

Manufacturer-Branded and Dealer- Intermediated Motor Insurance and Road Assistance in the Asia-Pacific Region

Report Prospectus

June 2018

Prospectus contents

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What is the research?

Finaccord's report titled *Manufacturer-Branded and Dealer-Intermediated Motor Insurance and Road Assistance in the Asia-Pacific Region* amalgamates comprehensive and in-depth research covering 12 countries in the Asia-Pacific Region, namely: China, Hong Kong, India, Indonesia, Japan, Malaysia, the Philippines, Singapore, South Korea, Taiwan, Thailand and Vietnam.

Based on a survey of 820 dealers in these countries and an investigation typically covering between 25 and 35 automotive brands in each territory (although more than 70 in China), the study delivers unique insights into the market for packaging motor insurance and road assistance in conjunction with sales of new and used passenger cars and LCVs bought by consumers through the automotive trade distribution channel. The research also generates data describing the value of the markets for motor insurance and road assistance captured by the automotive trade in each country in terms of both new and on-going policies.

In addition to this unique market data, the survey results measure the extent to which automotive dealers and manufacturer brands actually intermediate motor insurance and road assistance in each country, calculate average customer take-up rates at the point of sale, and identify relationships for branded or endorsed programs between manufacturers or importers and external motor insurance and road assistance providers.

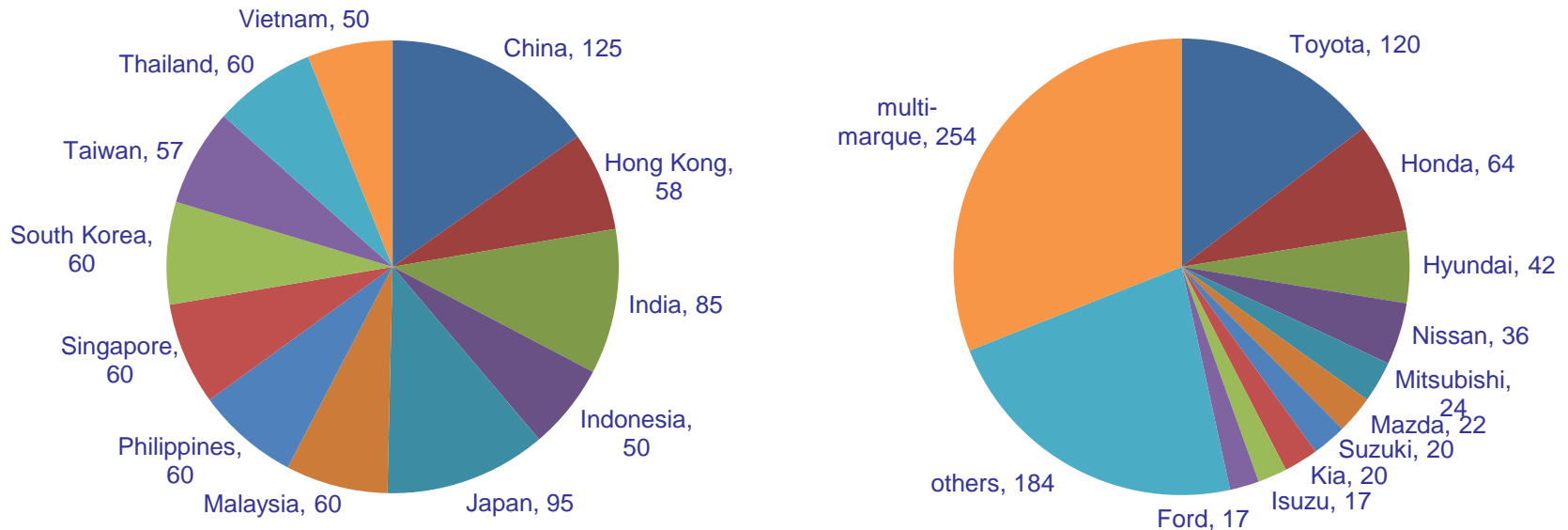
What is the rationale?

At a global level, the automotive manufacturing market has long been highly cyclical and prone to low or non-existent profitability as a consequence of the tough competition that exists between manufacturers. The economic crisis caused sales of new cars to drop sharply in many countries, and established European and US manufacturer groups face a continuing challenge from rivals based in India, Japan and South Korea.

