Market comparison: sales and distribution of travel insurance and the growth of bancassurance

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Introduction

- Finaccord estimates the global market for stand-alone travel insurance and assistance to be worth USD 11.9 billion in 2012, with around 200 million policies sold.

- By 2016, this market is expected to be worth USD 14.7 billion, with policy sales increasing to around 243 million.

- Where will much of this growth occur?

- Which sales and distribution channels will play a key role in this expansion of this industry?
Relative size of outbound travel markets

Estimated number of foreign trips lasting one night or more, 2012 (million)
Recent growth trends in foreign travel

Compound annual growth in the number of foreign trips, 2008-2012

- France: 0.3%
- Germany: 0.3%
- UK: -6.1%
- USA: 9.3%
- Australia: 10.2%
- India: 14.2%
- China: 2.3%
- Japan: 2.2%
- South Korea: 0.1%
Distribution channels used for travel insurance

- Travel trade
- Insurance company
- Bank or similar
- Insurance broker
- Insurance aggregator
- Other

Countries:
- France
- Germany
- UK
- USA
- Australia
- India
- China
- Japan
- South Korea
Provision by travel agents and tour operators

% of travel agents and tour operators offering travel insurance

<table>
<thead>
<tr>
<th>Country</th>
<th>Provision</th>
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<tbody>
<tr>
<td>France</td>
<td>100%</td>
</tr>
<tr>
<td>Germany</td>
<td>98%</td>
</tr>
<tr>
<td>UK</td>
<td>71%</td>
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<tr>
<td>USA</td>
<td>86%</td>
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<tr>
<td>Australia</td>
<td>89%</td>
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<tr>
<td>India</td>
<td>80%</td>
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<tr>
<td>China</td>
<td>87%</td>
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<tr>
<td>Japan</td>
<td>96%</td>
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<tr>
<td>South Korea</td>
<td>100%</td>
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</tbody>
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Provision of stand-alone cover by banking organisations

% of banks and similar organisations offering stand-alone travel policies

- France: 5%
- Germany: 41%
- UK: 22%
- USA: 3%
- Australia: 59%
- India: 61%
- China: 58%
- Japan: 44%
- South Korea: 38%
Provision linked to banking products

% of payment card and bank account products featuring comprehensive travel cover
Provision of insurance by mobile phone operators

% of country-specific operators offering each type of insurance and assistance

- Mobile phone insurance: 36%
- Mobile gadget insurance: 13%
- Bill payment protection insurance: 4%
- Identity protection insurance / assistance: 1%
- Motor insurance: 1%
- Household insurance: 2%
- Travel insurance / assistance: 9%
- Accident insurance: 9%
- Health insurance: 3%
- Life insurance: 6%
- Home assistance: 6%
- Legal assistance: 5%
- Medical assistance: 10%
- Road assistance: 7%
- Miscellaneous insurance / assistance: 7%
Provision of travel policies by mobile phone operators

% of country-specific operators offering travel insurance / assistance

- **Europe**
  - Unweighted: 6%
  - Weighted: 6%

- **Africa & Middle East**
  - Unweighted: 0%
  - Weighted: 0%

- **Asia Pacific**
  - Unweighted: 12%
  - Weighted: 32%

- **Latin America**
  - Unweighted: 37%
  - Weighted: 32%

- **North America**
  - Unweighted: 0%
  - Weighted: 0%
Any questions?

Sources and related Finaccord publications:

Travel Insurance and Assistance in Major Global Markets
Travel Insurance and Assistance in Northern and Central Europe
Travel Insurance and Assistance in Southern and Western Europe
Travel Metrics: Consumer Approaches to Travel Insurance and Assistance in Europe

Bancassurance in China
Life and Non-Life Bancassurance in Europe
Global Mobile Operators: Strategies in Payments, Banking, Insurance and Assistance

Insurance and Assistance linked to Payment Cards and Bank Accounts in Major Global Markets
Insurance and Assistance linked to Payment Cards and Bank Accounts in Northern and Central Europe
Insurance and Assistance linked to Payment Cards and Bank Accounts in Southern and Western Europe
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Our areas of expertise include: affinity and partnership marketing; travel insurance and assistance; automotive financial services; bancassurance; commercial non-life insurance brokers; consumer intelligence; creditor insurance; distribution channels; extended warranties; insurance and assistance linked to payment cards and bank accounts; mobile gadget and telephone insurance; retailer financial services and small business financial services.

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