

Travel Insurance and Assistance in the Asia-Pacific Region

Report Prospectus

July 2016

Prospectus contents

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What is the research?

Finaccord's report titled *Travel Insurance and Assistance in the Asia-Pacific Region* investigates the market for stand-alone travel insurance and assistance in ten countries, namely, China, Hong Kong, India, Indonesia, Japan, Malaysia, Singapore, South Korea, Taiwan and Thailand. This market is estimated by Finaccord to have been worth USD 2 billion in gross written premiums in 2015 and is growing rapidly in a number of the countries researched. Moreover, the competitive and distribution dynamics of the market continue to evolve with new channels emerging and partnerships with major distributors subject to regular change.

For the research, Finaccord investigated the distribution partnerships of over 1,350 travel trade, transportation and financial organisations across the region; it also analysed systematically the involvement in travel insurance in each country of other key distributor categories including automotive clubs, direct sales, online aggregators and brokers, other online brands, and retailers.

The report, which represents an update and expansion to previous Finaccord studies on the subject is accompanied by an Excel PartnerBASE™ dataset that details the travel insurance partnerships of each of the travel trade, transportation and financial organisations covered, plus a convenient market data annexe, also in Excel format.

What methodology has been used?

Finaccord's investigation into the travel insurance and assistance market in the Asia-Pacific region draws on several sources. First, the size, segmentation and dynamics of the underlying travel market are analysed, developing standardised data for the number of overseas trips in each country between 2011 and 2015, split between holiday and business travel and (for one year) by destination.

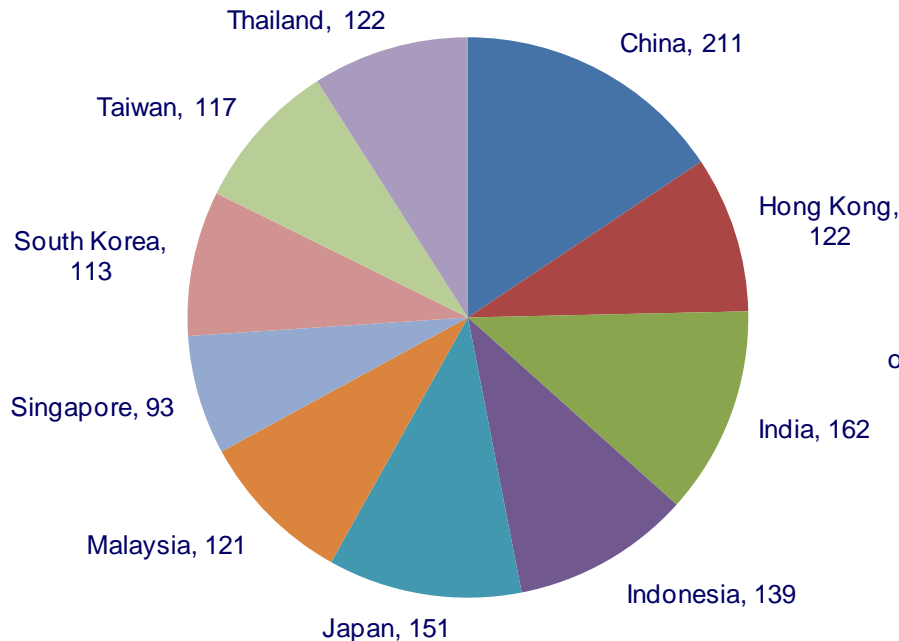
A further element is the extensive survey of the most important travel trade, transportation and financial organisations across this region. These were investigated during the first half of 2016 to find out the following information: if they distribute travel insurance and assistance policies; if so, what operating model is used (e.g. external underwriter, external broker, captive underwriter etc.); and if so, who their insurance partner(s) is / are.

These organisations include airlines, banks, coach / ferry / railway operators, insurance brands, online travel specialists plus specialised card providers and lenders, as well as mainstream travel agents and tour operators, thereby offering comprehensive coverage of these major distribution categories.