As a result, a key issue for automotive manufacturers is to increase the value of revenues that they extract from customers through the provision of ancillary services, including motor insurance and road assistance. Furthermore, the thin margins that car dealerships and importers can secure on vehicle sales in isolation can be boosted by cross-selling related services, most importantly financial services.

The market for manufacturer-branded and dealer-intermediated motor insurance and road assistance, which Finaccord's research indicates to be worth about USD 66.1 billion in gross premiums and other revenues across the Asia-Pacific region, is therefore an important battleground. This study and its accompanying PartnerBASE™ database represent systematic, published research on the subject across this region providing unrivalled insight about it.

How do dealerships surveyed break down?



Finaccord's universe of dealerships includes 820 respondents in total spread across 12 countries including manufacturer-owned dealerships, franchised dealerships, multi-marque dealerships and new and used car supermarkets. Note that the split by manufacturer group above includes joint ventures in China. For a full list of the organisations contacted for the research and included in PartnerBASE™, please contact Finaccord.

Which manufacturer brands have been investigated?

Manufacturer brands investigated through the local offices of the manufacturers themselves or those of their importers or joint ventures in at least one of the countries covered in this report are as follows:

Abarth	Citroën	Haima	Landwind	Proton
Alfa Romeo	Daihatsu	Haval	Lexus	Qichen
Alpina	Datsun	Hawtai	Lifan	Renault
Ashok Leyland	Dodge	Hindustan-Mitsubishi	Luxgen	Roewe
Aston Martin	DS	Honda	Mahindra	San Motors
Audi	Emgrand	Hongqi	Mahindra Electric	Škoda
Baic	Englon	Hyundai	Maruti Suzuki	Smart
Baojun	FAW Jilin	ICML	Maserati	Soueast
Bentley	Fengshen	Infiniti	Mazda	SsangYong
Besturn	Ferrari	Isuzu	Mercedes-Benz	Subaru
BMW	Fiat	JAC	MG	Suzuki
BYD	Force Motors	Jaguar	MINI	Tata Motors
Cadillac	Ford	Jeep	Mitsubishi	Tesla
Chana	FXauto	Jiangling	Nissan	Toyota
Changan	GAC	Jinbei	Opel	Volkswagen
Changhe	Geely	Karry Auto	Perodua	Volvo
Chery	Gleagle	Kia	Peugeot	Wuling
Chevrolet	Great Wall	Lamborghini	PMC	Youngman Lotus
Chrysler	Hafei Automobile	Land Rover	Porsche	Zotye Auto

What is the report structure?

0. *Executive Summary*: providing a concise evaluation of the principal findings of the report.
1. *Introduction*: offering a rationale, a detailed description of methodology and definitions.
2. *Regional Overview*: comprising an overview of the market for manufacturer-branded and dealer-intermediated motor insurance and road assistance across the 12 countries. Analyses include: trends in sales of new and used passenger vehicles; comparison of key metrics describing the behaviour of dealers in this market; comparison of average customer take-up rates at the point of sale; and calculation of the size of the markets, in terms of both new and on-going premiums and other revenues in each country, for business intermediated by the automotive trade in the Asia-Pacific region.
3. *China*: an in-depth analysis of the market for manufacturer-branded and dealer-intermediated motor insurance and road assistance in China including: an overview of the market for new and used passenger cars; dealer survey results including analysis of the use of motor insurance and road assistance programs branded or endorsed by manufacturers as opposed to policies provided by independent insurers; and manufacturer brand / importer survey results, including identification of partners used for branded or endorsed schemes for motor insurance and road assistance.
- 4 - 14: *the other 11 countries (for all, contents as for China)*.

What are the key features of the research?

Key features of this report include:

- comparable and standardised data concerning manufacturer-branded and dealer-intermediated motor insurance and road assistance covering a total of 12 countries in the Asia-Pacific region ranging from mature territories, such as Japan, to fast-developing markets, such as China and India;
- provision of hitherto unpublished market size and segmentation data for all of these markets generated from Finaccord's proprietary *Automotive Financial Services Model*;
- analysis of the average number of providers of motor insurance and road assistance used by dealers and the degree to which they collaborate with non-tied companies in addition to tied partners appointed by manufacturer brands or their importers;
- in both the report and the accompanying PartnerBASE™ database, identification of both leading and secondary non-tied providers of motor insurance and road assistance used by dealerships;
- in both the report and the accompanying PartnerBASE™ database, identification of partnerships between manufacturers or importers and external companies for branded or endorsed motor insurance and road assistance schemes.

