

# Insurance and Assistance linked to Payment Cards and Bank Accounts in Southern and Western Europe

## Report Prospectus

*March 2009*

*Expertise in financial services*

## Prospectus contents

	Page
What is the research?	3
What methodology has been used?	4
What types of product does the report cover?	5
How do payment cards and bank accounts covered break down?	6
What is the report structure?	7
What are the key features of the research?	8
How can the research be used?	9
Who can use the research?	10
What are some of the key findings?	11-14
What is the cost and format?	15
How can the research be purchased?	16

*Expertise in financial services*

## What is the research?

Finaccord's report titled *Insurance and Assistance linked to Payment Cards and Bank Accounts in Southern and Western Europe* investigates the market for insurance and assistance policies linked to banking products in Southern and Western Europe. Composed of a series of niche covers designed to enhance the revenues derived by banks from their payment card and current account operations, Finaccord's research indicates this market in Southern and Western Europe to have been worth some €5.26 billion in 2008. Moreover, with insurance and assistance providers showing creativity in structuring new types of policy to cater for emerging customer segments, the sector seems to be destined for continuing growth.

Drawing on the results of an investigation covering some 265 banking institutions and other issuers and distributors of credit cards in eight countries in Southern and Western Europe (Belgium, France, Ireland, Italy, the Netherlands, Portugal, Spain and the UK), the report analyses the provision of a variety of different types of insurance and assistance policy in the broad categories of card and cash protection, travel cover, creditor, accident and health cover, shopping cover and other miscellaneous policies. Moreover, the PartnerBASE™ database that accompanies the report details each of more than 7,250 insurance or assistance enhancements to the c. 2,200 payment cards and bank accounts analysed.

*Expertise in financial services*

## What methodology has been used?

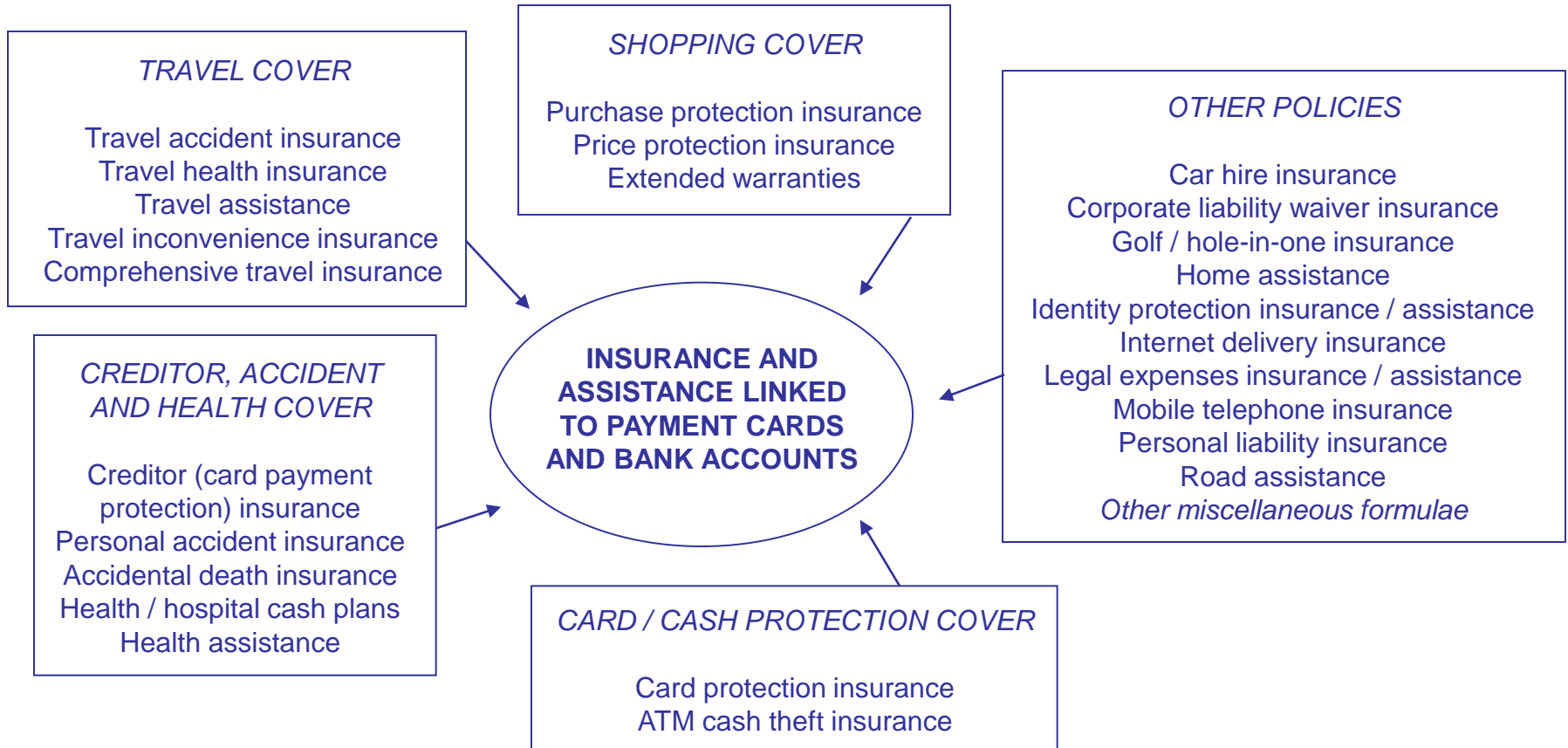
Finaccord's investigation into the provision of insurance and assistance linked to payment cards and bank accounts in Southern and Western Europe was carried out during a 10 week period between December 2008 and February 2009 and focused on all significant banking institutions serving consumers in each country. Among other data points, the research embraces the following information:

