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AUTUMN 2015

Global Affinity

Finance Club

Finaccord's newsletter about affinity financial services worldwide



Welcome back to your Club!

A number of interesting new deals are visible in the latest round-up of affinity and corporate partnerships worldwide from the autumn.

These include two for health cover, namely those of nib with Qantas, which is seemingly the first for this type of insurance concluded with an airline, and of Europ Assistance with Italian utilities firm Enel Energia, which is targeted at the over-65 age group. In the former case, around 11 million members of the airline's frequent flyer program can earn points by means of a mobile app that tracks their physical activity; these can then be used to fund 'Qantas Assure' health insurance premiums. Meanwhile, in the latter case, a health assistance module is embedded automatically in a three-year, fixed-price electricity and gas package.

Also noteworthy by virtue of the extent to which they illustrate the emergence of new types of affinity partner are the deals of Allianz with Baidu and of Western Union with WeChat. The agreement of Allianz with Chinese internet giant Baidu (plus Asian investment firm Hillhouse Capital Group) entails the creation of a joint venture insurer distributing short-term health, lifestyle protection and travel cover plus policies related to ecommerce. As for that of Western Union with WeChat, a mobile text and voice messaging service developed by Tencent in China, this represents the social media application providing a technological platform to support P2P cross-border money transfer capabilities, making use of a network of Western Union agents in over 200 countries around the world.

Alan Leach, Director
aleach@finaccord.com



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Upcoming Finaccord reports

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Channel Metrics: Consumer Distribution Trends in UK Accident and Health Insurance

Channel Metrics: Consumer Distribution Trends in UK Annual Travel Insurance

Channel Metrics: Consumer Distribution Trends in UK Breakdown Recovery Insurance

Channel Metrics: Consumer Distribution Trends in UK Home Emergency Insurance

Channel Metrics: Consumer Distribution Trends in UK Household Insurance

Channel Metrics: Consumer Distribution Trends in UK Life Insurance

Channel Metrics: Consumer Distribution Trends in UK Mortgages

Channel Metrics: Consumer Distribution Trends in UK Motor Insurance

Channel Metrics: Consumer Distribution Trends in UK Pet Insurance

Channel Metrics: Consumer Distribution Trends in UK Single-Trip Travel Insurance

Consumer Automotive Financial Services in Belgium

Consumer Automotive Financial Services in Germany

Consumer Automotive Financial Services in the Netherlands

Consumer Automotive Financial Services in Poland

Consumer Automotive Financial Services in Spain

Consumer Automotive Financial Services in Switzerland

Consumer Automotive Financial Services in the UK

Global Consumer Lending: Size, Segmentation and Forecast for the Worldwide Market

Global Life Insurance and Retirement Savings: Size, Segmentation and Forecast for the Worldwide Market

Professional Indemnity Insurance in Australia

Professional Indemnity Insurance in Canada

Professional Indemnity Insurance in France

Professional Indemnity Insurance in Ireland

Professional Indemnity Insurance in Italy

Professional Indemnity Insurance in South Africa

Professional Indemnity Insurance in Spain

Surety Bonds in Belgium

Surety Bonds in France

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Surety Bonds in the UK



Affinity Insurance News

ASSISTANCE

Aviva takes on underwriting responsibility for HomeServe assistance products

In the UK, Aviva has announced that its UK general insurance business has signed a five-year agreement with home emergency specialist HomeServe whereby Aviva will begin underwriting home emergency insurance and assistance products for HomeServe's UK customers, which number around 2 million.

DAS provides road assistance to UK brokers through Bluefin Network

Also in the UK, DAS has teamed up with the Bluefin Network insurance broker network to provide its road assistance service to partner brokers. The service provides cover for commercial vehicles and fleets as well as private vehicles, and represents an extension to an existing relationship between DAS and the Bluefin Network, which has been in place for more than ten years for products such as commercial legal protection insurance.

RAC wins five-year road assistance contract with Brightside Group

Again in the UK, Brightside

Group and the RAC have signed a five-year deal that will see the broker selling a variety of the RAC's road assistance products to customers across its motor book.

AXA Assistance facilitates access to road assistance for people with restricted hearing

In Italy, AXA Assistance has announced a partnership with Pedius, a mobile app that allows people with restricted hearing to use the phone. Individuals using the service can be connected directly to AXA's road assistance team and can also access a free medical helpline.

Europ Assistance secures innovative health assistance partnership with Enel Energia...

Also in Italy, Europ Assistance has teamed up with energy firm Enel Energia to create a partnership for distributing a health and well-being assistance service. Specifically, the cover on offer is targeted at individuals aged over 65, who make up around one third of the country's population, plus other family members living with them. The assistance firm claims that it is the first of its type in the market by being embedded as a free benefit within the energy company's 'ENERGIAX65' gas and electricity package that carries a fixed price for three years.

