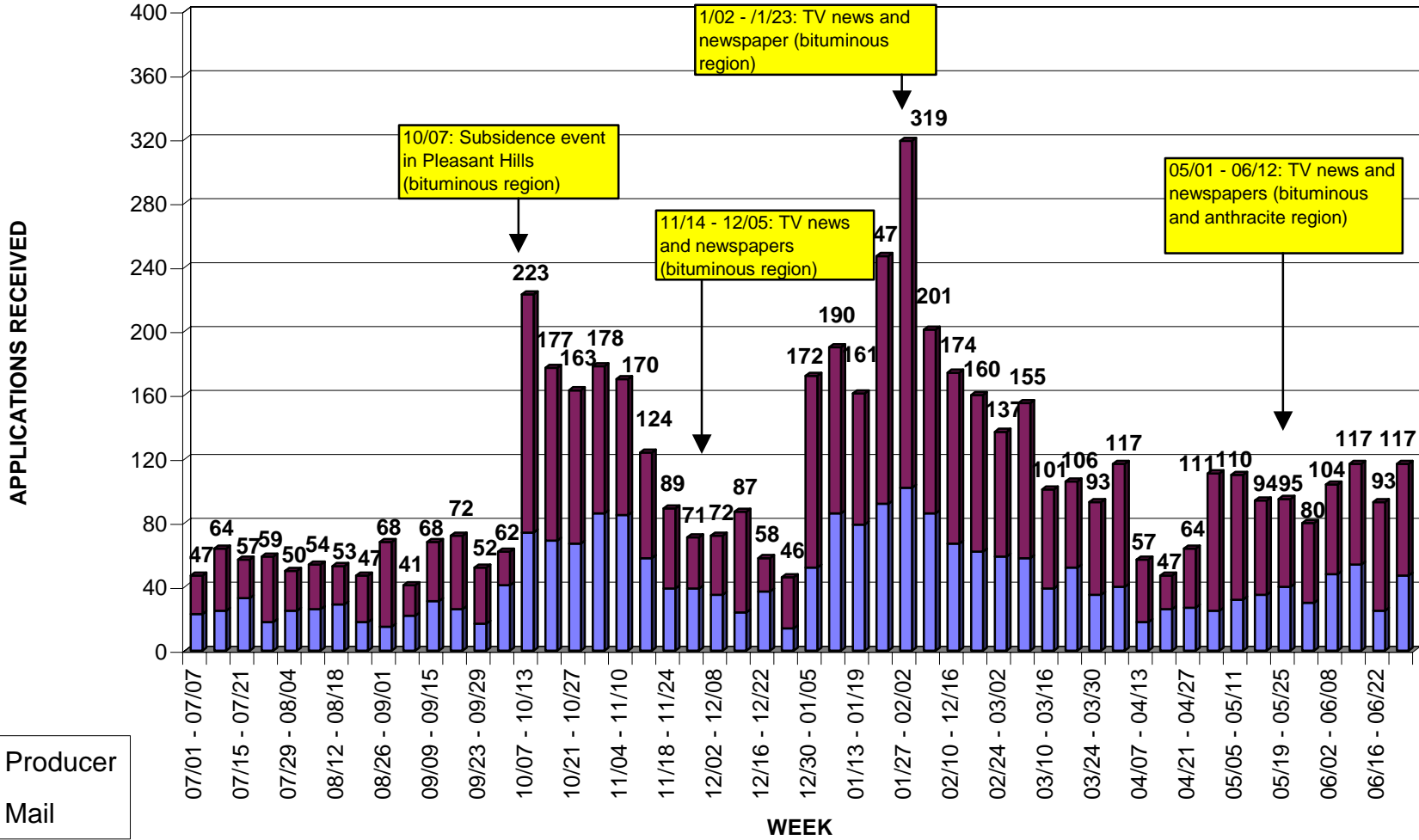


**MSI
MARKETING**

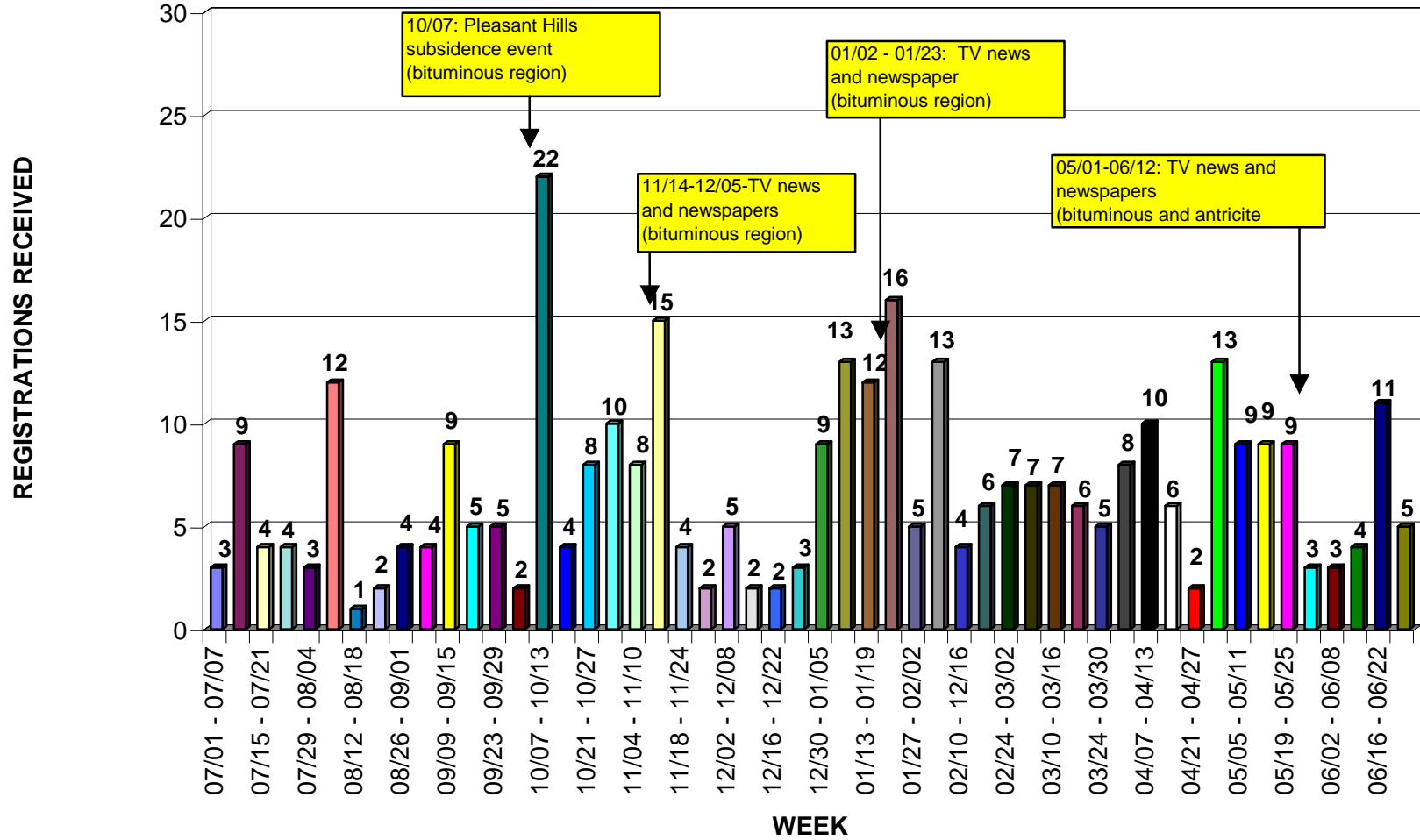
MINE SUBSIDENCE INSURANCE
MARKETING FUNDS REPORT
MARKETING CAMPAIGN
COMBINED CATALYST CONTRACT NO. 3520022940 & HARMELIN MEDIA CONTRACT NO. 4600008608
JULY 1, 2005 THROUGH JUNE 30, 2006
WORK PLAN REVISED DECEMBER 1, 2005

