

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

Report Prospectus

September 2007

Expertise in financial services

Prospectus contents

	Page
What is the research?	3
What is the rationale?	4
How do dealership surveyed break down?	5
What is the report structure?	6
What are the key features of the research?	7
How can the research be used?	8
Who can use the research?	9
What are some of the key findings?	10-13
What is the cost and format?	14
How can the research be purchased?	15

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What is the research?

Finaccord's report titled *Manufacturer-Branded and Dealer-Intermediated Motor Insurance and Assistance in Europe* amalgamates comprehensive and in-depth research covering 26 countries in Europe, namely: Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, France, Germany, Greece, Hungary, Ireland, Italy, Norway, Netherlands, Poland, Portugal, Romania, Russia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine and the United Kingdom.

Based on a survey of 1,370 dealers in these countries, in addition to an investigation covering up to 37 manufacturers and importers 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. Moreover, the research also generates data describing the size, in terms of policies and premiums, for the market for manufacturer-branded and dealer-intermediated motor insurance in each country.

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

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What is the rationale?

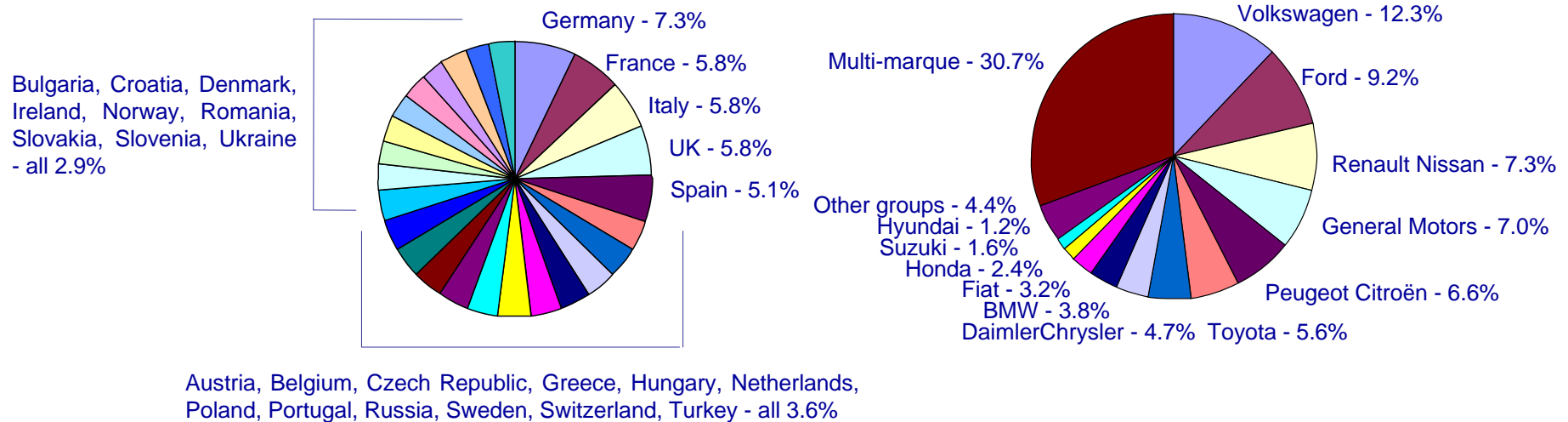
The automotive manufacturing market, at the level of the world as a whole as well as in Europe, has long been highly cyclical and prone to low or non-existent profitability as a consequence of the tough competition that exists between manufacturers. Although the sector has experienced significant consolidation in recent years, there is still a surplus of manufacturers chasing what often amounts to a stagnant or even declining number of customers seeking to buy new vehicles in both mature and developing countries.

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

As such, the market for manufacturer-branded and dealer-intermediated motor insurance, which Finaccord's research indicates to possess a pan-European value in the region of €7.30 billion in gross premiums, is an important battleground. Indeed, this study and accompanying PartnerBASE™ database represent the first ever systematic, published research on the subject across Europe with coverage of 26 countries providing unrivalled insight into the sector.

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How do dealer groups surveyed break down?