How can the research be used?

You may be able to use this report and the PartnerBASE™ that accompanies it in one or more of the following ways:

- understand the current value and future potential of the market for manufacturer-branded and dealer-intermediated motor insurance and road assistance in the Asia-Pacific region;
- appreciate the extent to which the automotive trade represents a viable distribution channel for motor insurance in each country and the competition that it faces from rival distribution systems;
- benchmark the degree of competitive intensity recorded by the research for distributing motor insurance and road assistance cover through the point of sale;
- evaluate the potential for establishing partnerships with automotive brands or their local importers for programs for branded or endorsed motor insurance and road assistance ;
- track the involvement in this field of leading national and international competitors including Allianz / Allianz Global Assistance, CPIC, JAF, MAPFRE Asistencia, MS&AD, PICC, Ping An, Sampo Holdings, Tokio Marine and TVS AA.

How can the PartnerBASE™ be used?

Filter by group		Select country	Choose operating model		Identify product partners
Brand	Group	Country	MOTOR INSURANCE Product offered?	Operating model	Tied partner(s)
Kia	Hyundai group	Vietnam	Yes	Multiple external underwriters	Liberty Insurance, PJICO, PVI
Land Rover	Tata group	Vietnam	Yes	External underwriter	Liberty Insurance
Lexus	Toyota group	Vietnam	Yes	External underwriter	MSIG
Mazda	Mazda	Vietnam	Yes	Multiple external underwriters	AAA Assurance, Liberty Insurance, PJICO, PVI
Mercedes-Benz	Daimler group	Vietnam	Yes	External underwriter	Liberty Insurance

Look up specific brands

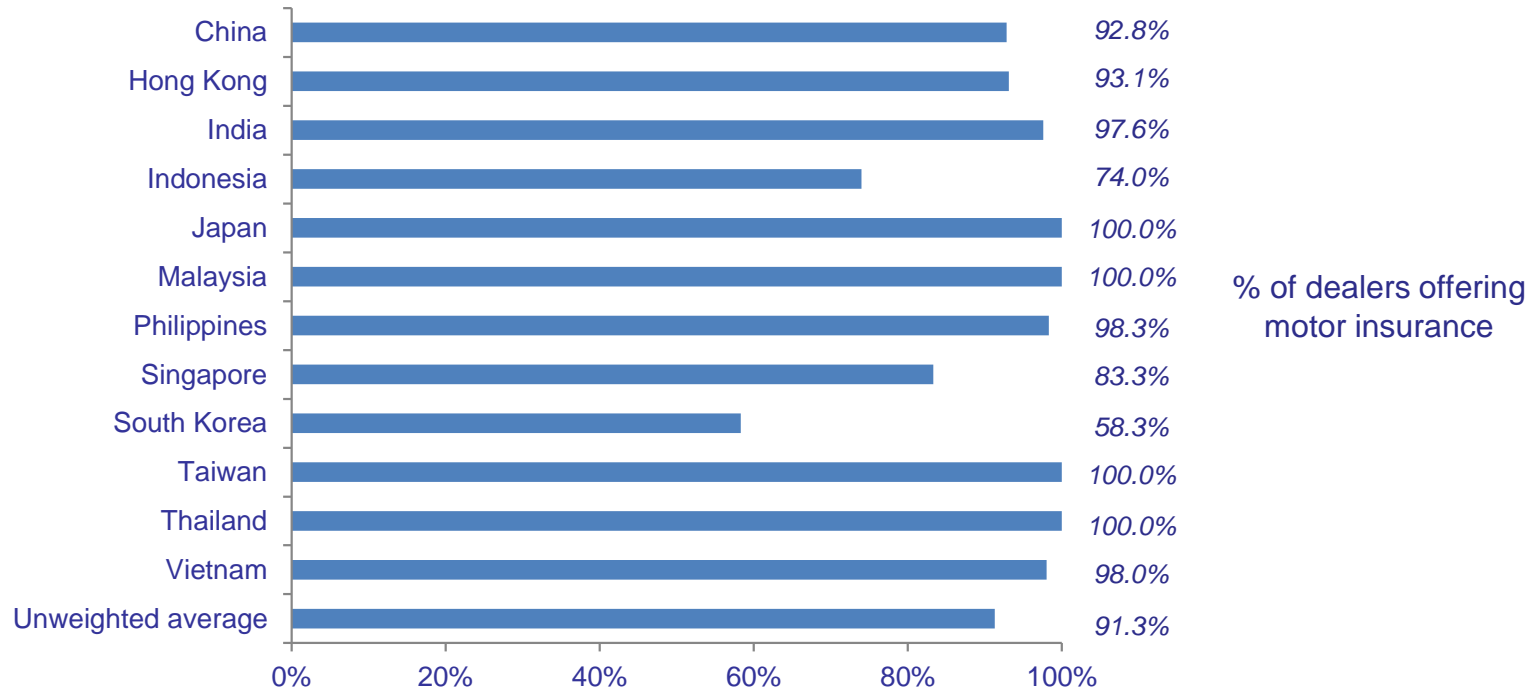
Note: for this report, PartnerBASE also covers 820 dealerships

