

Manufacturer-Branded and Dealer- Intermediated Motor Insurance and Road Assistance in Europe

Report Prospectus

September 2016

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 Europe* amalgamates comprehensive and in-depth research covering 20 countries in Europe, namely: Austria, Belgium, Czech Republic, Denmark, France, Germany, Ireland, Italy, Norway, Netherlands, Poland, Portugal, Romania, Russia, Slovakia, Spain, Sweden, Switzerland, Turkey and the UK.

Based on a survey of 1,155 dealers in these countries and an investigation typically covering between 30 and 50 manufacturer brands in each territory, 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 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 between manufacturers or importers and external motor insurance and road assistance providers for branded or endorsed programs.

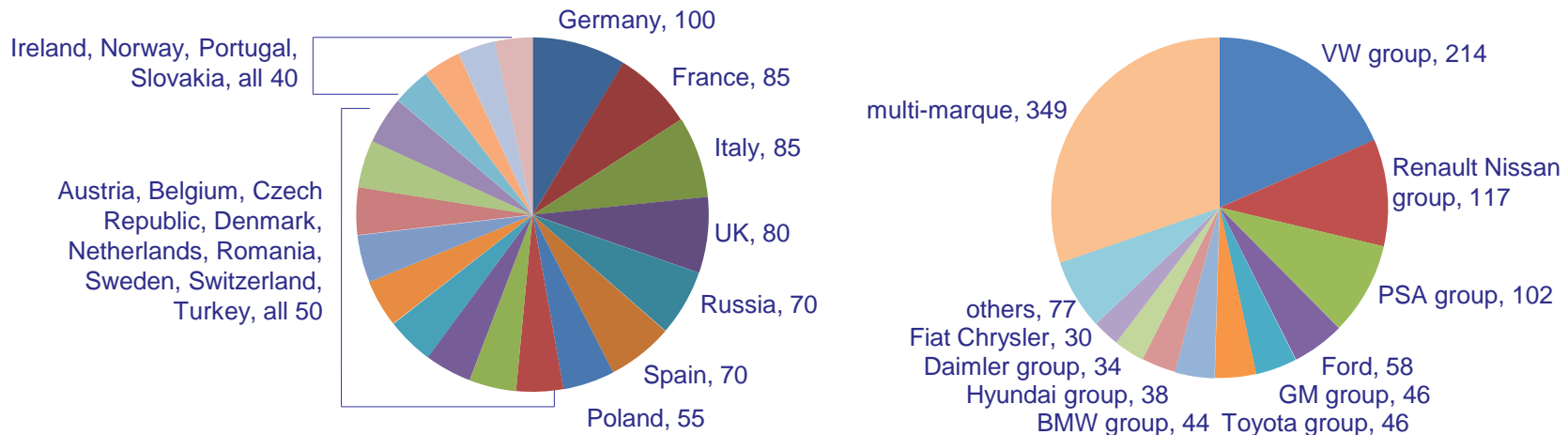
What is the rationale?

The automotive manufacturing market, globally as well as in Europe, has long been highly cyclical and prone to low or non-existent profitability as a consequence of the tough competition that exists between manufacturers. 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 EUR 8.13 billion in gross premiums and other revenues across Europe, is therefore an important battleground. This study and its accompanying PartnerBASE™ database represent systematic, published research on the subject across Europe providing unrivalled insight about it

How do dealerships surveyed break down?