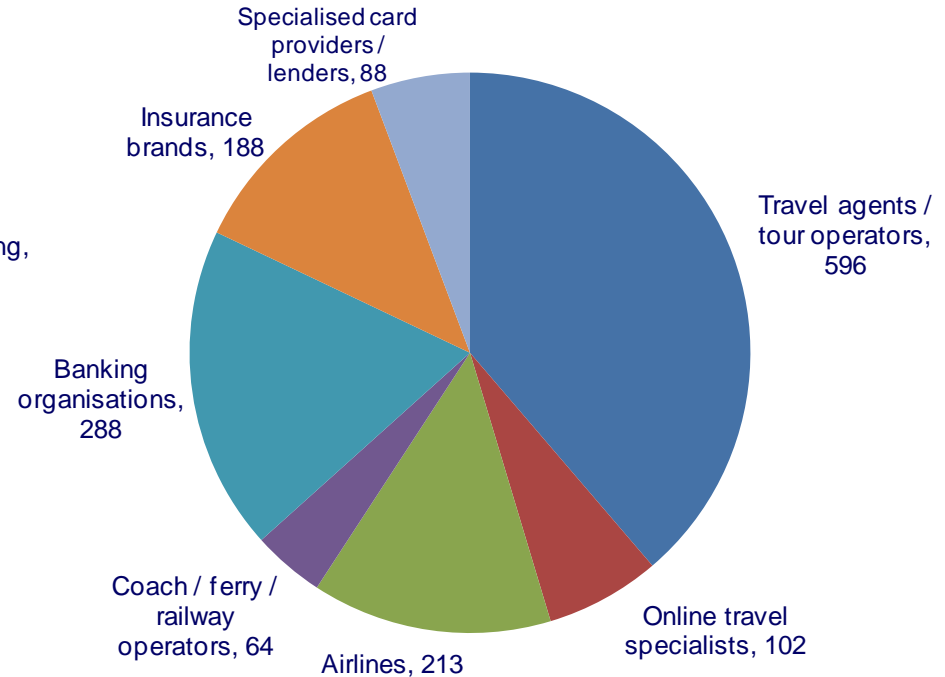
Finally, Finaccord combines the results of this survey with any public disclosures made by leading underwriters of travel cover in each country (or by national insurance trade associations or similar sources) in order to estimate the market shares of underwriters in 2015 with these data points expressed as a percentage range (e.g. 5.0% to 7.5%).

How do organisations surveyed break down?

Segmentation by country



Segmentation by type of firm



Note – airlines are counted for each country in which they operate

Source: **Finaccord analysis**

What is the report structure?

0. *Executive Summary*: providing a concise evaluation of the principal findings of the report.

1. *Introduction*: offering rationale, description of methodology and some definitions.

2. *Regional Overview*: comprising an overview of the market for travel insurance and assistance in the Asia-Pacific region including: data spanning 2011 to 2015 for the underlying travel market with segmentations by destination and by type of trip, and for the size of the market for stand-alone travel insurance and assistance in terms of premiums and policies, with a segmentation between single-trip and annual cover; analysis of the supply structure for travel insurance and assistance including market share estimates; and forecasts for market drivers, values and volumes to 2019.

3. *China*: an in-depth study of the market for travel cover in China including: data spanning 2011 to 2015 for the underlying travel sector and for the value and volume of the stand-alone travel insurance and assistance market with similar segmentations to those in the overview chapter; analyses of the share of distribution relationships of travel insurance providers split between travel trade, transportation and financial organisations; a review of other direct and affinity distribution channels; market share estimates for the leading ten underwriters; and forecasts to 2019.

4 - 12: *Hong Kong, India, Indonesia, Japan, Malaysia, Singapore, South Korea, Taiwan and Thailand (structure as for China)*.

What are the key features of the research?

Key features of this report include:

- quantification of the market size and segmentation for travel insurance and assistance across ten countries: how much is the market worth and where is it forecast to grow most quickly?
- segmentation of travel insurance policies between single-trip and annual policies: to what extent are annual policies on the rise and what are the obstacles to their growth?
- competitor share of partnerships by number of relationships: which providers of travel insurance and assistance policies have the most relationships with travel trade and transportation entities, which have been most successful with financial organisations and how does this vary by country?
- estimated market shares of the leading travel insurance underwriters in each country and across the Asia-Pacific region as a whole expressed as a percentage range (e.g. 5.0% to 7.5%): what is the ranking of the market leaders across the ten countries combined?
- availability of an accompanying PartnerBASE™ dataset that includes every travel insurance partnership traced by Finaccord across over 1,350 key distributors, plus a market data annexe, both in Excel format.