...and teams up with German health insurance fund

Meanwhile, in Germany, Europ Assistance has established a new assistance partnership with BKK RWE, the health insurance fund of utilities firm RWE, whereby the fund's customers (which number approximately 60,000) can make use of a 'second opinion' medical service administered by Europ Assistance which is available both by phone and in writing.

Europ Assistance forges partnership with French car sharing service

In France, Europ Assistance has partnered with car sharing service iDVROOM to offer a 'guaranteed return' service. Specifically, in the event that there is a cancellation due to emergency circumstances such as sudden illness this assistance product provides a guaranteed return taxi journey for users who book through iDVROOM.

Mondial Assistance and Somfy collaborate for assistance and connected home packages

In another development in France, Mondial Assistance (the trading name still used in France by Allianz Global Assistance) has partnered with Somfy, a company that specialises in home automation products. Specifically, the companies have jointly launched a range of offerings incorporating



Affinity Insurance

Somfy's products including a 'travel pack' which combines travel assistance with automated surveillance and operation of facilities in the home while the resident is away, a 'family pack' which includes a remote health consultation facility, home care and transport to school for children, and a home assistance package. This initiative fits with the broader objective of Mondial Assistance to enhance its assistance services with the latest technologies, including smart household devices.

COMMERCIAL INSURANCE

Groupama links with WeFarmUp.com 'sharing economy' website for specialised cover

In France, Groupama has announced a tie with the WeFarmUp.com website by providing insurance for both owners and users of agricultural equipment hired through it. Following the example of 'sharing economy' websites such as Airbnb, WeFarmUp.com acts as a platform for French farmers to rent out under-utilised equipment.

HOUSEHOLD INSURANCE

RSA wins five-year household insurance partnership with the UK's largest building society...

In the UK, RSA has announced that as of spring 2017 it will underwrite all household insurance products sold by the Nationwide, the country's largest building society, as part of an exclusive five-year partnership deal. This key deal reinforces RSA's position as underwriter of household cover distributed by many UK banks and building societies. The insurer currently holding the relationship with the Nationwide and that will continue to be used up to the switchover date is Direct Line Group's UK Insurance.

... but loses Welsh building society mandate to Legal & General in the same area

Also in the UK, Legal & General has displaced RSA from its long-standing household insurance distribution partnership with another building society, the Cardiff-based Principality. Its policies are being marketed by the building society online and by phone as well as in its branches.

LIFE, ACCIDENT AND HEALTH INSURANCE

nib seeks to expand health insurance market share through innovative partnership with Qantas

Qantas has announced the launch of 'Qantas Assure', a health insurance program that is targeted at the 11 million members of its frequent flyer club. Underwritten by Australia-based insurer nib, 'Qantas Assure' makes use of a mobile app to track members' physical activity. In particular, the app logs the number of steps taken in a day and deposits Qantas frequent flyer points into members' account'. Members can choose from a range of daily or weekly exercise targets depending on their lifestyles with the number of points earned increasing proportionally to the target.

Points can be used with over 400 partners for flights, shopping, or towards paying premiums for 'Qantas Assure'. Qantas has stated that 'Qantas Assure' has been shaped by surveys of Australian consumers regarding their views on well-being and insurance, and that it is looking to capture a share of the Australian private health insurance market of between 2% and 3% within the first five years of launching the product.



Jubilee Insurance ties with Bupa for international health insurance partnership

In Kenya, Jubilee Insurance has announced that it has begun offering international health insurance policies from Bupa. One of these products is Bupa's 'Vital Africa' emergency treatment plan which enables customers to access emergency treatment anywhere in Africa. Jubilee Insurance anticipates that the relationship will enable it to meet the growing demand for international health insurance and to provide a one-stop shop for medical cover to major corporations, private individuals and families.

Aflac co-operates with private benefits exchange operator for distribution of group products

In the US, Aflac has entered into an agreement with Liazon, an operator of private benefits exchange Bright Choices, whereby approved brokers will be able to offer its group accident, critical illness and hospital indemnity plans. Bright Choices helps employers to manage their healthcare costs and facilitates employees' purchase of dental, disability, health, life and optical insurance products.

Dai-ichi Life enters into 15-year life insurance partnership with Vietnam Post

In Vietnam, Dai-ichi Life has announced a strategic business alliance with Vietnam Post, the country's state-owned post office network, with a 15-year duration. By means of this relationship, Dai-ichi Life will be able to sell its life insurance products throughout Vietnam Post's network.

AXA forges broad affinity deal for wealth management products with Spanish football team...

In Spain, the wealth management arm of AXA has signed a deal with the second division football club Unión Esportiva Llagostera. This agreement provides the club's members as well as its players, officials and other employees with free financial advice and preferential access to AXA's personal and family protection policies plus its savings, wealth management, pension and investment products.