	MASS MEDIA PRODUCTION	PUBLIC OUTREACH & EDUCATION PRODUCTION	PUBLIC RELATIONS	RESEARCH, STRATEGY & REPORTING	MASS MEDIA PLACEMENT	COMMISSIONS	TOTAL
BUDGET	\$35,000.00	\$21,900.00	\$5,000.00	\$15,000.00	\$215,000.00	\$8,100.00	\$300,000.00
INVOICES							
Jul-05	\$1,459.24	\$0.00	\$187.62	\$4,283.99	\$0.00		\$5,930.85
Aug-05	\$17,069.53	\$10,850.42	\$2,185.38	\$2,501.60	\$62.54		\$32,669.47
Sep-05	\$16,253.01	\$10,795.51	\$1,374.19	\$2,970.65	\$0.00		\$31,393.36
Oct-05	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Nov-05	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Dec-05	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Jan-06	\$0.00	\$0.00	\$0.00	\$0.00	\$58,339.75		\$58,339.75
Feb-06	\$0.00	\$0.00	\$0.00	\$0.00	\$7,645.75		\$7,645.75
Mar-06	\$0.00	\$0.00	\$0.00	\$0.00	\$40,721.75		\$40,721.75
Apr-06					\$59,154.75		\$59,154.75
May-06					\$40,721.75		\$40,721.75
Jun-06					\$7,646.54	\$8,033.61	\$15,680.15
SUBTOTAL CATALYST Jul-Sep	\$34,781.78	\$21,645.93	\$3,747.19	\$9,756.24	\$62.54	\$0.00	\$69,993.68
SUBTOTAL HARMELIN Jan-Jun	\$0.00	\$0.00	\$0.00	\$0.00	\$214,230.29	\$8,033.61	\$222,263.90
TOTAL INVOICED	\$34,781.78	\$21,645.93	\$3,747.19	\$9,756.24	\$214,292.83	\$8,033.61	\$292,257.58
BALANCE	\$218.22	\$254.07	\$1,252.81	\$5,243.76	\$707.17	\$66.39	\$7,742.42

FY 2005 - 2006: TOTAL APPLICATIONS



FY 2005 - 2006: TOTAL PRODUCER REGISTRATIONS



MEMORANDUM

TO: Joe Taranto, MSI
FROM: Sue Laks
RE: Mine Subsidence Insurance 2005-2006 Media
Recommendation
CC:
DATE: October 6, 2006

Below please find the 2005-2006 media recommendation for Mine Subsidence Insurance.

The plan is based on the following parameters:

MEDIA OBJECTIVE:

- Create awareness of Mine Subsidence Insurance among key target audiences

TARGET AUDIENCE:

- Homeowners age 25-54 (Event Driven & Sustaining Efforts)
- Insurance Agents within State of Pennsylvania

TIMING:

- January – June 2006

GEOGRAPHY:

- Consumer Efforts: Pittsburgh & Wilkes-Barre/Scranton DMAs
- Business to Business: State of Pennsylvania

CREATIVE UNIT LENGTHS:

- Consumer Event Driven:
 - TV - :30
 - Newspaper – 2 Columns (3.75" w) x 10.5" d
- Consumer Sustaining:
 - *Pittsburgh Magazine* – (2/3 Page, 4 Color non bld) 4 3/4" w x 9 5/8" d
 - (*Pittsburgh Magazine*) WQEX Ch 16 TV - :30 Spot



- *(Pittsburgh Magazine)* Web Link
- *Happenings Magazine* – (Full Page, 4 Color non bld) 5.5"w x 8.75"d. (*Publication did not offer a 2/3 page unit*).
- Business to Business:
 - 2/3 Page, 4 Color (4 5/8"w x 9.25"d and 4 5/8"w x 10"d)

TOTAL BUDGET: \$220,000 Approximately
 (Covers media, commission, misc expenses)

MEDIA RECOMMENDATION:

EVENT DRIVEN

Television –

- Run 75 TRPs (Adults 25-54) per week, for a 2-4 week flight, per market, in Pittsburgh & Wilkes-Barre/Scranton
 - Pittsburgh – First flight to run 1/2 for 4 weeks; Second flight to run 5/1 for 3 weeks; Third flight to run 6/5 for 2 weeks
 - Wilkes-Barre/Scranton – First flight to run 5/1 for 3 weeks; Second flight to run 6/5 for 2 weeks
- Use some combination of Early Morning News, Noon News, Early (Evening) News and Late (Evening) News across the major network affiliates in both markets.

Total Net Cost of TV:
\$93,653

Newspaper –

- Run 1x per week for four consecutive weeks using 2C x 10.5", black & white ads in the two major papers in Pittsburgh & Wilkes-Barre/Scranton MSAs
- Pittsburgh – First flight to run 1/2 for 4 weeks; second flight 5/1 for 2 weeks; third flight to run 6/5 for 2 weeks
 - *Pittsburgh Post-Gazette* (24.6% Dly / 41.3% Sun)
 - (Greensburg) *Tribune-Review* (6.0% Dly / 10.8% Sun)
- Scranton – First flight to run 5/1 for 3 weeks; second flight to run 6/5 for 3 weeks
 - *Scranton Times Tribune* (23.3% Dly / 26.6% Sun)
 - *Wilkes-Barre Times Leader* (18.4% Dly / 25.4% Sun)
- Run in Main News, switching the day of week the ad runs each week, e.g. run on Monday week one, Tuesday week two, Wednesday week

three and Thursday week four. This will maximize coverage against daily readers, as running on Sundays for four weeks would be cost prohibitive.

