAC, Grassroots and Technology**

**Nominated Organization:**

Nationwide Insurance

**Name of Person Submitting the Nomination:**

Scot Zajic, AVP, Chief Public Policy Officer

**Submitter's Phone Number and Email Address:**

614-677-1573 / [zajics@nationwide.com](mailto:zajics@nationwide.com)

**Is the nomination for grassroots, PAC or technology?**

Grassroots

**What is the innovation?** Direct Customer Grassroots Engagement

Nationwide engaged 69,000 customers in a grassroots campaign to support a significant state legislative initiative to proactively reform North Carolina's homeowners insurance residual market known as the North Carolina Beach Plan. This initiative included a partnership with a "Fix the Beach Plan" insurance industry coalition that managed a social grassroots campaign including a consumer facing website and multiple media spots.

Coalition lobbying efforts to enact the reform legislation (North Carolina HB 1305) were enhanced by Nationwide's innovative customer grassroots outreach. Engaging its internal marketing, business communication and analytic resources, Nationwide was able to communicate directly with its customers via email and direct them to the coalition website [fixthebeachplan.com](http://fixthebeachplan.com). Customers were provided balanced information on the reform legislation and instructions on how to contact their state legislators.

**What prompted this innovation?**

A leading North Carolina homeowners insurer announced its intent to withdraw from the North Carolina insurance market. The entire property and casualty industry, as well as the state legislature, understood this would mean certain marketplace disruption and harm to the consumers of North Carolina in terms of insurance availability and affordability. In just four months, a bill was crafted to help stabilize the market. HB 1305, a proactive industry bill, was introduced in March 2009 to provide financial stability to the state's Beach Plan, its homeowners insurer of last resort.

To create market stability, HB 1305 was drafted to build reserves, purchase necessary financial products to ensure solvency and help the Beach Plan fully pay its claims after a storm. The reforms included a 10% statewide surcharge on all homeowners in the event of a "once in a century" storm that would exhaust the Beach Plan's reserves. The very idea of a surcharge prompted immediate consumer opposition from inland homeowners concerned with subsidizing the cost of insurance for coastal residents. Legislators voiced concern with the 10% funding mechanism and coastal residents continued to voice frustration over higher costs for homeowners insurance. This created a perfect

media storm against the bill and led consumers to believe HB 1305 was not in their best interest.

Initial opposition created a challenge to inform residents of the short- and long-term benefits of HB 1305. Exhausting traditional grassroots outreach using agents and employees to communicate with legislators, Nationwide viewed the “Fix the Beach Plan” coalition as an opportunity to inform its customer base in an effort to change public opinion. Nationwide test-marketed a customer call to action among a geographically diverse sample within North Carolina. It also surveyed a random group of consumers on a national basis, focusing on the idea that an insurance company could inform its customers on critical issues and engage them in the political process. With the success of the pilot and positive feedback from its national survey, Nationwide then emailed 69,000 homeowner insurance customers across North Carolina to inform them why HB 1305 was important to the long-term health and vitality of the homeowners insurance market.

### **How is this innovation likely to change the way political involvement programs are conducted?**

The coalition’s initial grassroots campaign was not generating the desired number of emails or moving the opinions of legislators on the bill. Nationwide’s effort supports the concept that insurance consumers want to hear from their company and are more likely to take action if the request is received from a unique relationship that they trust.

Nationwide tracked its customer engagement and was able to validate that a majority of the insurance coalition website hits were related to or directly coincided with its customer engagement campaign. Overall, the coalition’s efforts resulted in 4,900 residents taking action through [fixthebeachplan.com](http://fixthebeachplan.com), sending 41,000 emails to state Senators, House members, and the Governor. On the ground lobbyist began hearing from legislators that their in- boxes were filling with emails from constituents who favored the bill. The customer grassroots effort helped offset negative public opinion, change legislator behavior, and greatly influence the signing of HB 1305 into law by Governor Beverly Perdue.