How can the research be used?

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

- compare the size of stand-alone travel insurance and assistance markets across the Asia-Pacific region, their growth rates (since 2011) and their future prospects (to 2019);
- through the analysis of underwriter market shares in each country, understand the supply structure for travel insurance and assistance, the operating models in use, the level of market concentration and the relative importance of national versus international companies;
- appreciate the potential for establishing distribution relationships across a broad range of partner categories and view what the different competitors are doing in this context;
- gain access to a comprehensive source of information that covers distribution through over 1,350 actual and potential distributors including airlines, banks, coach / ferry / railway operators, insurance brands and specialised lenders, plus both traditional and online travel trade entities;
- use the unique statistics contained in the market data annexes to develop your own analyses and presentations on this subject.

How can the PartnerBASE™ be used?

			TRAVEL INSURANCE AND ASSISTANCE			
Organisation	Category	Country	Offered?	Operating model	Immediate partner(s) / brand(s)	UHC(s)
Garuda Indonesia	Airlines	Indonesia	Yes	External underwriter	Allianz Indonesia	Allianz
GE Money	Specialised card providers	India	No			
Gem Travel & Tours	Travel agents / tour operators	Malaysia	Yes	External underwriter	AIG	AIG
Generali	Insurance brands	Hong Kong	Yes	Internal	Generali	Generali
Genting Holiday	Travel agents / tour operators	Singapore	Yes	External underwriter	AIG	AIG
Ggogo	Travel agents / tour operators	Taiwan	No	External underwriter	Shin Kong Insurance Company	Shin Kong Group

Search by organisation (points to Garuda Indonesia)
Select country (points to Indonesia)
Filter by category (points to Travel agents / tour operators)
See operating model (points to External underwriter)
View partners (points to Shin Kong Insurance Company)
Identify ultimate holding companies (points to Allianz)

What does the market data annexe deliver?

Country	Variable (and units)	2011	2012	2013	2014	2015	CAGR 2011	CAGR 2011	2019	CAGR 2015	CAGR 2015	
							to 2015	to 2015		to 2019	to 2019	
							(nominal)	(real)			(nominal)	(real)
Country X	GDP (USD billion)	233.6	248.9	261.0	283.5	301.1	6.6%		428.8	9.2%		
Country X	Holiday trips (million)	7.65	8.02	8.95	8.72	9.72	6.2%		13.76	9.1%		
Country X	Business trips (million)	2.90	2.97	3.23	3.06	3.33	3.5%		3.91	4.2%		
Country X	Total trips (million)	10.56	10.99	12.17	11.78	13.05	5.4%		17.67	7.9%		
Country X	Number of single-trip policies (000s)	1,443.5	1,631.5	1,927.6	2,009.1	2,275.8	12.1%		3,233.0	9.2%		
Country X	Number of annual policies (000s)	42.2	52.1	66.5	74.7	90.3	20.9%		155.9	14.6%		
Country X	Total number of policies (000s)	1,485.7	1,683.6	1,994.1	2,083.8	2,366.1	12.3%		3,388.9	9.4%		
Country X	Total GWP (USD million)	55.3	64.9	80.2	89.4	104.6	17.3%	14.6%	185.6	15.4%		11.8%