Finaccord's universe of dealerships includes 1,370 respondents in total spread across 26 countries in Europe including manufacturer-owned dealerships, franchised dealerships, multi-marque dealerships and new and used car supermarkets. For a full list of the organizations contacted for the research and included in PartnerBASE™, please contact Finaccord.

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What is the report structure?

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

1. *Introduction*: offering 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 assistance across the 26 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 for point-of-sale motor insurance; and calculation of the market size, in terms of policies and premiums in each country, for the dealer-intermediated motor insurance market in Europe.

3. *Austria*: an in-depth analysis of the market for manufacturer-branded and dealer-intermediated motor insurance and 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 programs branded or endorsed by manufacturers as opposed to policies provided by independent insurers; and manufacturer / importer survey results, including identification of partners used for branded or endorsed schemes for motor insurance and assistance.

4 - 28: *the other 25 countries (for all, contents as for Austria)*.

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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 assistance covering a total of 26 countries in Europe ranging from mature territories, such as France and Germany, to fast-developing markets, such as Russia and Turkey;
- 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 used by dealers and the degree to which they collaborate with non-captive companies in addition to captive partners;
- in both the report and the accompanying PartnerBASE™ database, identification of both leading and secondary non-captive providers of motor insurance 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 assistance schemes.

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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 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 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 assistance propositions;
- track the involvement in this field of leading national and international competitors including ARC Europe, AXA, Europ Assistance, If, Mapfre Asistencia, Mondial Assistance, Nürnberger, RBS Insurance, Vienna Insurance Group and Zurich.

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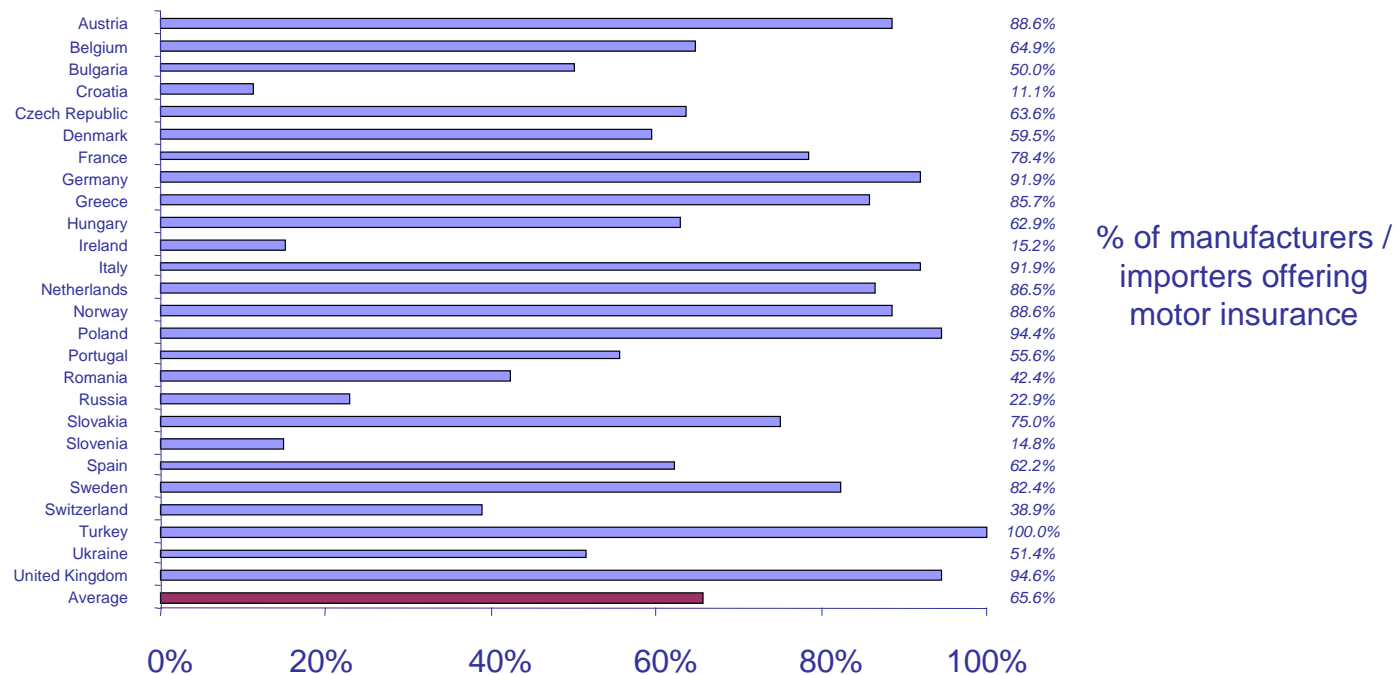
Who can use the research?