... and unveils partnership with trade union for air traffic controllers in Spain

Also in Spain, AXA has entered into a comparable agreement with the Unión Sindical de Controladores Aéreos (a trade union for air traffic controllers) to provide its 2,100 members and their

families with financial advice and preferential terms across a range of protection and wealth management products.

Avalon creates the UK's first football-themed affinity funeral plan

In the UK, Avalon, a provider of prepaid funeral plans, and Yorkshire-based football club Huddersfield Town F.C., have joined forces to create the country's first football-themed affinity funeral plan. The prepaid 'Terriers Funeral Plan' means that the club's supporters can make their funeral a celebration of their life as a fan of the football club. Costing GBP 4,195, benefits of the plan include the following: a coffin bearing the club's colours and crest or a traditional veneered coffin with a home shirt and name printed on the back; a blue and white floral football bouquet and condolence card from the club; the club song, 'Smile Awhile', played at the funeral service; free hire of one of the club's function rooms for the wake; ashes scattered around the pitch at the club's stadium; announcement of the policyholder's death at a home game and mention in the match day program; and funeral director services required to conduct the funeral.



Old Mutual establishes relationship with mobile operator for funeral cover

In another deal for funeral insurance, South African mobile network operator Telkom has announced an agreement with Old Mutual to offer funeral cover to its customers. The first initiative has seen Telkom's pre-paid customers receive ZAR 10,000 worth of funeral cover underwritten by Old Mutual as long as they recharge their accounts with at least ZAR 100 of credit in each calendar month.

MOTOR INSURANCE

Groupama becomes motor insurer for Renault and Dacia car buyers in France

In France, Renault and Dacia dealers can now offer a new motor insurance policy underwritten by Groupama's Amaguiz brand. This initiative has been launched with a major promotion including a first year of insurance for just EUR 1 on a selection of new cars, while other new and approved used cars carry three months of free insurance for the first year of the policy. Upon purchase of the cover, customers are contacted directly by Amaguiz with the underwriting and subsequent administration then carried out online.

Jubilee Insurance extends footprint in Central Africa through automotive group partnership

Kenyan group Jubilee Insurance has launched operations in DR Congo through a deal with the country's CMC Motors automotive chain. Specifically, it has introduced a one-stop insurance package for its partner's automotive dealers consisting of its entire portfolio of products. The deal with CMC Motors, which is wholly owned by Dubai-based Al-Futtaim Group, provides vehicle buyers with insurance and also encompasses valuation, repair and servicing benefits.

Brightside Group changes motor insurance distribution model with ASDA

In the UK, supermarket chain ASDA has announced that it is discontinuing sales of its branded car and van insurance products in favour of switching to a motor insurance comparison service run in conjunction with broker Brightside Group, which acted previously as its partner for branded policies. However, Brightside will continue to service on-going branded policies sold through ASDA and will also carry on offering ASDA-branded car and van insurance cover as an option to customers renewing those policies.

NICHE INSURANCE

Allianz Global Assistance develops new GAP insurance proposition for BMW

Four new developments have been identified in UK niche insurance markets in recent months.

First, BMW has launched an upgraded shortfall (GAP) insurance policy in partnership with Allianz Global Assistance which it worked with anyway for its previous offer in this area. The main new feature of the product, which can be used in conjunction with BMW and MINI vehicles, as well as for any vehicles financed by Alphera (a subsidiary of BMW Financial Services), is that it covers up to 100% of the vehicle's invoice price, without requiring the customer to select GBP 10,000 or GBP 20,000 as pre-determined levels of cover. Hence, this can include cover for vehicle purchases worth up to GBP 120,000 for high-value cars financed by Alphera. Furthermore, cover can be acquired for one-year, two-year, and four-year periods.

Brightside Group collaborates with Ryan Direct Group for niche automotive insurance

Secondly, broker Brightside Group has recently entered into a deal with Ryan Direct Group (RDG), part of the Chicago-



based Ryan Specialty Group, to distribute a full suite of ancillary automotive insurance products. These include excess protection, key protection, personal accident, windscreen and replacement vehicle cover. Brightside will sell the products, collect premiums and manage the fulfilment, while RDG will handle administration and claims alongside its insurer partners.

UK General partners with Open GI to distribute motor insurance add-ons to brokers

Thirdly, managing general agent UK General has become one of the first insurance providers to distribute motor add-on cover to brokers via Open GI's software platform, with GAP insurance soon to follow. This deal enables brokers to offer quotes based on existing vehicle information already given in a customer's motor insurance quote.