- whether insurance or assistance linked to payment cards and bank accounts has been organised;
- if so, in association with which underlying payment card and bank account products?
- if so, which types of insurance and assistance policy are offered?
- if so, how... through captive or joint venture underwriters, through a single, external underwriter, through a broker or through relationships with multiple partners?
- if so, what is the identity of the partner(s) used for each policy?

Moreover, in the light of the fact that the identities of partners used for insurance and assistance enhancements to payment cards and bank accounts are often not revealed in the public domain, with policies being offered instead on a 'white-labelled' basis in the name of the banking institution or other card issuer, Finaccord has undertaken comprehensive primary research to ensure that the partner(s) used for each policy are disclosed in over 95% of all relationships covered.

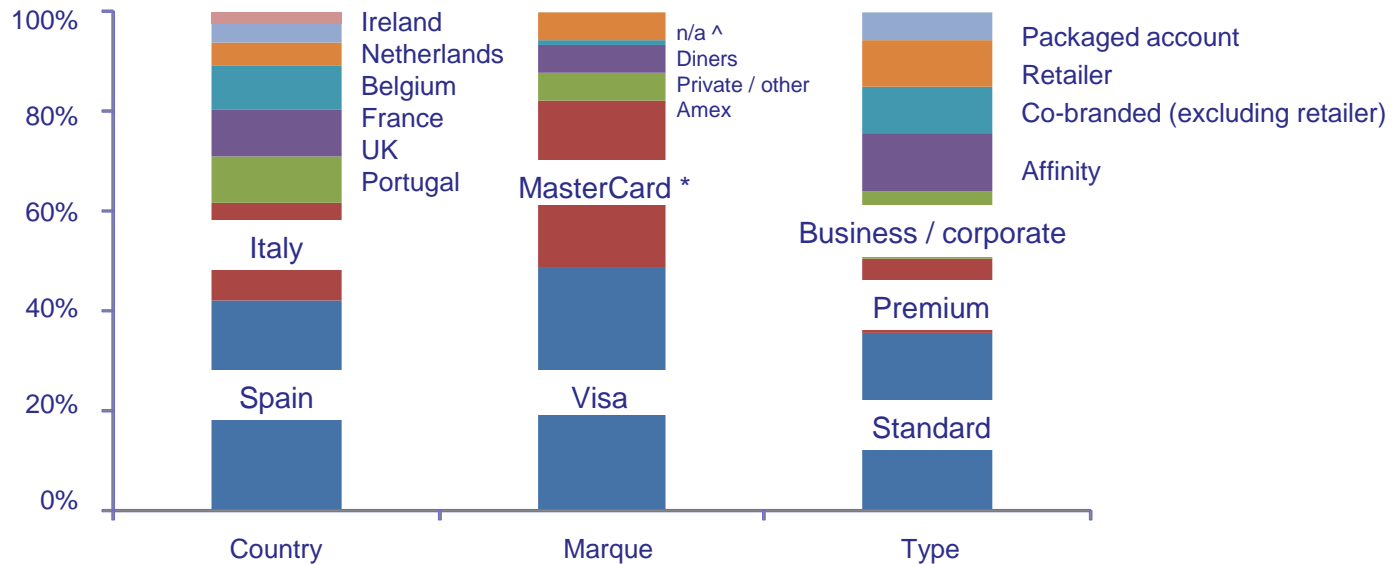
*Expertise in financial services*

# What types of product does the report cover?



*Expertise in financial services*

# How do payment cards and bank accounts covered break down?



Note 1 - MasterCard products include Maestro

Note 2 - Packaged accounts cannot be segmented by marque

Source: PartnerBASE

Finaccord’s universe of payment cards and bank accounts covers over 2,200 banking products including all major affinity, co-branded and private label cards as well as business and premium cards and packaged accounts.

*Expertise in financial services*

## 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 insurance and assistance enhancements to payment cards and bank accounts in Southern and Western Europe including a detailed calculation of the approximate value of the market in 2008 split by both country and individual policy type as well as a quantification of the number of payment cards and bank accounts carrying each type of policy. In addition, this chapter analyses comparative penetration rates for all distinct forms of insurance and assistance enhancement in each country.

3. *Belgium*: an in-depth analysis of the market for insurance and assistance linked to payment cards and bank accounts in Belgium including: introduction to the banking sector; quantification and segmentation of the payment card market; overview of insurance and assistance covers offered in conjunction with payment cards and bank accounts; and a detailed commentary concerning the operating models and partner market shares for the provision of insurance and assistance linked to payment cards and bank accounts in Belgium.

4 - 10: *France, Ireland, Italy, Netherlands, Portugal, Spain, UK* (structure as for Belgium).

*Expertise in financial services*

## What are the key features of the research?

Key features of this report include:

- quantification of the market size and segmentation for insurance and assistance linked to payment cards and bank accounts: how much is the market really worth across the countries considered?
- analysis of the many types of insurance and assistance policy marketed in each country and how the risks covered vary from one country and distributor to another;
- consideration of the role of centralised payment card issuing entities in each country and the degree to which individual banking institutions are concluding their own agreements for card-related insurance and assistance over and above the basic levels of cover already provided;
- provider market shares by number of relationships: which providers of insurance and assistance policies have been successful in establishing relationships with banking institutions and other card issuers and how does this vary by country?
- availability of an accompanying PartnerBASE database that details each of more than 7,250 insurance or assistance enhancements to the c. 2,200 payment cards and bank accounts analysed.