**Total Net Cost of Newspaper:
\$70,364**

CONSUMER SUSTAINING

Use media that allows for effective frequency across the January – June timeframe and that targets home owners in Pittsburgh & Wilkes-Barre/Scranton. After looking at all options, we believe that the use of Lifestyle Magazines will most effectively meet our goals while staying within budget guidelines. The recommended publications are as follows:

- ***Pittsburgh Magazine; Pittsburgh Magazine's Home & Garden Magazine; :30 TV spots on WQEX-TV/Ch 16 (added value) & Web Link on WQED.org (added value)*** – added value is tentative based on inventory availability.
 - ***Pittsburgh Magazine*** is the community publication for Pittsburgh and the Western Pennsylvania region. The magazine presents a mosaic of Pittsburgh and Western Pennsylvania lifestyles. It presents issues, analyzes problems, gives exposure to artists and writers, and in general strives to encourage a better understanding of the community.
 - Circulation of 50,000 per month
 - Run 5x (February – June 2006)
 - Ad Size: 2/3 Page, 4 Color, Non Bleed (4 3/4"w x 9 5/8"d)
 - ***Pittsburgh Magazine's Home & Garden Magazine*** (published in March & September each year) – Will be poly bagged with the March issue of *Pittsburgh Magazine* with over 35,000 additional copies being distributed at the March 2006 Home & Garden Show.
 - Run 1x in March 2006 issue
 - Ad Size: 2/3 Page, 4 Color, Non Bleed (4 3/4"w x 9 5/8"d)
 - **Pittsburgh Magazine Added Value:**
 - **WQEX-TV Channel 16 *America's Store 16*** – a shopping network
 - Run 200, :30 spots between January – June (based on inventory availability).
 - **WQED.org** – The website for WQED-TV, channel-13 (PBS Television)
 - Run on site January – June (based on inventory availability).
- ***Happenings Magazine*** –
 - Distributed in the Wilkes-Barre/Scranton markets and beyond, specifically in the following counties: Bradford, Carbon, Lackawanna, Luzerne, Monroe, Pike, Sullivan, Susquehanna, Wayne & Wyoming.
 - 30,000 (free) copies distributed per month to over 800 locations throughout NE PA in high traffic areas such as Libraries, Fine

Restaurants, Country Inns, Visitors Centers, Schools, Banks, Country Clubs, Chambers of Commerce, Hotels, Shopping Malls and Airports.

- Run 5x (February-June 2006)
- Ad Size: Full Page Page, 4 Color, Non Bleed (5.5"w x 8.75"d)

Total Net Cost of Consumer Magazines:

\$23,804

BUSINESS TO BUSINESS

Use a combination of one local publication, and the two most credible national publications (using regional editions) to target this audience and establish effective frequency. As there is a lot of duplicate readership between the insurance publications, run insertions in a staggered pattern, to achieve maximum reach and frequency throughout key time frame.

- **Primary Agent** – Targets insurance agents throughout Pennsylvania and is the official publication of the Insurance Agents & Brokers Service Group. It provides coverage of independent insurance agents in Pennsylvania, Delaware and Maryland and covers topics of interest to this audience.
 - Monthly circulation of 2,000
 - Run 5x (February – June 2006)
 - Ad Size: 2/3 Page Page, 4 Color, Non Bleed (4 5/8"w x 9.25"d)
- **American Agent & Broker** - Designed to help independent property/casualty insurance agents and brokers improve the operation of their businesses. It presents information on insurance sales, agency management, automation and technology, specialty insurance products, program business, risk management, and issues affecting the business.
 - Monthly regional circulation of 1,811 in state of PA
 - Run 3x (January, March and May 2006)
 - Ad Size: 2/3 Page Page, 4 Color, Non Bleed (4 5/8"w x 10"d)
- **Rough Notes** - Edited for property/casualty insurance agents and brokers. It covers agency management, new products, and insurance markets, and presents articles on industry trends, marketing techniques, success stories, technology, legislative issues, insurance coverage concerns, risk management, specialty lines, policy and rate changes, international developments, and meeting and conference reports.
 - Monthly regional circulation of 1,700 in state of PA
 - Run 3x (February, April and June 2006)
 - Ad Size: 2/3 Page Page, 4 Color, Non Bleed (4 5/8"w x 10"d)