Legal & General begins underwriting own pet insurance policies

Finally, Legal & General has begun underwriting risks for all new business for its pet insurance product. Since 2012, it has offered customers the ability to arrange pet insurance cover for dogs and cats both directly and using online aggregators such as Confused.com, GoCompare.com and MoneySupermarket.com, with policies managed

by Ultimate Pet Partners and underwritten by Ultimate Insurance Company. Going forwards, its policies, which come in three variants, namely accident only, accident and illness, and a premium version of accident and illness, will continued to be administered by Ultimate Pet Partners.

ARAG develops tailored legal protection policies for Portuguese trade association members

Meanwhile, in Portugal, insurer ARAG and broker Tempu have sealed an agreement with the Associação Nacional do Ramo Automóvel (ARAN, the country's automotive trade association) for the provision of tailored legal protection insurance policies to the association's members, who include dealers, repair shops and transportation companies.

PRODUCT WARRANTIES / INSURANCE

BNP Paribas Cardif works with Croatian mobile operator for mobile device insurance...

In Croatia, mobile network operator Vipnet has teamed up with BNP Paribas Cardif to offer mobile phone and gadget insurance covering accidental damage. Customers can pay for the insurance directly via their

Vipnet accounts without needing to fill in any additional documentation. Moreover, users with Apple mobile devices receive an extended warranty for an additional year after Apple's own factory warranty expires, covering an unlimited number of repairs, as well as the replacement of the device in case of irreparable damage. Private users can insure one device while business users can insure up to 20 separate devices.

... and renews extended warranty partnership with Fujiooka in Brazil

In Brazil, BNP Paribas Cardif has renewed its partnership for extended warranties with Fujiooka, a major retailer of consumer electronics. The relationship has a three-year duration and entails the provision of extended warranties for smartphones, tablets, cameras, personal computers and other items.

OnePlus employs Assurant for mobile phone protection plans in Canada and the US

In North America, technology company OnePlus has linked up with Assurant to offer its Canadian and US customers protection plans for its newly-released smartphones, the 'OnePlus X' and 'OnePlus 2'. Specifically, Assurant's 'On-Guard' protection plans will cover technical



breakdown after the warranty expires. Three single-payment options are priced at between USD 20 and USD 80, and offer consumers the choice of purchasing cover for 12, 18 or 24 months. There is no deductible for claims for technical failure and accidental damage cover against breakages and spills is available through the 18-month and 24-month plans.

SOLID Försäkringar wins product insurance mandate with consumer electronics chain...

In Sweden, consumer electronics retail chain Euronics has selected SOLID Försäkringar as its extended warranty and insurance provider. Specifically, goods purchased from Euronics can be insured for a year at a time, with the policy covering both technical malfunctions and accidental damage.

... and creates innovative affinity partnership with manufacturer of 'airbag' bicycle helmets

Moreover, in both Denmark and Sweden, SOLID Försäkringar has added to its large number of bicycle insurance partnerships by beginning to work with Hövding, a company which produces automatically inflating 'airbag' bicycle helmets. In fact, the insurance in scope covers damage to the helmet incurred in

an accident. It is free for 12 months following purchase of a helmet and can be optionally extended after the first year.

CarGarantie establishes new extended warranty schemes with Citroën and Peugeot

European automotive extended warranty specialist CarGarantie has increased the number of countries in which it provides warranties for Citroën and Peugeot cars. First, in the Czech Republic, it has introduced an extended warranty program for these brands' new cars valid for 24 months while approved used cars from these marques are covered for 24 months or up to 60,000 kilometres. Moreover, other used cars can be covered for either 12 or 24 months with an option to extend for another 12 months until the car reaches eight years' old or 180,000 kilometres.

Secondly, in Croatia, CarGarantie has extended its co-operation with Citroën through a warranty for used cars valid for 12 months. This program is available for used cars up to ten years old and up to 200,000 kilometres covered, and initially covers 100% of the cost of labour and materials. The guarantee is valid for 12 months and can be for vehicles with electric or hybrid drives as well as those with conventional engines. Customers do not have to make a

down-payment although they have to pay part of the materials cost after 80,000 kilometres. The cover is attached to the car rather than the car owner and passes automatically to a new owner if the car is sold.

Daimler creates captive underwriter for German extended warranty business

In another development concerning automotive extended warranties, drivers of Mercedes-Benz cars in Germany have been able since the start of 2016 to arrange new and pre-owned vehicle extended warranties at dealerships that are underwritten by Mercedes-Benz Versicherung which has become the captive underwriter for this type of policy in Daimler's home market. Previously, they had been underwritten by CarGarantie albeit that company is continuing to administer the policies.

TRAVEL INSURANCE

MAPFRE Assistance is selected as travel insurance partner for ASDA

In the UK, MAPFRE Assistance has secured a new partnership for travel insurance with ASDA Money, the financial services division belonging to one of the country's largest supermarket chains. All of ASDA's



distribution capabilities will be used in this context, with MAP-FRE Assistance having won this mandate from ACE, the previous incumbent. Initiatives for new insurance products involving the two partners are currently in consideration.