Finaccord's universe of dealerships includes 1,155 respondents in total spread across 20 countries in Europe including manufacturer-owned dealerships, franchised dealerships, multi-marque dealerships and new and used car supermarkets. 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 in at least one of the countries covered in this report are as follows:

AIXAM	FAW	Lada	Morgan	SsangYong
Alfa Romeo	Ferrari	Lamborghini	Nissan	Subaru
Aston Martin	Fiat	Lancia	Opel	Suzuki
Audi	Ford	Land Rover	Perodua	TagAZ
Bentley	Geely	Lexus	Peugeot	Tata
BMW	Great Wall	Lifan	Porsche	Tesla
Bogdan	Haima	Lotus	Proton	Toyota
Cadillac	Honda	Maserati	Ravon	UAZ
Chery	Hyundai	Mazda	Renault	Vauxhall
Chevrolet	Infiniti	Mercedes-Benz	Rolls-Royce	Volkswagen
Chrysler	Jaguar	MG	SEAT	Volvo
Citroën	Jeep	MINI	Škoda	Vortex
Dacia	Kia	Mitsubishi	Smart	

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. *European Overview*: comprising an overview of the market for manufacturer-branded and dealer-intermediated motor insurance and road assistance across the 20 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 Europe.

3. *Austria*: an in-depth analysis of the market for manufacturer-branded and dealer-intermediated motor insurance and road assistance in Austria 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 - 22: *the other 19 countries (for all, contents as for Austria)*.

What are the key features of the research?

Key features of this report include:

- comparable and standardised data concerning automotive finance and leasing for consumers covering a total of 20 countries in Europe including both mature territories and fast-developing ones;
- provision of hitherto unpublished market size and segmentation data for all of these markets generated from Finaccord's proprietary *European 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 size and future potential of the market for manufacturer-branded and dealer-intermediated motor insurance and road assistance on a Europe-wide basis;
- 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 policies through the point of sale;
- evaluate the potential for establishing partnerships with automotive brands or their local importers for branded or endorsed motor insurance and road assistance propositions;
- track the involvement in this field of leading national and international competitors including Allianz, ARC Europe, AXA, Covéa, Europ Assistance, Falck, If P&C Insurance, Inter Mutuelles Assistance, MAPFRE, Nürnberger Versicherungsgruppe, Talanx and Zurich.

How can the PartnerBASE™ be used?

Search by type of automotive financial service Choose operating model

Filter by group Select country

Brand	Group	Country	Product offered?	Operating model	Tied partner(s)
Kia	Hyundai	Slovakia	Yes	External assistance provider	Coris
Lancia	Fiat Chrysler	Slovakia	Yes	External assistance provider	Mondial Assistance
Land Rover	Tata	Slovakia	Yes	External assistance provider	Autoklub Slovakia Assistance
Lexus	Toyota	Slovakia	Yes	External assistance provider	Europ Assistance
Mazda	Mazda	Slovakia	Yes	External assistance provider	Mondial Assistance