*Expertise in financial services*

## 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:

- appreciate the magnitude of the opportunity in insurance and assistance linked to payment cards and bank accounts in Southern and Western Europe: in aggregate, this is a significant market;
- gain access to a single comprehensive source of information that provides both the detail and analysis surrounding over 7,250 individual insurance or assistance enhancements;
- identify opportunities to develop new forms of insurance or assistance linked to payment cards and bank accounts in line with the marketing strategies of banking institutions and other card issuing entities in Southern and Western Europe;
- understand the supply structure for insurance and assistance enhancements and how the market segments between international specialists, local providers and captive underwriters;
- gain insight into the international presence of leading protagonists in this sector including ACE, AIG, AXA Assistance, BNP Paribas Assurance, CPP, Europ Assistance and Genworth Financial.

*Expertise in financial services*

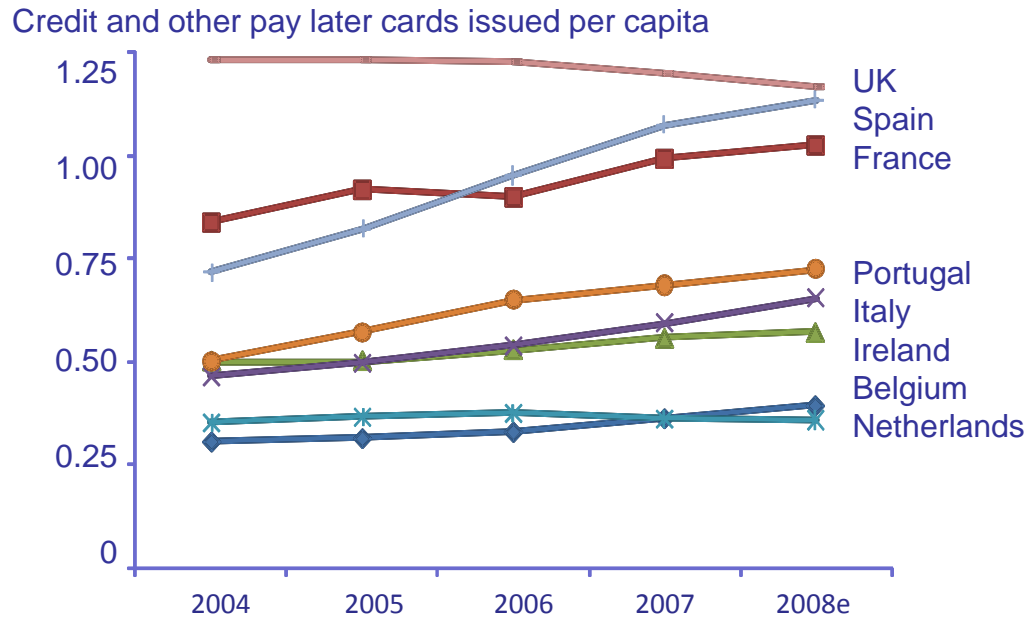
## Who can use the research?

1. *Insurance providers*: this research is a unique guide to an important strategic issue in personal lines insurance - be fully appraised of what growth in the market for insurance and assistance linked to bank accounts and payment cards could mean for your organisation;
2. *Assistance companies*: as banking organisations become more adept at marketing to specific consumer groups, opportunities will arise for developing new assistance concepts to be promoted in conjunction with payment cards and bank accounts;
3. *Banking institutions and other card issuers*: the comprehensive insights contained in this report will help you to evaluate both the insurance and assistance concepts packaged automatically with your own payment cards and bank accounts and your strategy for enhancing core revenues through cross-selling optional policies;
4. *Management consultancies*: are you helping an insurance or assistance company with its bancassurance strategy? Understand the current status of insurance and assistance linked to payment cards and bank accounts in Southern and Western Europe, saving time and effort on researching the subject yourself.