Who can use the research?

1. *Automotive manufacturers:* this research provides a wealth of unique and valuable benchmarking data allowing you to assess objectively the status of manufacturer-branded and dealer-intermediated motor insurance and road assistance in the Asia-Pacific region;
2. *Insurance underwriters and assistance firms:* what are the opportunities to increase or build market share within the motor insurance and assistance markets of each country by means of distribution alliances with manufacturers, importers or dealers?
3. *Finance and leasing companies:* in some countries, it is common for motor insurance policies to be embedded in consumer finance and leasing packages hence it is important for providers in these areas to comprehend fully the opportunities in motor insurance;
4. *Management consultancies:* are you helping a manufacturer or insurance or assistance firm with its strategy or evaluating how it can develop its business in manufacturer-branded and dealer-intermediated motor insurance or assistance in the Asia-Pacific region? Understand the current status of this market across 12 countries, saving time and effort on researching the subject yourself.

What are some of the key findings?

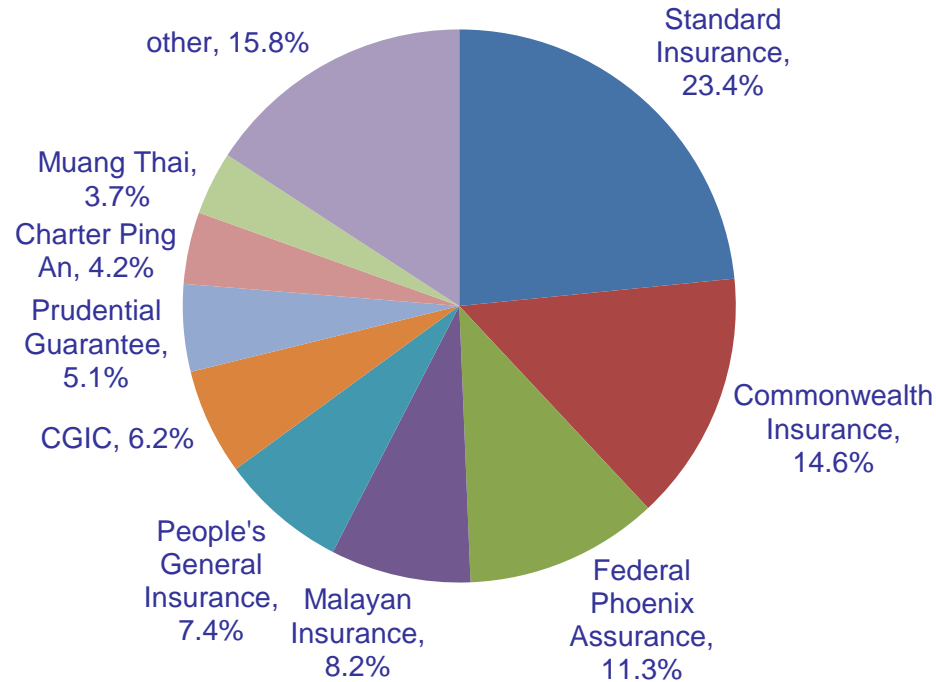
- 1. A majority of dealers distribute motor insurance in all countries ranging from just over a half in South Korea to all in four countries**



Source: Finaccord Automotive Financial Services Survey

What are some of the key findings? (cont.)