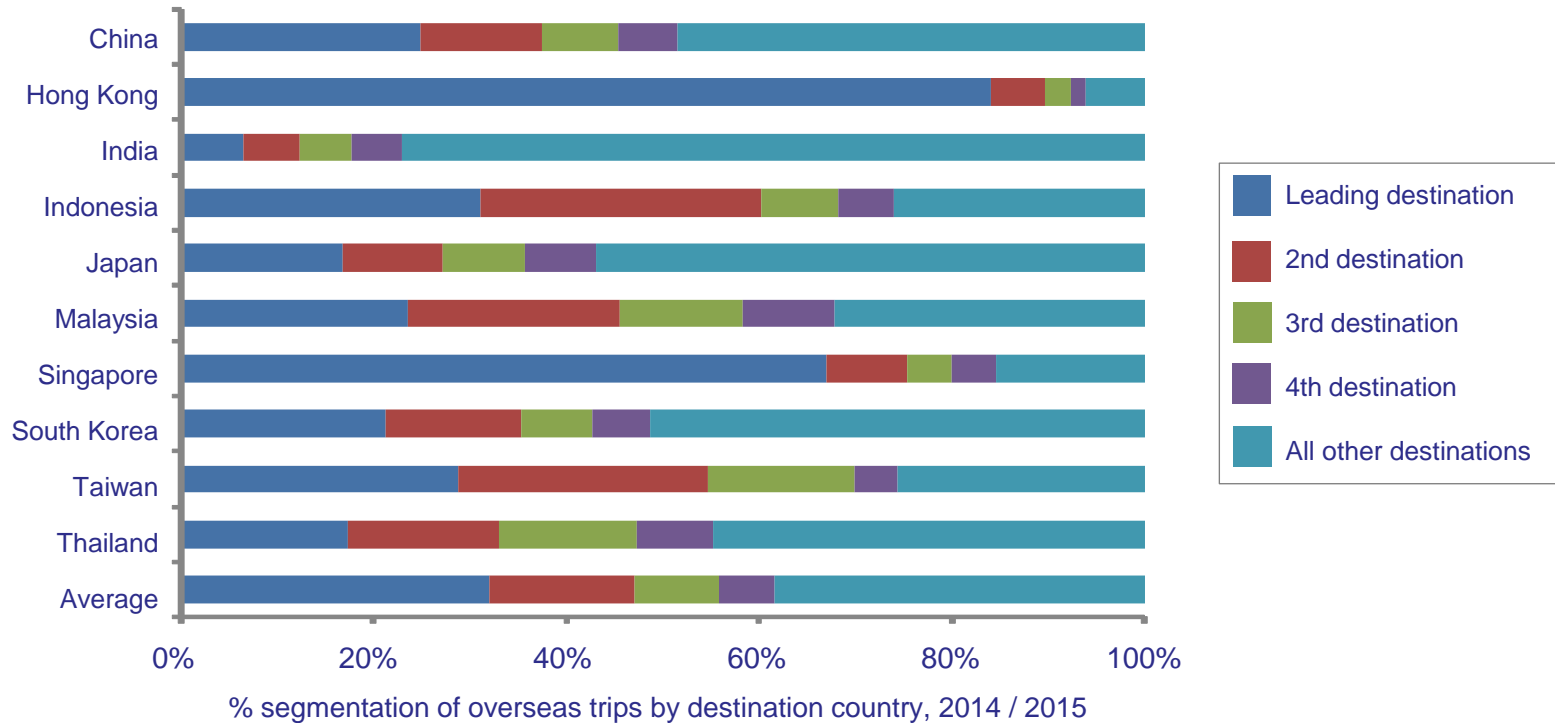
For each country, the market data annexe provides data similar to that shown above plus GDP and total GWP in local currency and related information such as population and national GDP. This annexe can be used as a convenient source of data already in Excel format which means that there is no need for users to re-enter data from the PDF report into their own Excel worksheets.

Who can use the research?

1. *Specialist travel insurance and assistance companies:* this study is a comprehensive source of information about the Asia-Pacific region, giving detailed and up-to-date information for ten countries;
2. *Multi-line insurers:* although specialist providers dominate travel trade distribution, there are opportunities for other insurers to gain market share by using other channels, and this report provides guidance about these possibilities;
3. *Travel companies and other existing or potential travel insurance intermediaries:* sales of travel insurance are shifting away from traditional travel agents and tour operators - this report helps you plan how to respond to this and to consider what might be the channels of the future;
4. *Banking institutions and other card issuers:* evaluate the attractiveness of offering travel insurance as a stand-alone product or as an enhancement to payment cards or bank accounts;
5. *Management consultancies:* are you helping a travel company, assistance firm or insurer with its future plans for the travel insurance and assistance market in the Asia-Pacific region? Save time researching the subject yourselves by accessing this publication.