ERV ties with Ukrainian insurer for travel insurance distribution...

In Ukraine, travel insurance specialist ERV (owned ultimately by Munich Re) has announced a partnership with insurer PROSTO whereby the latter will make ERV's travel cover available through its distribution network. Aside from this agreement, ERV has further plans to work in the same sphere with another 16 insurers in the country, including Inter-Policy, Krayina, Talisman and UNIQA.

... and enhances card-related travel proposition in Russia

In Russia, ERV has added to the annual travel insurance it currently provides for holders of premium-level credit cards issued by Raiffeisenbank. The broader cover includes accident, dangerous

sports, flight delay, liability and loss of baggage cover and is valid both within Russia for domestic travel and worldwide for international trips. In addition to policies packaged with credit cards, Raiffeisenbank can also sell ERV's annual travel insurance directly to customers.

Allianz Global Assistance rolls out two new initiatives in Japan

In Japan, Ticket Guard (a subsidiary of Allianz Global Assistance) has announced a deal with benefits services company Benefit One, providing cancellation insurance for travel booked through its partner's 'Benefit Station' platform. Benefit One reported a total of 7.34 million members in September 2015 making it one of the largest welfare service providers in Japan.

Emma Villas chooses Europ Assistance to cover Italian villa holidays

In a final deal for travel insurance identified in the most recent quarter, Italian inbound tour operator Emma Villas has inked an agreement with Europ Assistance

whereby the latter will provide cancellation insurance for villas booked by both residents of Italy and those from other European countries. Broader travel insurance will also be available on an optional basis including cover for medical expenses and early departure plus road assistance.

GENERAL

Allianz links with Baidu for Chinese digital insurance joint venture

In China, Allianz, internet giant Baidu and Asian investment firm Hillhouse Capital Group have agreed to establish a nationwide online insurance company. The joint venture will apply for a nationwide digital license to distribute a variety of insurance solutions online with a focus on short-term health, lifestyle protection and travel cover plus policies related to ecommerce.

Ageas rolls out household and motor insurance products with Virgin Money...

In the UK, insurer Ageas and 'challenger' bank Virgin Money have rolled out a strategic partnership that was originally announced in 2014, and which is centred on household and motor insurance. The household insurance products are underwritten solely by Ageas while





motor policies are being underwritten by a panel of insurers managed by Ageas Retail. Moreover, Ageas is also supporting Virgin Money by providing sales, servicing, administration and claims management support for a range of policies that incur no administration fees for cancellation or minor changes.

... and renews long-standing contract with Age UK

Ageas has also been selected again as Age UK's long-term partner for insurance by signing a new ten-year deal with the charity. In fact, the agreement is a re-affirmation of a decade-long relationship, that will continue to see Ageas providing fee-free home, motor and travel insurance with no upper age limits or hidden administrative fees to Age UK customers and supporters. Age UK is the country's largest charity focused on older people and its commercial arm has a customer base of around 1.3 million individuals.

Bancassurance

LIFE INSURANCE

Manulife seals 15-year partnership with DBS in the Asia-Pacific region...

In the Asia-Pacific region, banking group DBS and Manulife Financial Asia have launched a 15-

year distribution agreement covering the bank's outlets in China, Hong Kong, Indonesia and Singapore. Specifically, Manulife has begun acting as the key provider of bancassurance products for the customers of DBS in these four markets. The partnership aims to further strengthen the group's regional life and health insurance distribution capabilities, and significantly expands Manulife's existing relationship with DBS.

...and buttresses alliance with Filipino bank via a separate agreement

In addition, Manulife has been granted a licence by the Central Bank of the Philippines to cross-sell bancassurance products via China Bank Savings (CBS), the savings bank arm of China Bank. The move means that China Bank Savings is now allowed to offer Manulife's insurance, investment and savings products. The strategic alliance between Manulife's Philippine operations and China Bank began in 2007 through the creation of Manulife China Bank Life Assurance Corporation (MCBL)

as a joint venture. In fact, MCBL continues to act as the insurance provider used by China Bank's main retail banking business.

Allianz acquires majority stake in Filipino bancassurance company...

Another initiative in the Philippines has seen Allianz and the Philippine National Bank (PNB) enter into a 15-year exclusive distribution partnership by means of which Allianz has agreed to acquire 51% of PNB Life Insurance, a subsidiary of PNB, which will provide it with exclusive access to the bank's distribution network of more than 660 branches plus around 4 million customers. In 2014, PNB Life Insurance was the tenth-largest life insurance company in the Philippines with new business premiums of around EUR 78 million.

