

Travel Insurance and Assistance in Europe

Report Prospectus

August 2015

Prospectus contents

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What is the research?

Finaccord's report titled *Travel Insurance and Assistance in Europe* investigates the market for stand-alone travel insurance and assistance in 20 European countries, namely, Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Poland, Portugal, Romania, Russia, Spain, Sweden, Switzerland, Turkey and the UK.

This market is estimated by Finaccord to have been worth EUR 3.86 billion in gross written premiums in 2014 and its value has proved to be resilient in spite of a challenging economic environment. 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 3,630 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 issued since 2003, 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 Europe 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 2010 and 2014, split between holiday and business travel and by destination.

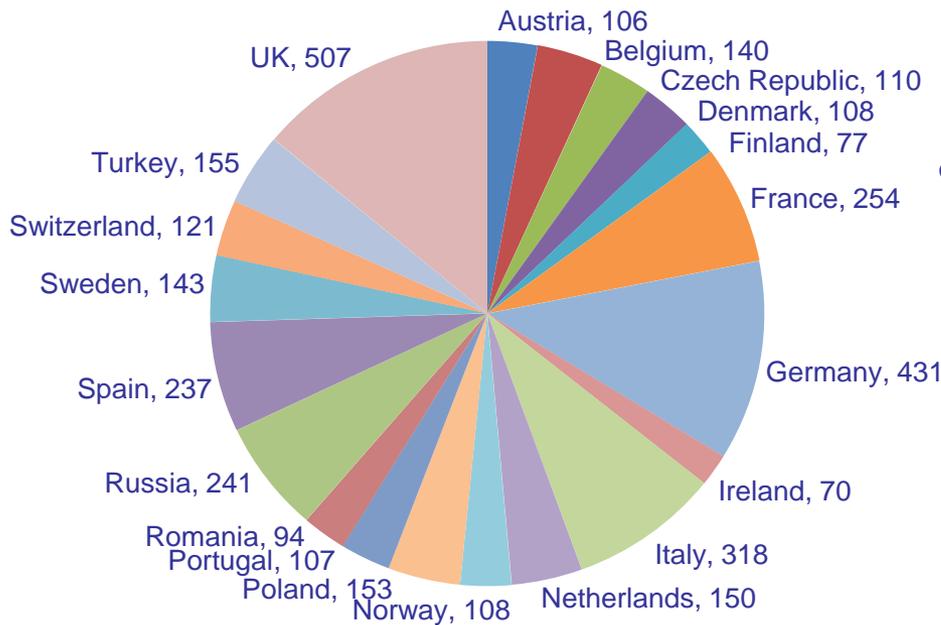
A further element is the extensive survey of the most important travel trade, transportation and financial organisations across this region. These were investigated during the first half of 2015 to find out the following information: if they distribute travel insurance and assistance policies; if so, 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, 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.

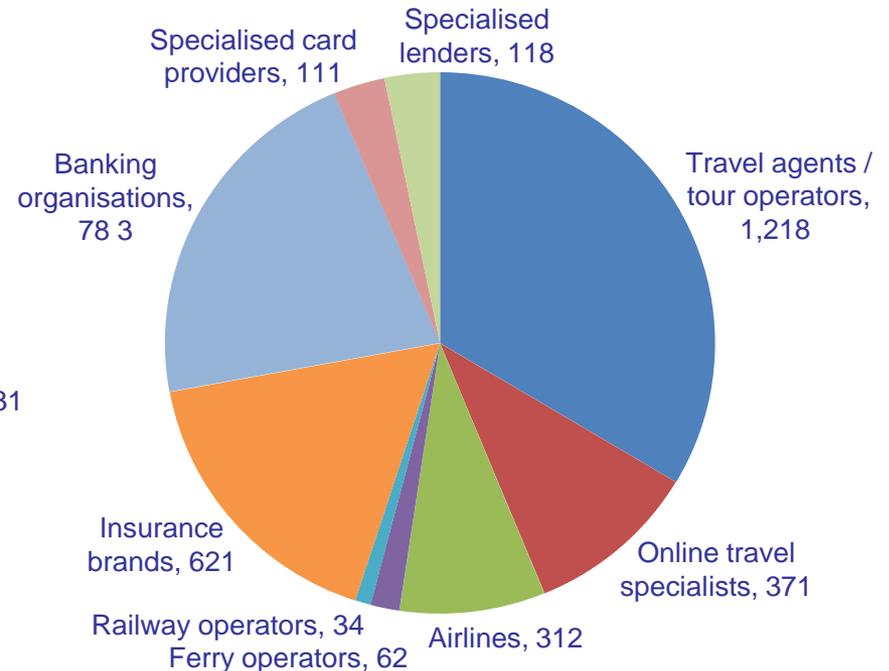
Finally, Finaccord combines the results of this survey with any public disclosures made by leading underwriters of travel cover in each country (or by national insurance trade associations or similar sources) in order to estimate the market shares of underwriters in 2014 with these data points expressed 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



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. *European Overview*: comprising an overview of the market for travel insurance and assistance in Europe including: data spanning 2010 to 2014 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 2018.