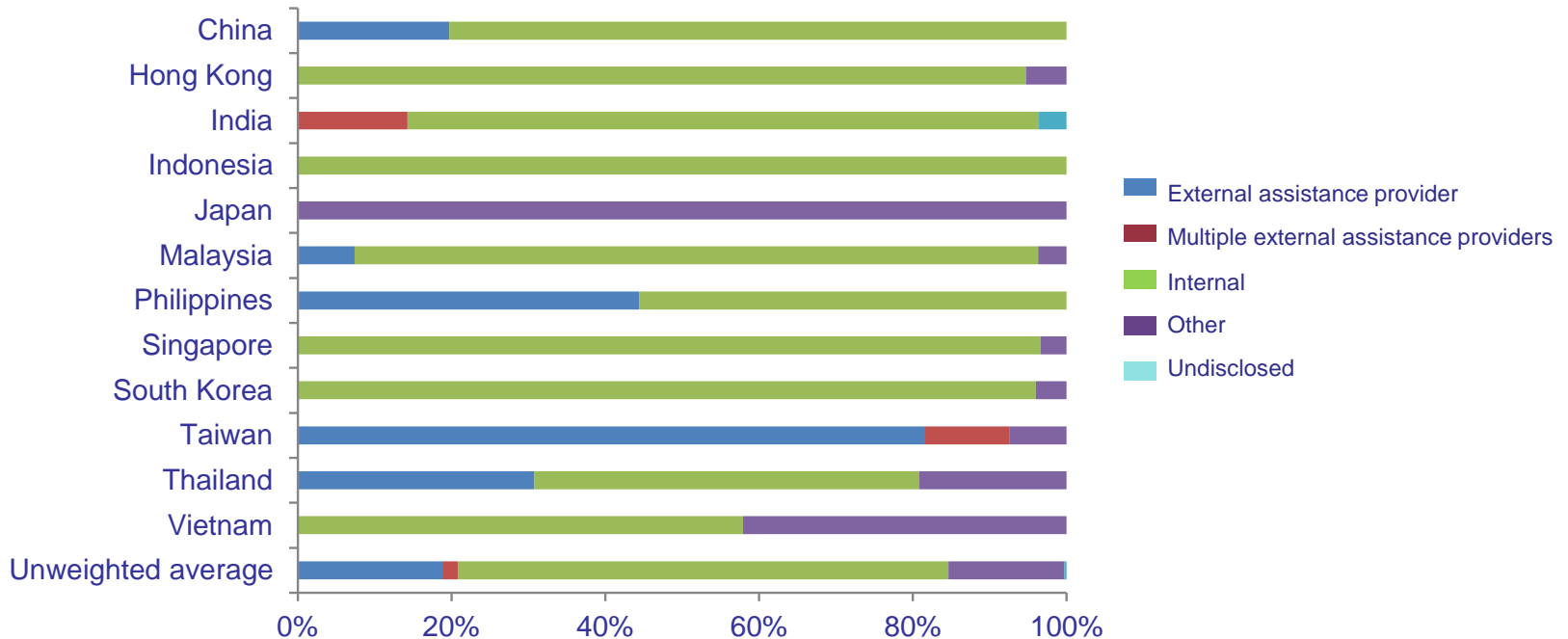
2. In terms of its implied market share of new business for motor insurance sold through the automotive trade in the Philippines, Standard Insurance is likely to have been ranked first in 2017



Source: Finaccord Automotive Financial Services Survey

What are some of the key findings? (cont.)

3. In most countries in the Asia-Pacific region, manufacturer brands operate their road assistance schemes on an internal basis



Source: Finaccord Automotive Financial Services Survey

What are some of the key findings? (cont.)

4. Key findings from the executive summary include:

- Finaccord estimates that the market for motor insurance sold via the automotive trade across all 12 countries was worth USD 64.2 billion in 2017, including new business for 2017 itself plus in-force business from policies sold through the automotive channel in prior years and renewed subsequently;
- calculated as a weighted share of dealer and manufacturer brand partnerships for each country and reweighted by the size of the market in each country, Chinese insurers make up 12 of the top 15 competitors with the greatest potential customer base for motor insurance sold via dealers and manufacturer brands across the Asia-Pacific region;
- the non-Chinese companies in the top 15 are (in descending order) Tokio Marine, MS&AD Holdings and Sompo Japan Nipponkoa;
- calculated in the same way, Japan Automobile Federation (JAF) and Allianz Global Assistance emerge as the competitors with the greatest potential customer base for road assistance distributed via dealers and manufacturer brands.