Total Net Cost of BtoB Magazines:

\$16,462

TOTAL NET MEDIA:

\$204,283

TOTAL COMMISSION TO HARMELIN (3.75% of Net Budget):

\$ 7,661

GRAND TOTAL:

\$211,944

Mine Subsidence Insurance

Optimal Media Recommendation 2007-2008 FY



Prepared for: Joe Taranto

Date: October 2006

Prepared by:



Recommendation for 2007-2008

- In both fiscal years 04 and 05, there was a distinct correlation between when the advertising ran and when the number of policies increased
- Additionally, as ad spending increased, the number of policies increased

Spending vs. Apps Rec'd and Policies in Force

- Chart 1: Applications Rec'd vs. Media Placement Spending
- Chart 2: Policies in Force vs. Media Placement Spending

Chart 1
Applications Rec'd vs. Media Placement Spending

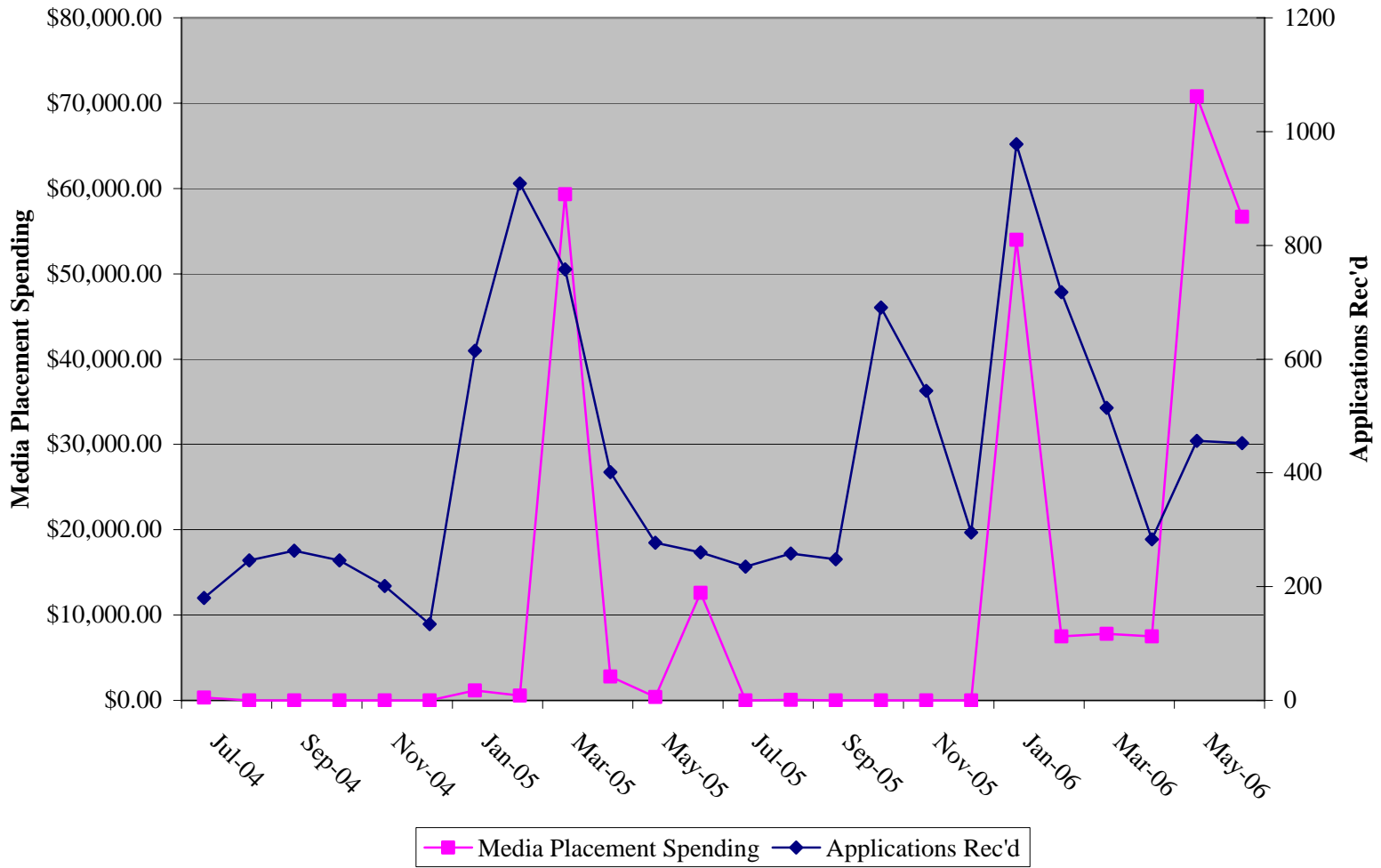
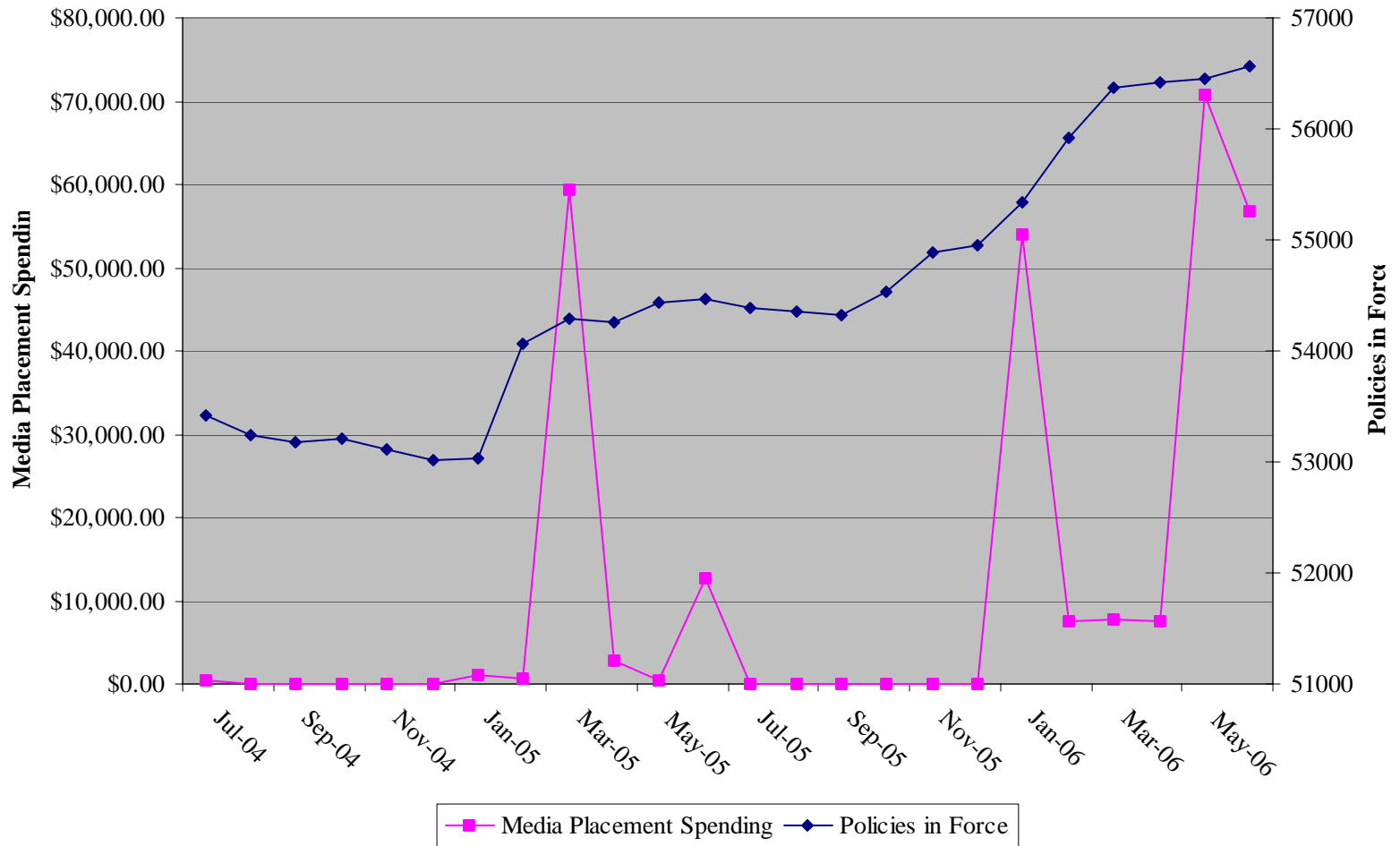