The Nationwide customer grassroots campaign required an internal cross-functional working group representing 15 separate business units. The internal working group was responsible for making the final decision to move forward with the customer email. The working group was coordinated by Nationwide’s grassroots manager. The pilot call to action was sent to 2,500 Nationwide customers and included an embedded survey. This survey found that 85% of respondents were interested in receiving communications from Nationwide about legislative issues affecting insurance coverage and rates. The survey also confirmed that customers prefer email communications and roughly two-thirds visited the website and found the information helpful.

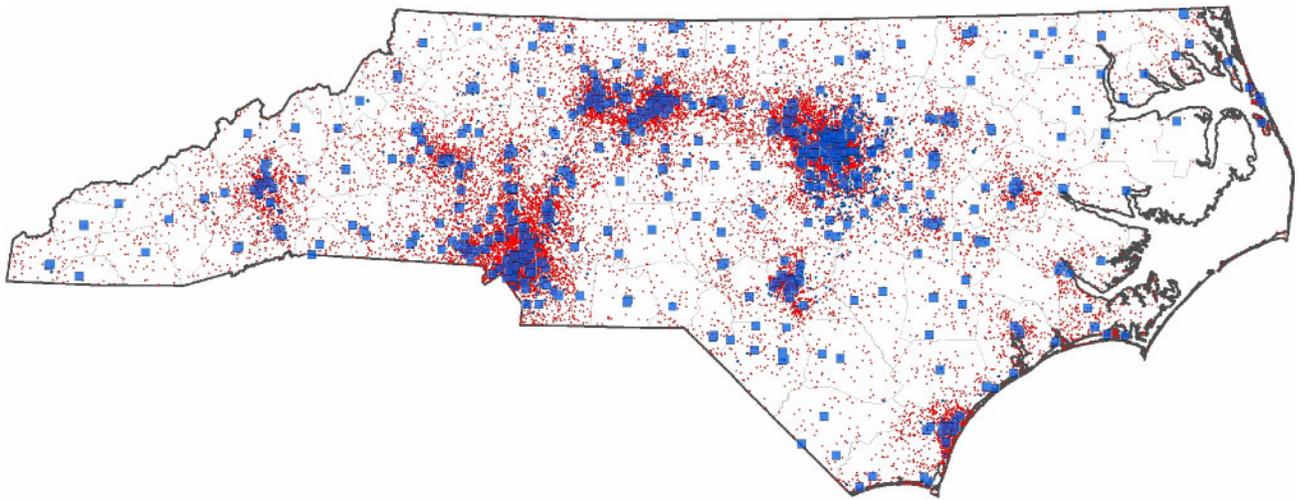
Before sending the call to action to the remaining 69,000 homeowner insurance customers, Nationwide tested three email subject lines to 7,500 customers and monitored the open-rates and the click-through rates. A key indicator that Nationwide customers supported these actions is that less than one percent of the 69,000 recipients chose to opt-out of the campaign. Not only was there a high-level of engagement among the email recipients, but using email saved Nationwide \$30,000 on mail costs.

Initiating the customer grassroots campaign helps provide a better understanding of the Nationwide customer from the perspective of political engagement. It provides an additional touch point to the consumer and creates a competitive advantage for the company in the political process. This innovative grassroots approach helps Nationwide business leaders appreciate the value of collaboration among its operating business units and appreciate that Government Relations has a valuable role helping the company achieve its business strategies.

### **What can public affairs professionals learn from your innovation?**

Corporations today have made the investment to communicate with customers through email and social media. The business community has the ability to engage millions of consumers on important issues. The results of the Nationwide email campaign indicate that customers want to hear from a company in which they have some type of invested interest and will respond favorably to receiving information on issues that have a direct impact on this relationship. More important, it codifies the right of, and the consumer support for, corporate free speech in the United States.

## Nationwide's Political Assets with Customers



- NI Agencies
- Associates
- Customers