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 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 26 countries, saving time and effort on researching the subject yourself.

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What are some of the key findings?

1. Either directly, or through local importers, at least a half of automotive brands surveyed operate branded or endorsed motor insurance programs in 20 countries



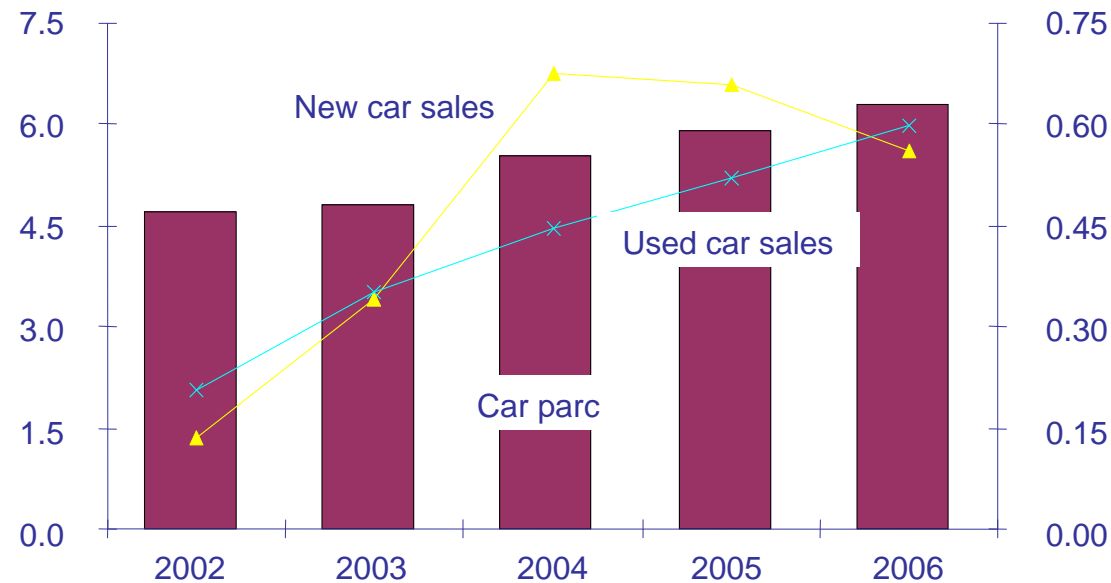
Source: Finaccord Automotive Financial Services in Europe Survey

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

2. Sales of used cars overtake sales of new cars for the first time in Turkey's buoyant passenger car market

Passenger car parc and new / used passenger car sales (million)