Chart 2
Policies in Force vs. Media Placement Spending



Recommendation for 2007-2008

- 2004–2005 Fiscal Year
 - Media Spend Level: \$77,000
 - Advertising Timing: January-June
 - Policies in Effect: 54,460
- 2005-2006 Fiscal Year
 - Media Spend Level: \$200,000
 - Advertising Timing: January-June
 - Policies in Effect: 56,570 (+2,110 policies vs year prior and highest in history of MSI program)

Situation Analysis

- Based on the January-June 2006 media buy results (highest sales of Mine Subsidence Insurance versus any other year), we are recommending running at the same budget level for the 2006/2007 fiscal year (\$200,000 per 6-month period) and \$400,000 per 1-year period for the 2007/2008 fiscal year, using a similar media strategy as the January-June 2006 campaign.

Recommendation for 2007-2008

- 2007–2008 Fiscal Year Budget Recommendation
 - To continue increasing the number of policies, increase ad spending to \$400,000
 - Recommend investing additional dollars into first half of fiscal year to “jump start” policy sales
 - Strategy would remain the same as 2006-2007 fiscal year

Media Strategy

- In Pittsburgh and Wilkes-Barre/Scranton where MSI occurrences are most prevalent, use the following to reach the Adults 25-54/Home Owner audience:
 - Broadcast TV News dayparts and Newspaper for event driven and sustaining efforts
 - Local lifestyle and relocation publications to have an on-going presence against the consumer audience
- Use business-to-business publications to reach insurance agents throughout the state

Media Rationale

- TV news dayparts and newspaper are recommended for the mine subsidence events because they offer a serious news environment which is appropriate for message
- Consumer lifestyle magazines are an effective way to reach home owners, age 25-54 with the general message, encouraging them to get Mine Subsidence Insurance to protect their home and family
- Business to Business Magazines are a cost effective means of reaching Insurance Agents to prompt them to suggest Mine Subsidence Insurance to their customers

Media Tactics

TV

- **Dayparts:** Use a combination of Early Morning News, Noon News, Early News and Late News
- **Unit Size:** 30 second spots
- **Weekly TRPs:** 75 TRPs (A25-54) per market

	6-Month	12-Month
• Total Number of Weeks:		
• Pittsburgh:	8	16
• Wilkes-Barre/Scranton:	4	8
• Total Net Cost*:		
• Pittsburgh:	\$66,213	\$132,426
• Wilkes-Barre/Scranton:	\$21,866	\$43,732

*Estimated costs. Cost will vary from year to year and quarter to quarter

Media Tactics

TV

- **Dayparts:** Use a combination of Early Morning News, Noon News, Early News and Late News
- **Unit Size:** 30 second spots
- **Weekly TRPs:** 75 TRPs (A25-54) per market

	6-Month	12-Month
• Total Number of Weeks:		
• Pittsburgh:	8	16
• Wilkes-Barre/Scranton:	4	8
• Total Net Cost*:		
• Pittsburgh:	\$66,213	\$132,426
• Wilkes-Barre/Scranton:	\$21,866	\$43,732

*Estimated costs. Cost will vary from year to year and quarter to quarter

Media Tactics

Newspaper

- Run in the major daily newspapers in Pittsburgh and Wilkes-Barre/Scranton:
 - *Pittsburgh Post Gazette* (23.3% Dly / 37.2% Sun)
 - (Greensburg) *Tribune- Review* (11.7% Dly / 17.1% Sun)
 - *Scranton Times Tribune* (24.3% Dly / 27.4% Sun)
 - *Wilkes-Barre Times Leader* (19.1% Dly / 26.9% Sun)

Source: SRDS, 2005 Circulation
- Run in Main News, switching the day the ad runs each week, e.g. run on Monday week one, Tuesday week two, Wednesday week three and Thursday week four, etc. This will maximize coverage against daily readers, as running on Sundays would be cost prohibitive

Media Tactics

Newspaper (continued)

• Unit Size:	2c (3.75") x 10.5" black and white	
	6-Month	12-Month
• Total Number of Insertions:		
• Pittsburgh:		
– Post-Gazette/Tribune Review	7	14
• Wilkes-Barre/Scranton:		
– Tribune Times/Times Leader	5	10
• Total Net Cost*:		
• Pittsburgh:	\$50,133	\$100,265
• Wilkes-Barre/Scranton:	\$15,004	\$30,008

*Estimated costs. Cost will vary from year to year.