*Expertise in financial services*

# What are some of the key findings?

## 1. The number of credit and other pay later cards issued per capita in Spain seems poised to overtake the UK



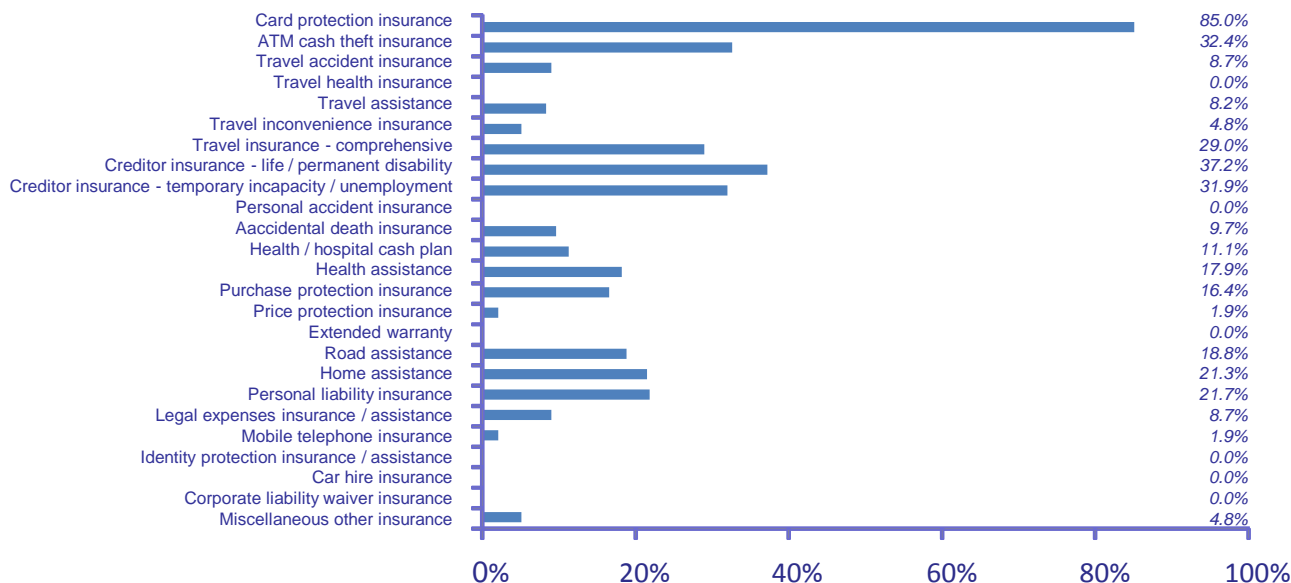
Source: Finaccord analysis of European Central Bank and other industry data

*Expertise in financial services*

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

## 2. Alternative insurance and assistance concepts are packaged automatically with banking products with a relatively high degree of frequency in Portugal

% of all bank accounts and payment cards analysed carrying or with option to carry type of cover