What is the cost and format?

Manufacturer-Branded and Dealer-Intermediated Motor Insurance and Road Assistance in the Asia-Pacific Region is available as a standard PDF document. The PartnerBASE™ and market data file that accompany it at no further charge are in Excel format. Costs for this research set and other related multi-country titles about automotive financial services are as follows:

Automotive Finance and Leasing for Consumers in the Asia-Pacific Region	GBP 2,995
Automotive Finance and Leasing for Consumers in Europe	GBP 2,995
Extended Warranties for New and Used Cars and LCVs in the Asia-Pacific Region	GBP 2,995
Extended Warranties for New and Used Cars in Europe	GBP 2,995
Extended Warranties for New and Used Cars and LCVs in Latin America	GBP 1,995
Fleet Insurance and Assistance in Europe	GBP 4,995
GAP Insurance for New and Used Cars in Europe	GBP 1,995
Manufacturer-Branded and Dealer-Intermediated Motor Insurance and Road Assistance in the Asia-Pacific Region	GBP 2,995
Manufacturer-Branded and Dealer-Intermediated Motor Insurance and Road Assistance in Europe	GBP 2,995
Prepaid Service Contracts for New and Used Cars and LCVs in the Asia-Pacific Region	GBP 1,995
Prepaid Service Contracts for New and Used Cars and LCVs in Europe	GBP 1,995
Road Assistance in Europe	GBP 4,995

** For UK-based clients, VAT at the prevailing rate will be added to the basic price.*

Costs quoted are for a single site user licence only.

For a corporate user licence, please see the final slide for further details.

Invoices can be paid in EUR or USD, at the prevailing exchange rate, if preferred.

For acquisition of multiple reports, please contact Finaccord - discounts may be available.

What other reports are available?

Country-specific reports about consumer automotive financial services in over 40 different countries are also available, again as standard PDF documents with PartnerBASE™ datasets and market data annexes both in Excel format. Prices for each country are as follows:

Consumer Automotive Financial Services in...					
Argentina	GBP 795	Hungary	GBP 595	Russia	GBP 795
Australia	GBP 995	India	GBP 995	Singapore	GBP 795
Austria	GBP 795	Indonesia	GBP 795	Slovakia	GBP 595
Belgium	GBP 795	Ireland	GBP 595	South Africa	GBP 995
Brazil	GBP 995	Italy	GBP 795	South Korea	GBP 795
Canada	GBP 995	Japan	GBP 995	Spain	GBP 795
Chile	GBP 595	Luxembourg	GBP 595	Sweden	GBP 795
China	GBP 995	Malaysia	GBP 795	Switzerland	GBP 795
Colombia	GBP 595	Mexico	GBP 995	Taiwan	GBP 795
Czech Republic	GBP 595	Netherlands	GBP 795	Thailand	GBP 795
Denmark	GBP 595	Norway	GBP 595	Turkey	GBP 595
Finland	GBP 595	Peru	GBP 595	UK	GBP 795
France	GBP 795	Philippines	GBP 795	Ukraine	GBP 595
Germany	GBP 795	Poland	GBP 795	USA	GBP 1,995
Greece	GBP 595	Portugal	GBP 595	Vietnam	GBP 795
Hong Kong	GBP 795	Romania	GBP 595		

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How can the research be purchased?

Simple. Just go to the relevant area of the Finaccord web site available at www.finaccord.com/order_eu_afsr.htm and fill in the online order form, clearly indicating:

- report required
- type of corporate user licence, if required *
- billing name
- address and e-mail address
- purchase order number, if applicable

Please allow up to one working day for the delivery of electronic copy by e-mail.

* For the **corporate user licence** please choose one of the following options:

1. One office, one country: no supplement over and above basic cost of reports ordered
2. Multiple offices, one country: additional 20% over and above basic cost of reports ordered
3. Multiple offices, two to 12 countries: additional 50% over and above basic cost of reports ordered
4. Global (unlimited offices in unlimited countries): additional 100% over and above basic cost of reports ordered

VAT at the prevailing rate will be added to the price of any corporate user licence acquired by UK-based buyers.