ROAD ASSISTANCE

Look up specific brands Identify product partners

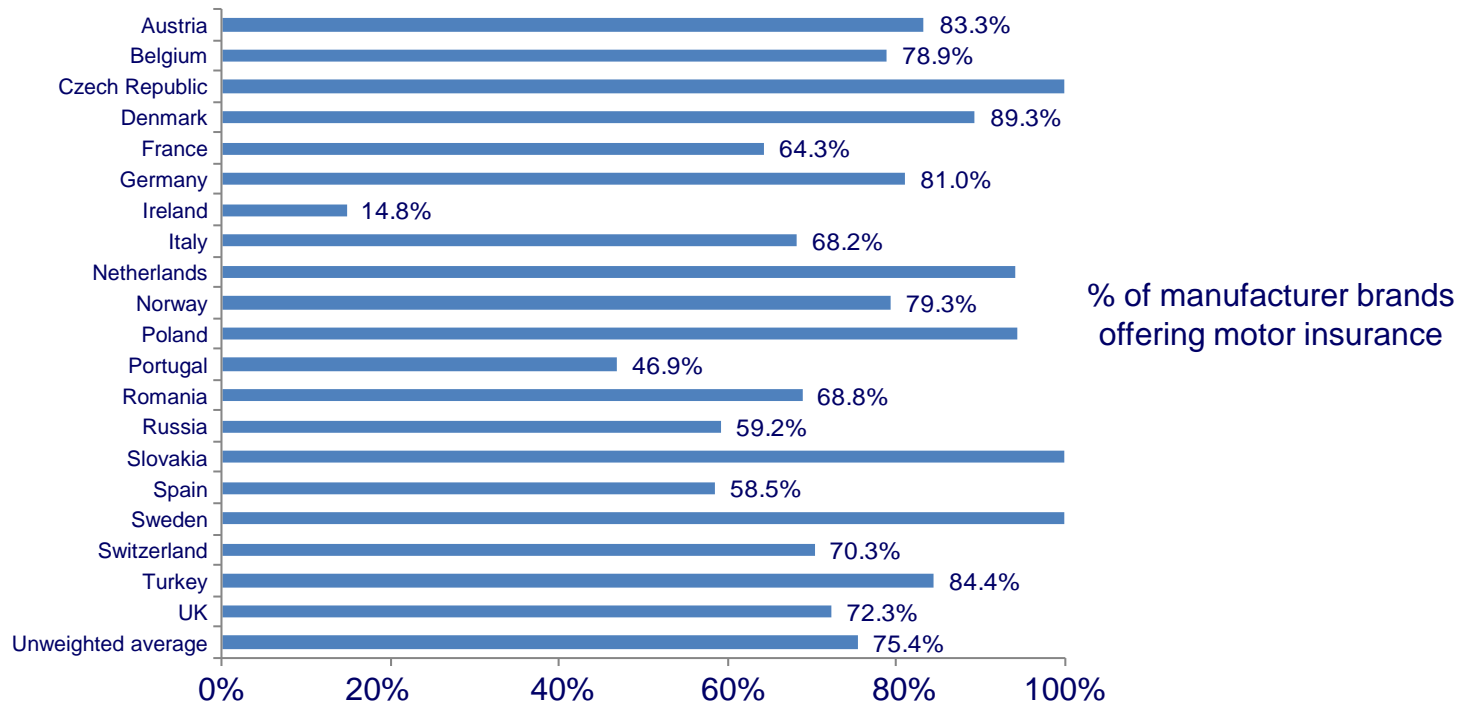
Note: for this report, PartnerBASE also covers 1,155 dealerships

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 on a Europe-wide basis;
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 Europe? Understand the current status of this market across 20 countries, saving time and effort on researching the subject yourself.

What are some of the key findings?

1. A majority of manufacturer brands distribute motor insurance in all countries researched apart from Ireland and Portugal in Europe