...and works with Emirates NBD for bancassurance in Egypt

Meanwhile, in Egypt, Allianz has signed an agreement with





banking group Emirates NBD to offer bancassurance services to all of the bank's clients in the country. Products and services on offer include term life insurance, lifetime financial planning, education plans, retirement plans, group life plans, group pension plans, and investment plans. Investment funds are also being provided that suit the specific needs of both individual and corporate clients.

Absa takes majority stake in South African direct life insurer

In South Africa, banking group Absa (itself owned by Barclays) has invested ZAR 100 million for a 75% stake in direct life insurer Instant Life as part of a plan to grow its bancassurance division further. Instant Life, an online life insurance distribution platform, has a portfolio of 14,000 policies with an average sum insured of approximately ZAR 700,000 (around USD 42,670) per policy. The insurer, which launched in 2008, offers life, disability and critical illness insurance to South African consumers.

CNP Assurances reconfigures strategic partnership with La Banque Postale

In France, CNP Assurances and La Banque Postale have announced the signature of a preliminary memorandum of understanding for the renewal of

their long-standing partnership. In principle, CNP Assurances has agreed to continue providing life insurance and capitalisation policies to La Banque Postale's customers for ten years starting from 2016. CNP Assurances will also provide mortgage-related creditor insurance policies for the next decade replacing La Banque Postale Prévoyance as underwriter albeit the latter will continue to deal with individual protection policies sold to the customers of its parent.

GENERAL

Talanx fortifies Italian bancassurance operations through deals with Gruppo Banca Sella

Germany-based Talanx group has strengthened its bancassurance business in Italy by acquiring the insurance companies formerly belonging to Gruppo Banca Sella. In fact, it has acquired 100% of the equity capital of life insurer CBA Vita and its subsidiary Sella Life, as well as the remaining 49% in non-life insurer InChiaro Assicurazioni that it did not own already. The exact purchase price was not disclosed although it is known that it includes a component related to future performance given that the insurers will continue to have the exclusive right to sell through the banking

group's distribution network.

AXA accelerates expansion in the Philippines by acquiring non-life bancassurance business

In the Philippines, AXA has extended its successful partnerships with GT Capital and Metrobank to include the distribution of non-life insurance products through the acquisition of GT Capital's subsidiary Charter Ping An Insurance Corporation (CPA). AXA has paid PHP 2.3 billion (around USD 50 million) for CPA which in 2014 was the fifth-ranked insurer in the Philippines with gross written premiums of around USD 75 million in 2014, while Metrobank is the second-ranked bank in the Philippines in terms of assets and deposits, with a network of 938 branches nationwide. Indeed, the bank has been distributing AXA's life and savings insurance products since 1999.

Affinity Banking

CONSUMER FINANCE

Capital One reinforces support for social enterprises with crowd-funding partnership

In the US, Capital One has agreed to begin offering loans charging no interest to owners



of small businesses that are based in San Francisco, that have a positive social impact and that sign up with Kiva, a crowd-funding website based in the city that supports 1.7 million entrepreneurs around the world. Typical businesses in this respect include those owned by immigrants such as neighbourhood shops that play a fundamental role in their community and those set up to hire at-risk youth or to support local food ecosystems. Visitors to Kiva can choose the entrepreneur that they want to help to crowd-fund with a loan of USD 25 or more and Capital One has undertaken to match every dollar lent to them up to a maximum of USD 75,000, albeit with an average anticipated to be around USD 5,000.

INTERNATIONAL PAYMENTS / REMITTANCES

Western Union offers new international money transfer service on WeChat

In the US, Western Union has signed a deal to offer WeChat users the ability to make international remittances via its 'WeConnect' platform. 'WeConnect' integrates with messaging and social media platforms to enable users to transfer money and consumers are able direct funds to Western Union retail agents in over 200 coun-

tries around the world using their bank cards and accounts. The agreement means that WeChat is the first social media application to provide a technological platform to support person-to-person cross-border money transfer capabilities and it plans to roll out the service to additional countries in future. WeChat is owned by China-based Tencent Holdings and, together with its sister product Weixin, had over 650 million active user accounts at the end of September 2015, making it one of the world's fastest-growing social apps.

MOBILE / ONLINE PAYMENTS

Samsung Pay extends reach among US banks and credit unions

Also in the US, a number of new banks and credit unions have added their credit and debit cards to the Samsung Pay mobile payment system. This arrangement allows those with cards issued by Achieva Credit Union, Associated Bank, BayPort Credit Union, Bethpage Federal Credit Union, Cambridge Savings Bank, Citizens Equity First Credit Union (CEFCU), KeyBank, Navy Federal Credit Union, Security Services Federal Credit Union, SunTrust, USC Credit Union and Virginia Credit Union to use

Samsung mobile phones to make payments at participating retailers.