3. *Austria*: an in-depth study of the market for travel cover in Austria including: data spanning 2010 to 2014 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 2018.

4 - 22: *Belgium, the Czech Republic, Denmark, Finland, France, Germany etc. (structure as for Austria).*

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 20 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 Europe 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 20 countries combined?
- availability of an accompanying PartnerBASE™ dataset that includes every travel insurance partnership traced by Finaccord across 3,630 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 Europe, their growth rates (since 2010) and their future prospects (to 2018);
- 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 arrangements for 3,630 actual and potential distributors including airlines, banks, 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	Product offered?	Operating model	Immediate partner(s) / brand(s)	UHC(s)
KLP Skadeforsikring	Insurance brands	Norway	Yes	Internal	KLP Skadeforsikring	KLP-konsernet
KMP Group	Travel agents / tour operators	Russia	Yes	External underwriter	ERGO Rus	Munich Re
Knecht Reisen	Travel agents / tour operators	Switzerland	Yes	External underwriter	Allianz Global Assistance	Allianz
Købstædernes Forsikring	Insurance brands	Denmark	Yes	Internal	Købstædernes Forsikring	Købstædernes Forsikring
Komerční Banka	Banking organisations	Czech Republic	Yes	Captive underwriter	KB Pojišťovna	Société Générale

What does the market data annexe deliver?

Variable (and units)	2010	2011	2012	2013	2014	CAGR 2010 to 2014 (nominal)	CAGR 2010 to 2014 (real)	2018	CAGR 2014 to 2018 (nominal)	CAGR 2014 to 2018 (real)
Population (million)	26.6	26.7	26.7	26.6	26.6	0.0%		80.6	-0.2%	
GDP (EUR billion)	597	598	588	585	591	-0.3%		2,024	2.8%	
Holiday trips (million)	6.0	6.3	6.0	5.4	6.0	0.1%		21.4	4.0%	
Business trips (million)	1.1	1.3	1.1	1.0	1.1	0.4%		4.2	5.0%	
Total trips (million)	7.1	7.6	7.1	6.4	7.1	0.1%		25.6	4.2%	
<i>of which</i>										
Europe (EU)	4.6	5.1	4.6	4.1	4.5					
Europe (non-EU)	0.8	0.9	0.9	0.9	1.0					
North America	0.2	0.2	0.2	0.2	0.2					
Rest of world	1.5	1.4	1.3	1.3	1.4					
Number of single-trip policies (000s)	1,577	1,636	1,452	1,288	1,331	-4.2%		4,367	1.7%	
Number of annual policies (000s)	170	189	179	173	192	3.1%		760	6.6%	
Total number of policies (000s)	1,748	1,825	1,631	1,461	1,524	-3.4%		5,127	2.4%	
Total GWP (EUR million)	70.3	75.9	70.5	65.5	70.9	0.2%	-2.1%	273.0	5.9%	5.1%