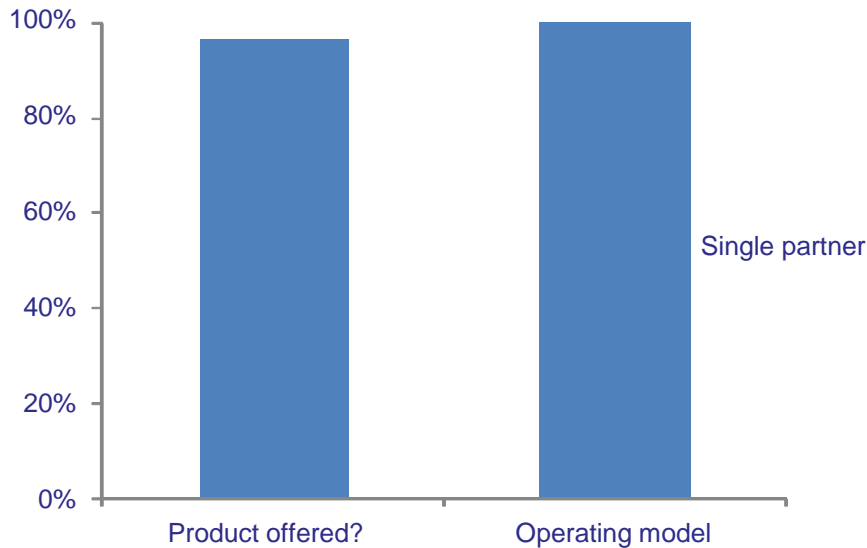


Source: Finaccord Automotive Financial Services in Europe Survey

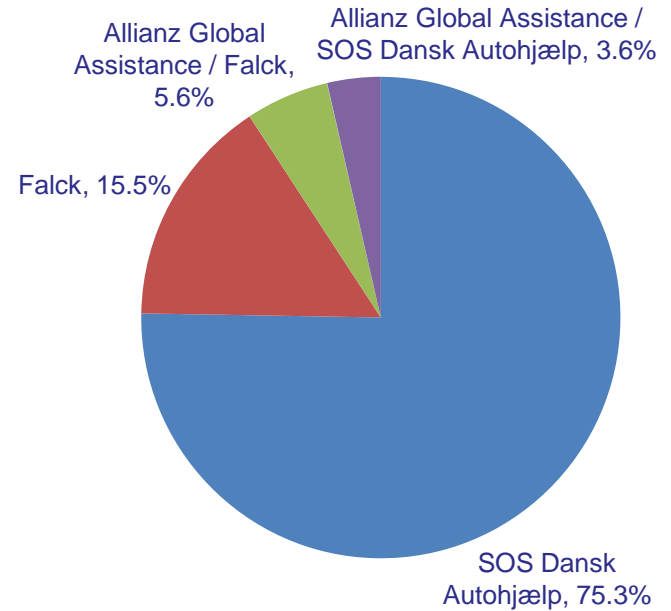
What are some of the key findings? (cont.)

2. Most manufacturer brands in Denmark offer road assistance, with provider mandates ultimately managed by either Falck or SOS Dansk Autohjælp

% of manufacturer brands offering road assistance and operating model



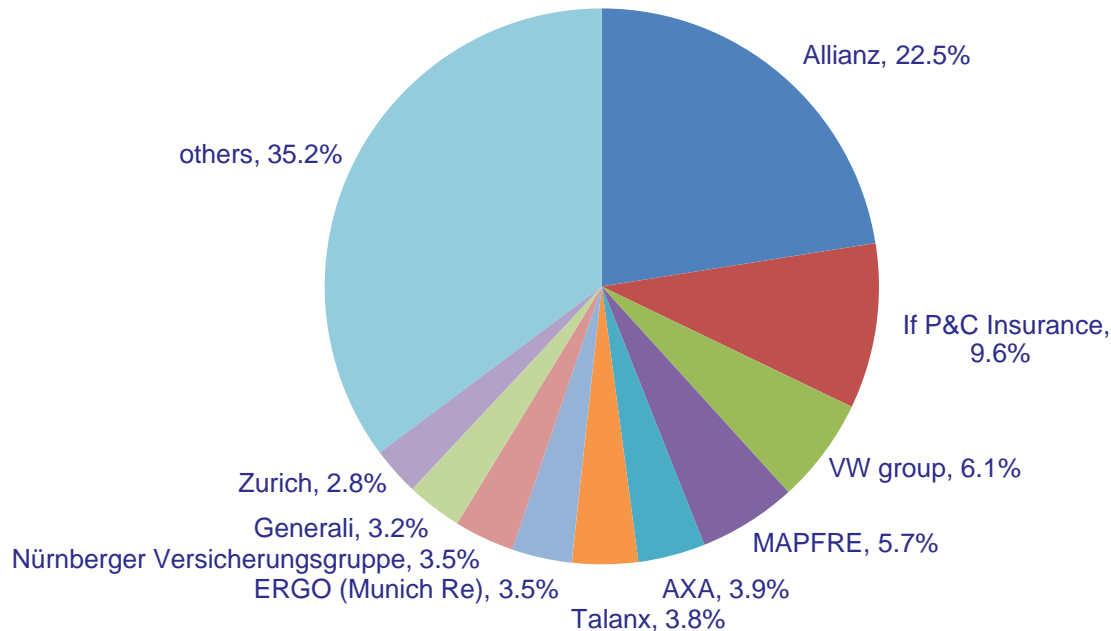
Weighted provider share of partnerships



Source: Finaccord European Automotive Financial Services Survey

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

3. Finaccord's analysis of motor insurance partnerships with manufacturer brands and dealers suggests that those of Allianz deliver the most potential on a Europe-wide basis



Note – the chart shows the share of partnerships held by each underwriting group with manufacturer brands and dealers across Europe weighted by the value of motor insurance premiums originated through the automotive channel in each country.