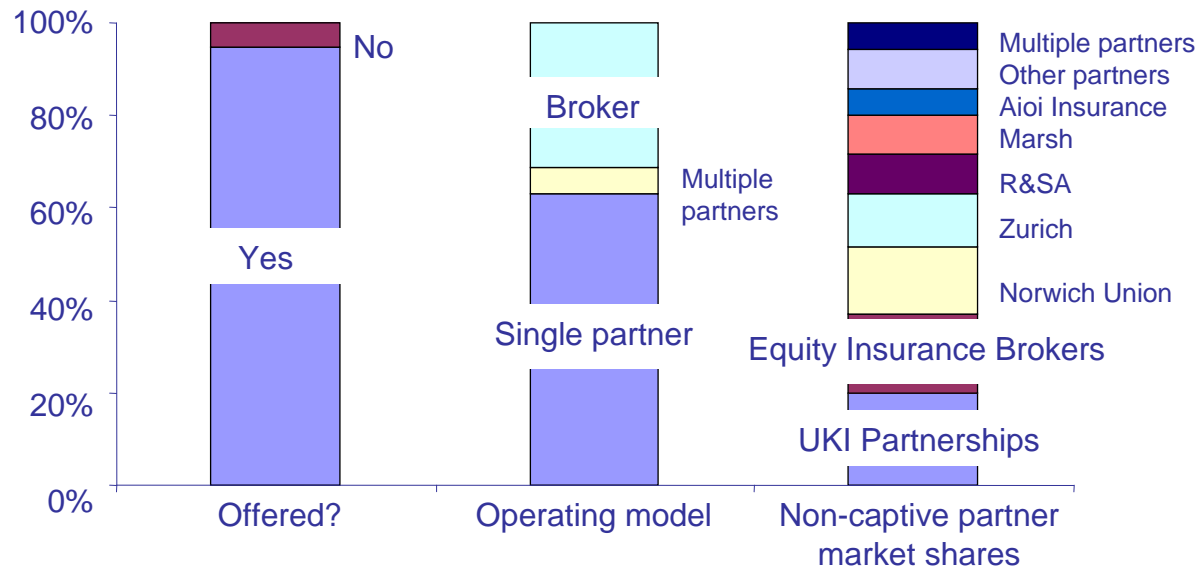
Source: Otomotiv Sanayii Dernegi, Finaccord estimates

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

3. In the UK, there have seen some important changes in the relationships for manufacturer-branded motor insurance

Provision rates, operating models and partner market shares



Source: Finaccord Automotive Financial Services in Europe Survey

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

4. Key findings from the executive summary include:

- the market for dealer-intermediated motor insurance in Europe is worth in the region of €7.30 billion in gross premiums including both new policies and renewals of policies acquired through the dealership channel 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 trades of Sweden and Norway achieve the highest distribution share at 24.1% and 23.3%, respectively;
- indeed, with reference to Sweden, it should be noted that Volvia, the insurance company owned by If Försäkring that was formerly the captive insurer belonging to Volvo, is itself the current underwriter for around 500,000 policies;
- there is a strong business rationale for both manufacturers and importers to establish programs for branded or endorsed motor insurance and assistance, especially in countries in which dealers constitute a significant distribution channel for motor insurance and where basic policies are normally integrated within finance and leasing packages.

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What is the cost and format?

Manufacturer-Branded and Dealer-Intermediated Motor Insurance and Assistance in Europe is available as a standard *Adobe Acrobat* PDF document and / or hard copy. The *PartnerBASE™* that accompanies it at no further charge is in *Microsoft Excel* format. Costs for this research set and other recent titles from Finaccord’s pan-European research into automotive financial services are as follows:

REPORT	COST *	FORMAT
Manufacturer-Branded and Dealer-Intermediated Motor Insurance and Assistance in Europe, 2007	£2,495	c. 340 pages
Automotive Finance and Leasing for Consumers in Europe, 2007	£2,495	c. 475 pages
Automotive Financial Services in Eastern and South-Eastern Europe, 2007	£2,495	c. 280 pages
Automotive Financial Services in Southern and Western Europe, 2007	£2,495	c. 330 pages
Automotive Financial Services in Northern and Central Europe, 2007	£2,495	c. 360 pages
Extended Warranties for New and Used Cars in Europe, 2007	£2,495	c. 295 pages

VAT at 17.5% will be added to the basic price except for where the request is for hard copy only.

Costs quoted are for a single site user license only.

For a corporate user license, an additional 10% of the basic cost is payable, inclusive of VAT.

Printing and postage costs of between £30 and £60 will be added for delivery of each hard copy.

Invoices can be paid in €, at the prevailing exchange rate, if preferred.

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How can the research be purchased?

Simple. Just go to the relevant area of the Finaccord web site - <http://www.finaccord.com/uk/order.php> - and fill in the on-line order form, clearly indicating the report that you require, whether you also require a corporate user license, the billing name, address and e-mail address, and the purchase order number, if applicable.

Please allow one working day for the delivery of electronic copy and one working week for the arrival of hard copy.