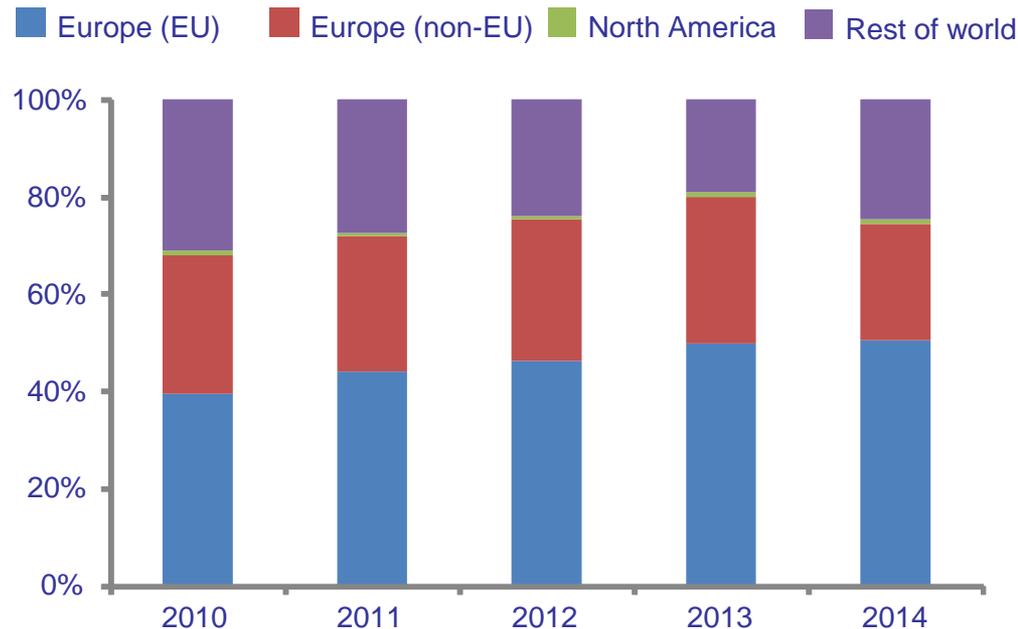
For each country, the market data annexe provides data similar to that shown above plus related information such as population and national GDP. Note that growth in market values, expressed in gross written premiums, is displayed in real terms (taking account of inflation) as well as in nominal terms. 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 your core markets in Europe, giving detailed and up-to-date information for 20 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 Europe? Save time researching the subject yourselves by accessing this publication.

What are some of the key findings?

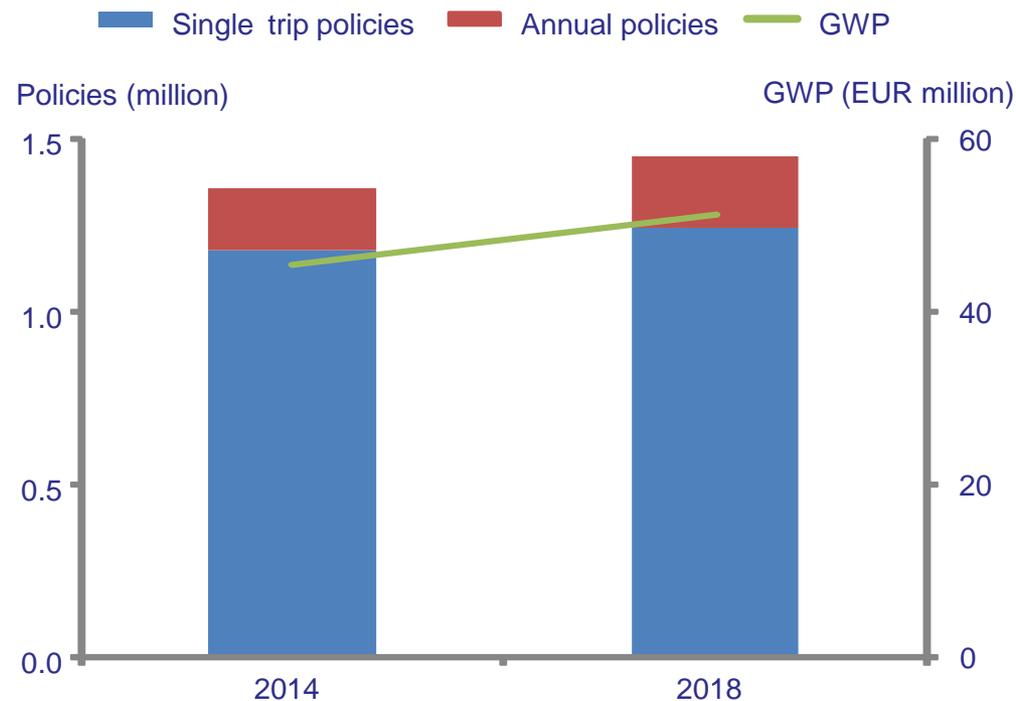
1. By destination, there were some significant shifts in the overseas trips made by Russian citizens between 2010 and 2014