Moreover, card customers of JP Morgan Chase are also now able to make mobile payments for their purchases using the 'S6' and other Samsung devices by swiping up on their phones and scanning their fingerprints in order to make a purchase. Samsung Pay users are assigned a device account number which they can quote to process payments and this eliminates the need to share the customer's card number with the merchant or store it on the device.

MasterCard works with P97 for petrol station mobile payment services...

In a related development in the US, MasterCard has partnered with mobile commerce specialist P97 which operates PetroZone, a mobile commerce platform linked to petrol stations. The agreement enables fuel companies to develop apps allowing customers to search for petrol stations and to make mobile payments for fuel and other items.

... and launches digital wallet services in Japan and Sweden

In Japan, MasterCard has created a partnership with Dai Nippon Printing, card provider UC Card



(part of the Mizuho Financial Group), and beauty salon chain BRANCHE to launch My Wallet, a service available through BRANCHE's mobile app. This service allows payments through MasterCard's digital wallet system, MasterPass, or Dai Nippon Printing's mobile prepaid system and the launch follows an agreement forged originally by Dai Nippon Printing, MasterCard and UC Card in 2014.

MasterPass has also been launched in Sweden, the first country in the Nordic region to be covered by this service. Nordea, SEB and Swedbank have all signed up to it at its launch allowing their account holders to digitally store card and shipping address details, and to use these to pay for goods and services online. Two other banks – ICA Banken and Resurs Bank – are also expected to participate in future.

Visa launches new mobile and online payment initiatives in the US and Brazil

Meanwhile, back in the US, Visa has announced a partnership with fuel company Chevron which will allow for mobile payments to be made at Chevron petrol stations beginning with around 20 in San Francisco and Silicon Valley. In addition, in Brazil, it has launched its online checkout service Visa Checkout with football ticket merchant Futebolcard being the

first vendor to offer the service.

Wirecard establishes new mobile payment solution for Android phones...

In Europe, Wirecard has launched 'boon', a mobile payment solution for Android phones that is initially available in Austria, Belgium, Germany and the Netherlands, with other countries to follow. This service, which is based on a prepaid MasterCard card issued by Wirecard and that can be topped up by bank transfer or credit card, makes mobile contactless payments possible across a large number of retailers, petrol stations and restaurants that accept MasterCard. To use it, customers need to download the Android app on their phones.

... and works with Orange to roll out mobile wallet app in France

In France, telecoms firm Orange has launched its mobile wallet app, 'Orange Cash', which is supported by Wirecard. The app combines contactless mobile payments with real-time loyalty and couponing deals from participating retailers through a platform managed by Wirecard that displays card-linked offers. More than 30,000 retailers such as IKEA, Picard and Relay have participated in the launch phase and 'Orange Cash' users can now pay at any

contactless visa terminal in around 324,000 stores across the country and at 2.8 million acceptance points throughout Europe, as long as they have NFC-enabled smartphones. 'Orange Cash' had already launched successfully in Spain in the second quarter of 2015.

Colruyt grows mobile payment operations in Belgium

After having launched mobile payments at both its physical and online stores, Belgium-based retail group Colruyt is extending this option to applications offered by both Bancontact and KBC. This alternative was made available in 400 Colruyt, OKay, Bio-Planet and Dreambaby stores from November 2015 and has continued being rolled out across Dreamland and Spar outlets from the beginning of 2016. To pay, customers connect in store via Colruyt's wi-fi network and then scan the QR code at the till and confirm the amount using their pin number. In fact, Colruyt has reported nearly 100,000 smartphone payments during the six months since this facility was launched in the spring of 2015, which represented nearly 16% of all mobile transactions processed in Belgium.



Walmart launches 'Walmart Pay' as mobile payment solution with broad usage potential

Returning to the US, retailer Walmart has introduced 'Walmart Pay' which it claims to be the only mobile payments solution in the country that works on any iOS or Android device at any checkout lane and with any major credit, debit, prepaid or Walmart gift card. 'Walmart Pay' is currently available in selected stores with a nationwide launch to follow during the first half of 2016. Walmart states that 22 million customers actively use the app each month and that it ranks among the top three retail apps in the Apple and Google app stores. Indeed, the app allows customers to check in to pick up online orders, to find items at Walmart stores and to refill pharmacy prescriptions.

PAYMENT CARD ISSUANCE AND ACCEPTANCE

Wirecard secures agreement for payment card acceptance with Alipay

Wirecard has also announced an agreement to collaborate for point-of-sale (POS) payment acceptance with Alipay, China's largest internet payment solutions provider. The partnership is intended to allow European merchants to tap into the Chi-

nese tourism market which was worth USD 165 billion in 2014 according to the World Tourism Organisation. By means of the agreement, Wirecard will provide payment technology that can be installed onto merchants' POS systems or externally between the POS systems and the receipt printers, thus eliminating the need to alter the existing payment structure. Customers who wish to pay rapidly and without cash via this mechanism simply have to scan the barcode on their smartphones, which can then be scanned by the merchant.