Media Tactics

Pittsburgh Magazine's Home & Garden

- **Included as added value for Pittsburgh Magazine**
- **Published:** Published 2x a year
- **Unit Size:** 2/3P, 4-Color, Non-Bleed (4 3/4''w x 9 5/8''d)



	6-Month	12-Month
• Total Number of Insertions:	2	2
• Total Net Cost:	added value	added value

Media Tactics

From House to Home

- **Profile:** Distributed to select Pittsburgh households with minimum annual income of \$75,000 along with their *Tribune Review* newspaper. Readers enjoy pertinent and informative content about buying, building, remodeling, decorating, and landscaping
- **Circulation:** approximately 40,000 per month
- **Published:** Quarterly
- **Unit Size:** 2/3P, 4-Color, Non-Bleed (4.9375''w x 10''d)
- **Total Number of Insertions:**

	6-Month	12-Month
	2	4
- **Total Net Cost*:**

	\$3996	\$7992

*Estimated costs. Cost will vary from year to year.

Media Tactics

Mt. Lebanon Magazine

- **Profile:** Delivered free to every household and business in Mt. Lebanon 10x a year. The magazine features community news, community life and municipal services, event listings, recreation, and continuing education programming.
- **Circulation:** 22,000
- **Published:** Monthly
- **Unit Size:** 2/3P, 4-Color, Non-Bleed (4.9375''w x 10''d)



	6-Month	12-Month
• Total Number of Insertions:	3	6
• Total Net Cost*:	\$2,766	\$5,532

*Estimated costs. Cost will vary from year to year.

Media Tactics

Happenings Magazine

- **Profile:** Distributed in the Wilkes-Barre/Scranton markets and beyond, specifically in the following counties: Bradford, Carbon, Lackawanna, Luzerne, Monroe, Pike, Sullivan, Susquehanna, Wayne & Wyoming.
- Free copies are distributed monthly to over 800 locations throughout NE PA in high traffic areas such as Libraries, Fine Restaurants, Country Inns, Visitors Centers, Schools, Banks, Country Clubs, Chambers of Commerce, Hotels, Shopping Malls and Airports.
- **Circulation:** 30,000
- **Published:** Monthly
- **Unit Size:** Full Page Page, 4 Color, Non Bleed (5.5"w x 8.75"d)

	6-Month	12-Month
• Total Number of Insertions:	3	6
• Total Net Cost*:	\$1,902	\$3,804

*Estimated costs. Cost will vary from year to year.

Media Tactics

Business-to-Business Publications

- Use a combination of one local publication, *Primary Agent*, and a regional edition of a national publication, *American Agent & Broker*, to reach the Insurance Agent audience and with effective frequency. As there is a lot of duplicate readership between the insurance publications, run insertions in a staggered pattern, to achieve maximum reach and frequency throughout key time frame.

Media Tactics

Primary Agent

- **Profile:** Targets insurance agents throughout PA and is the official publication of Insurance Agents & Brokers Service Group. It provides coverage of independent insurance agents in PA, DE, and MD and covers topics of interest to this audience
- **Circulation:** 2,000 per month
- **Published: Monthly**
- **Unit Size:** 2/3P, 4-Color, Non bleed (4 5/8''w x 9.25''d)

	6-Month	12-Month
• Total Number of Insertions:	3	6
• Total Net Cost*:	\$2,820	\$5640

*Estimated costs. Cost will vary from year to year.

Media Tactics

American Agent & Broker

- **Profile:** Designed to help independent property/casualty insurance agents and brokers improve the operation of their businesses. It presents information on insurance sales, agency management, automation and technology, specialty insurance products, program business, risk management, and issues affecting the business.
- **Regional Circulation (PA):** 1,811
- **Published:** Monthly
- **Unit Size:** 2/3P, 4-Color, Non bleed (4 5/8''w x 9.25''d)
- **Total Number of Insertions:**

	6-Month	12-Month
	3	6
- **Total Net Cost*:**

	6-Month	12-Month
	\$6,870	\$13,740

*Estimated costs. Cost will vary from year to year.

Media Budget Summary

	6-Month	12-Month
TV:	\$ 88,079	176,158
Newspapers:	\$ 65,137	130,273
Consumer Magazines:	\$ 28,664	57,328
B-to-B Magazines:	\$ 9,690	19,380
Realtor Books:	\$ <u>633</u>	<u>633</u>
TOTAL MEDIA:	\$ 192,203	383,772
Harmelin Commission:	\$ 7,208	14,391
Additional Expenses:	\$ <u>500</u>	<u>1,000</u>
GRAND TOTAL:	\$ 199,911	399,163