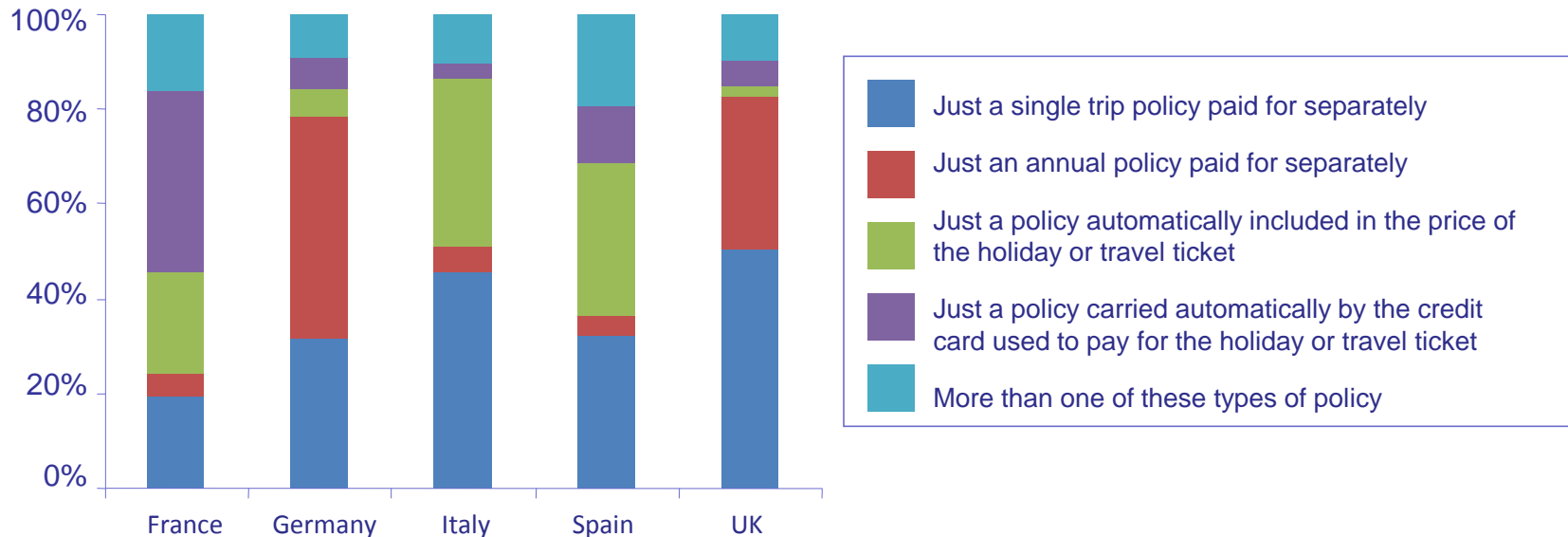
Source: Finaccord PartnerBASE

*Expertise in financial services*

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

## 3. French consumers are by far the most likely to rely on travel cover carried automatically by the credit card used to pay for a holiday or travel ticket

% split of insured travelers by type of travel insurance used



Source: Finaccord Travel Metrics Survey

*Expertise in financial services*

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

### 4. Key findings from the executive summary include:

- the average number of insurance or assistance covers per banking product analysed is 3.25 for all eight countries across the region although the UK market is by a small margin the most heavily insured according to this definition, with an average of 3.96, whereas the Belgian market is the least insured, with only 1.59 covers per banking product;
- card protection insurance is the most widely packaged form of insurance or assistance - 68.7% of banking products analysed offer this type of insurance with travel accident insurance (31.8%) and ATM cash theft insurance (31.2%) being the next most popular formulae;
- cutting edge innovation is visible in France in the shape of the range of optional insurance and assistance products made available by S2P, the financial services arm of Carrefour, in conjunction with its *PASS*, *PASS Visa* and *PASS Premier Visa* payment cards
- consumers are developing a growing awareness of the value inherent in banking propositions with an apt insurance or assistance architecture that mean that they gain access to niche forms of protection policy that would be expensive to purchase on a stand-alone basis.

*Expertise in financial services*

## What is the cost and format?

Insurance and Assistance linked to Payment Cards and Bank Accounts in Southern and Western 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 selected other related European studies are as follows:

REPORT	COST *	FORMAT
Insurance and Assistance linked to Bank Accounts and Payment Cards in Southern and Western Europe	£2,495	c. 175 pages
Insurance and Assistance linked to Bank Accounts and Payment Cards in Northern and Central Europe	£2,495	c. 190pages
Creditor Insurance in Southern and Western Europe	£2,495	c. 170 pages
Creditor Insurance in Northern and Central Europe	£2,495	c. 185 pages
Extended Warranties and Insurance for Non-Mobile Consumer Products in Europe	£2,495	c. 165 pages

*VAT at the prevailing rate 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 corporate user licence options, please see the next slide for further details.*

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

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

*Expertise in financial services*

## How can the research be purchased?

Simple. Just go to the relevant area of the Finaccord web site available at [http://www.finaccord.com/order\\_eu\\_br.htm](http://www.finaccord.com/order_eu_br.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.*

*Expertise in financial services*