RETAILER CARDS

Alliance Data wins mandate for private-label credit cards with home furnishings group

In the US, Alliance Data has signed a new multi-year agreement to provide private-label credit card services for Wayfair, a Boston-based retail company that specialises in home furnishings and décor. In particular, Alliance Data has agreed to develop a credit card with an accompanying loyalty program that can be used for purchases at five brands owned by Wayfair. In return, Wayfair will enjoy access to Alliance Data's full suite of mobile solutions and customer insights tools in order to gain a deeper understanding into its shoppers' habits.

TD Bank Group completes acquisition of credit card portfolio from US department store

Also in the US, TD Bank Group has acquired department store Nordstrom's existing Visa and private-label credit card portfolio with approximately USD 2.2 billion in receivables. Furthermore, the two companies have entered into a separate long-term agreement by means of which the bank will become the exclusive issuer of Nordstrom-branded Visa and private-label credit cards in the US.

Scotiabank purchases selected JP Morgan Chase credit card schemes in Canada

Scotiabank has announced that it will acquire the MasterCard and private-label credit card portfolio of JPMorgan Chase in Canada. The transaction, which is subject to regulatory approval, will see the transfer of a card portfolio that includes approximately CAD 1.7 billion in receivables and 2 million active customer accounts to Scotiabank. However, JP Morgan Chase Canada will maintain ownership of selected private-label credit card portfolios developed in partnership with Amazon.ca, Best Buy, Future Shop and the Marriott hotel chain.

Global Affinity *Finance Club*

GENERAL

The AA re-enters the UK banking market through partnership with Bank of Ireland

In the UK, the AA (the country's largest automotive association) and the Bank of Ireland have announced an exclusive ten-year financial services partnership whereby the bank will provide AA-branded banking products both to its partner's members and to the general public. The partnership has begun with the launch of AA-branded credit cards, followed by the introduction of online ISA (Individual Savings Account) products including one-year and two-year fixed rate and easy-access options. Moreover, unsecured personal and car loans are also being launched with the latter supplemented by a free vehicle inspection service. According to the AA, prior to winding down its previous partnership in this field, it had been the leading non-bank provider of car loans in the UK and is hoping to return to that position.

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Global Emerging Payment Means: A Worldwide Review
UK Bicycle Insurance: Market Dynamics, Affinities and Partnerships
UK Business (Life) Protection Insurance: Market Dynamics, Affinities and Partnerships
UK Tax Investigation Insurance: Market Dynamics, Affinities and Partnerships
UK Wedding and Personal Event Insurance: Market Dynamics, Affinities and Partnerships

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- * UK Caravan and Park Home Insurance: Market Dynamics, Affinities and Partnerships
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Global Affinity *Finance Club*

About GAFC

The *Global Affinity Finance Club* is Finaccord's quarterly newsletter about affinity financial services worldwide. Through this, Finaccord publishes high-level information about key strategic developments in affinity and partnership marketing of financial services around the world, segmented between affinity insurance news, bancassurance news and affinity banking news.

This service differs from that provided by other research companies because its focus is genuinely global, often translating news that only appears in languages other than English. In addition, it concentrates exclusively on affinity and partnership marketing strategy. Affinity and partnership marketing strategy is an important component of general distribution strategy for a majority of large banks and insurance companies serving consumers and small businesses, as successful partnerships potentially allow them to access groups of customers that they cannot always reach by themselves.

If you would like to join Finaccord's *Global Affinity Finance Club*, contact us by telephone or send us an email to info@finaccord.com. Thereafter, each quarter, we will send you a link to the page of our website with fresh news and future editions of this document.

About Finaccord

Finaccord is a leading market research, publishing and consulting company specialising in financial services. We provide our clients with insight with a particular focus on marketing and distribution strategies, including affinity and partnership marketing.

Our areas of expertise include: affinity and partnership marketing; automotive financial services; bancassurance; commercial non-life insurance brokers; consumer intelligence; creditor insurance; distribution channels; energy and power insurance; extended warranties; home emergency insurance and assistance; insurance and assistance linked to payment cards and bank accounts; mobile gadget and telephone insurance; retailer financial services; road assistance; small business financial services; and travel insurance and assistance.

Our international network of consultants is able to deliver information quickly and accurately across a range of countries worldwide, basing research projects on robust data and knowledge rather than supposition and theory.

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Registered in London No. 4542931
The Office Farringdon
24 Greville Street
London,
EC1N 8SS

Phone: +44 20 3178 2556
Fax: +44 20 7198 7902
Email: info@finaccord.com

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