What are some of the key findings?

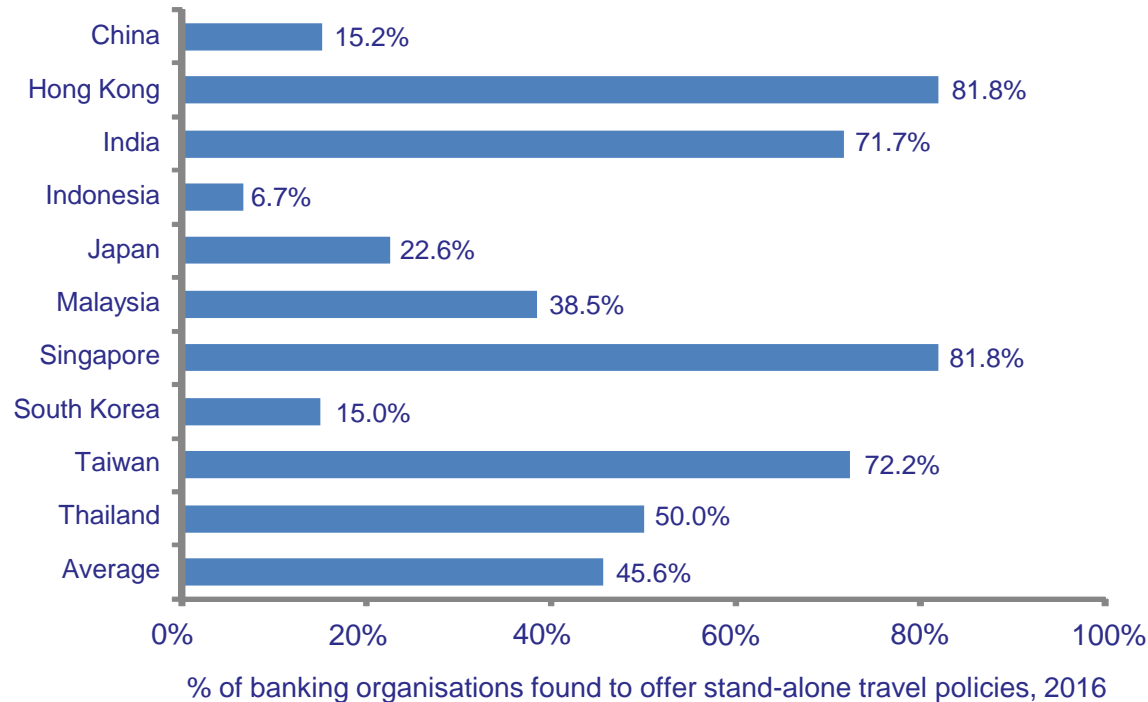
1. Indian travellers make overseas visits to the most varied range of countries while those from Hong Kong are most focused on a single destination