Source: Finaccord European Automotive Financial Services Survey

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

4. Key findings from the executive summary include:

- the market for manufacturer-branded and dealer-intermediated motor insurance and road assistance in Europe was worth in the region of EUR 8.13 billion in 2015, in terms of gross written premiums and other revenues;
- this segmented between around EUR 7.21 billion for motor insurance and EUR 0.92 billion for road assistance, and between EUR 2.33 billion from new policies distributed during 2015 and EUR 5.80 billion from in-force policies sold in previous years;
- in terms of the percentage of the total personal motor insurance market in each country accounted for by the dealer-intermediated sector, the automotive trade of Sweden achieves the highest distribution share at 24.2% in comparison to the weighted European average of 7.5%;
- as for road assistance, the potential opportunity is much smaller than that in motor insurance because the average policy price is much lower, a factor that is accentuated by wholesale pricing for the product when it is included free with new cars or packaged with motor insurance, extended warranties or prepaid service contracts.

What is the cost and format?

Manufacturer-Branded and Dealer-Intermediated Motor Insurance and Road Assistance in Europe 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 1,995
Automotive Finance and Leasing for Consumers in Europe	GBP 2,995
Automotive Finance and Leasing for Consumers in Latin America	GBP 1,495
Extended Warranties for New and Used Cars in the Asia-Pacific Region	GBP 1,995
Extended Warranties for New and Used Cars in Europe	GBP 2,995
Extended Warranties for New and Used Cars in Latin America	GBP 1,495
Fleet Insurance and Assistance in Europe	GBP 3,995
GAP Insurance for New and Used Cars in Europe	GBP 1,995
Global Automotive Manufacturers: Strategies in Finance, Insurance, Warranties and Assistance	GBP 2,995
Manufacturer-Branded and Dealer-Intermediated Motor Insurance and Road Assistance in the Asia-Pacific Region	GBP 1,995
Manufacturer-Branded and Dealer-Intermediated Motor Insurance and Road Assistance in Europe	GBP 2,995
Manufacturer-Branded and Dealer-Intermediated Motor Insurance and Road Assistance in Latin America	GBP 1,495
Prepaid Service Contracts for New and Used Cars in Europe	GBP 1,995
Road Assistance in Europe	GBP 2,995
Road Assistance in Major Global Markets	GBP 2,995

** 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	Greece	GBP 595	Romania	GBP 595
Australia	GBP 795	Hungary	GBP 595	Russia	GBP 795
Austria	GBP 795	India	GBP 795	Slovenia	GBP 395
Belgium	GBP 795	Indonesia	GBP 795	South Africa	GBP 795
Brazil	GBP 795	Ireland	GBP 595	South Korea	GBP 795
Bulgaria	GBP 395	Italy	GBP 795	Spain	GBP 795
Canada	GBP 795	Japan	GBP 795	Sweden	GBP 595
Chile	GBP 595	Luxembourg	GBP 595	Switzerland	GBP 795
China	GBP 795	Malaysia	GBP 595	Taiwan	GBP 595
Colombia	GBP 595	Mexico	GBP 795	Thailand	GBP 595
Croatia	GBP 395	Netherlands	GBP 795	Turkey	GBP 595
Czech Republic	GBP 595	Norway	GBP 595	UK	GBP 795
Denmark	GBP 595	Peru	GBP 595	Ukraine	GBP 595
Finland	GBP 595	Philippines	GBP 595	USA	GBP 1,995
France	GBP 795	Poland	GBP 595	Vietnam	GBP 595
Germany	GBP 795	Portugal	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 ten 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.