Source: Federal Agency for Tourism, Finaccord analysis

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

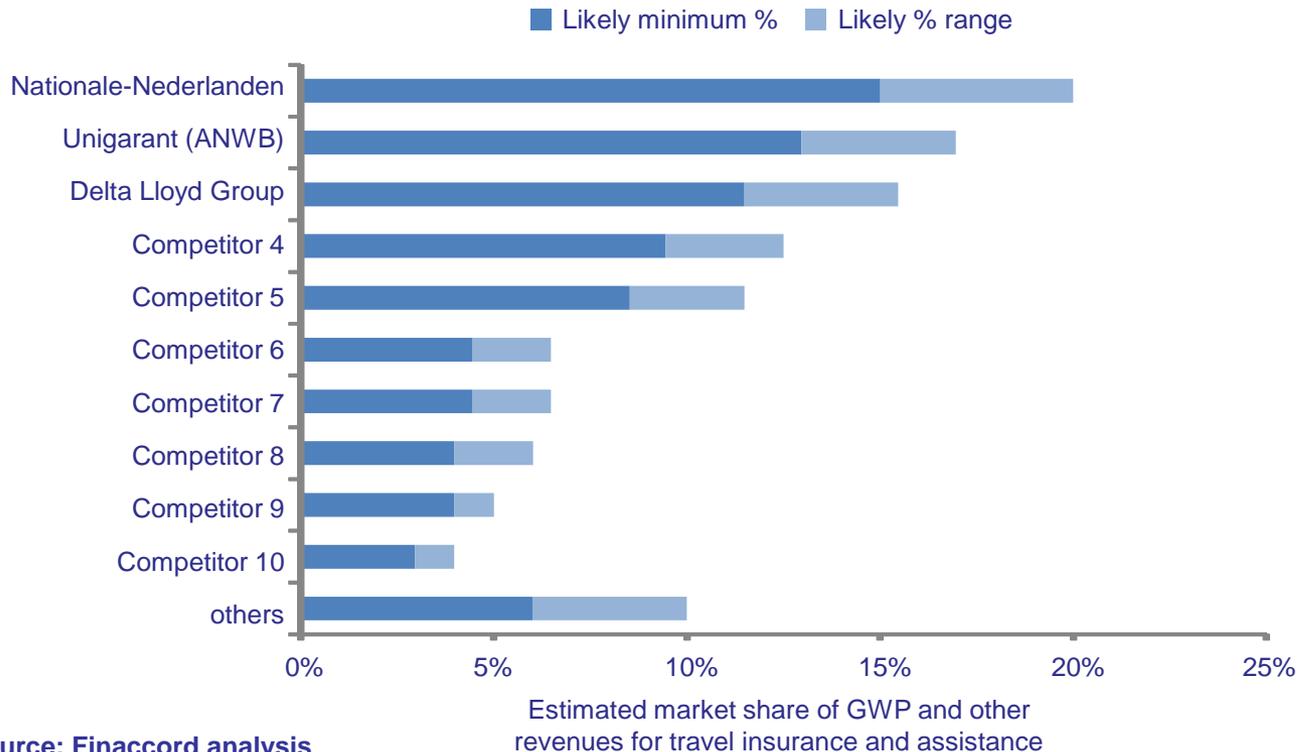
2. Moderate growth is forecast up to 2018 for the travel insurance and assistance market of the Czech Republic



Source: Finaccord analysis

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

3. Nationale-Nederlanden is likely to be the market leader for travel cover in the Netherlands, followed by ANWB's Unigarant and Delta Lloyd Group



Source: Finaccord analysis

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

4. Key findings from the executive summary include:

- across the 20 countries combined, the number of foreign trips (lasting one night or more) rose from 344.5 million in 2010 to 374.6 million in 2014 – this equates to compound annual growth of 2.1% during this period;
- the number of travel policies sold in Poland rose by around 10.2% per annum during the same period and other markets that made particularly strong progress by the same measure were Romania and Turkey, with respective compound annual growth rates of 9.4% and 8.7%;
- mainly through ERV (Europäische Reiseversicherung), Munich Re is the leading group in Europe's fragmented market for stand-alone travel insurance and assistance, and it is followed closely by Allianz (mainly via Allianz Global Assistance);
- across the 20 countries, gross written premiums from stand-alone travel insurance and assistance are forecast to increase to EUR 4.54 billion by 2018, which would represent a compound annual growth rate of 2.3% in real terms relative to 2014.

What is the cost and format?

Travel Insurance and Assistance in Europe 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 titles on the same subject are as follows:

REPORT	PRICE *
Travel Insurance and Assistance in Europe	GBP 5,995
Travel Insurance and Assistance in the Asia-Pacific Region	GBP 2,995
Travel Insurance and Assistance in the Middle East	GBP 1,995
Travel Insurance and Assistance in North and 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.