Source: Finaccord analysis

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

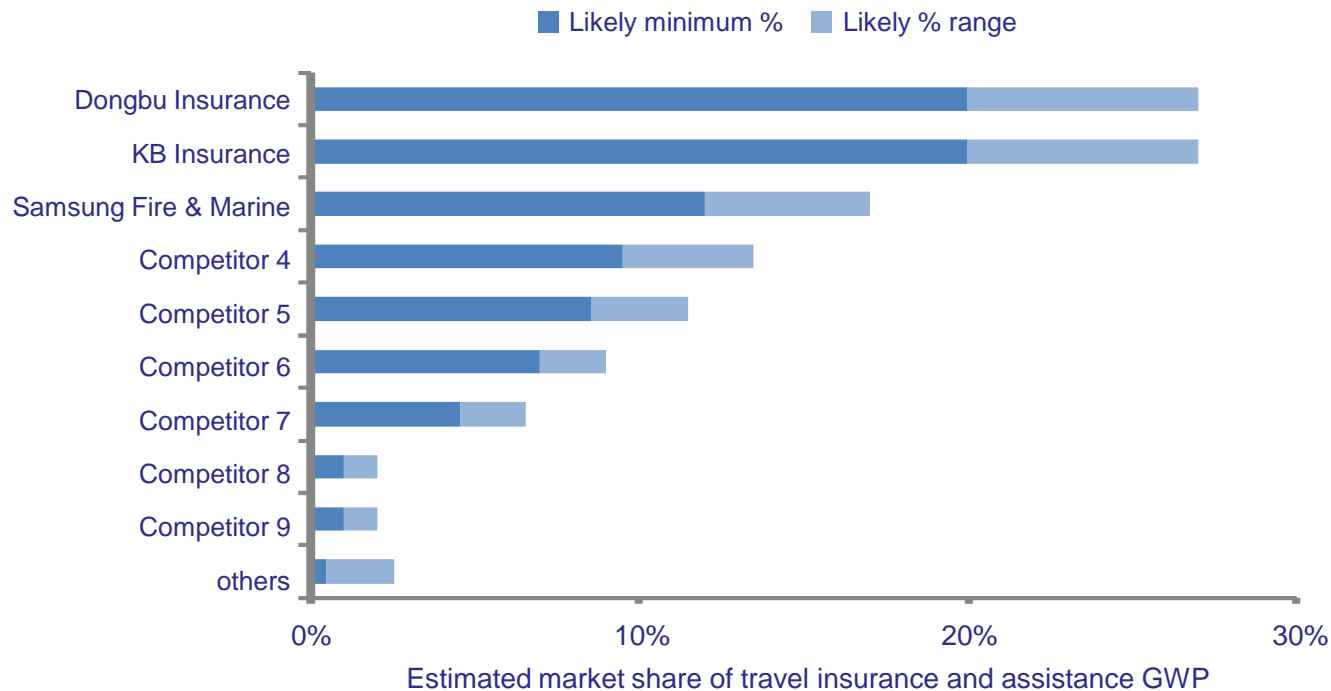
2. Banks in Hong Kong and Singapore display the most enthusiasm for promoting stand-alone travel cover and those in Indonesia the least



Source: Finaccord PartnerBASE for Travel Insurance and Assistance in the Asia-Pacific Region

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

3. Dongbu Insurance and KB Insurance are likely to vie for leadership in South Korea's travel insurance market



Source: Finaccord analysis

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

4. Key findings from the executive summary include:

- across the ten countries combined, the number of foreign trips (lasting one night or more) rose from 193.4 million in 2011 to 255.2 million in 2015 – this equates to compound annual growth of 5.2% during this period;
- the number of travel policies sold in Indonesia rose at a compound annual rate of 16.9% during the same period and other markets that made particularly strong progress by the same measure were China and Malaysia, with equivalent respective rates of 15.2% and 12.3%;
- AIG is the leading group in the Asia-Pacific region's fragmented market for stand-alone travel insurance and assistance, and its market share is followed at a distance by those of MS&AD Insurance Group, Sompo Japan Nipponkoa, CPIC and Tokio Marine;
- across the ten countries, gross written premiums from stand-alone travel insurance and assistance are forecast to increase to USD 2.95 billion by 2019, which would represent a compound annual growth rate of 7.5% in real terms relative to 2015.

What is the cost and format?

Travel Insurance and Assistance in the Asia-Pacific Region is available as a standard PDF document. The PartnerBASE™ and market data annexe that accompany it at no further charge are in Excel format. Costs for this research set and other multi-country or related titles on the same subject are as follows:

REPORT	PRICE *
Travel Insurance and Assistance in the Asia-Pacific Region	GBP 2,995
Global Airlines: Strategies in Travel Insurance and Co-Branded Cards	GBP 995
International Health Insurance for Expatriates and Students: A Worldwide Review	GBP 2,495
Travel Insurance and Assistance in Europe	GBP 5,995
Travel Insurance and Assistance in the GCC Countries	GBP 1,995
Travel Insurance and Assistance in Latin America	GBP 1,995
Travel Insurance and Assistance in South Africa	GBP 795
Travel Metrics: Consumer Approaches to Travel Insurance and Assistance in Selected 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 next slide for further details.

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

How can the research be purchased?

Simple. Just go to the relevant area of the Finaccord web site available at www.finaccord.com/order_travel_insurance_assistance_reports.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.