

Home Emergency Insurance and Assistance in Europe

Report Prospectus

August 2010

Expertise in financial services

Prospectus contents

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What is the research?

Home Emergency Insurance and Assistance in Europe is a report and associated PartnerBASE™ database about the market for this specialized type of cover in ten countries in Europe: Belgium, France, Germany, Italy, the Netherlands, Poland, Portugal, Spain, Sweden, and the UK.

In essence, the term ‘home emergency insurance and assistance’ encompasses policies that are sold on a stand-alone basis, or bundled with household insurance, banking products or utility services, that cover one or more of the following home-related problems:

- malfunctioning of gas boilers, gas supply pipes or gas central heating;
- problems with plumbing, drainage and water supply pipes;
- electrical emergencies and breakdowns.

Moreover, in several European markets, other types of cover are sometimes included within home emergency policies, most notably key or lock emergency insurance. In some cases, policies may also extend to other services such as emergency accommodation, child care, pet care or even psychological assistance following an emergency.

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What is the rationale?

A number of factors combine to form a firm rationale for a report and database about home emergency insurance and assistance in Europe. First and foremost, this is the first ever focused publication on the subject on a pan-European basis. This is curious given the facts that the market is estimated by Finaccord to be worth as much as EUR 2.65 billion across ten European countries in 2010 and that it is growing rapidly in some countries.

Moreover, home emergency cover potentially represents a development opportunity for a variety of different distributors and providers. Over and above dedicated assistance firms that may specialize exclusively or in part in the field of home assistance, insurance companies can also develop home emergency insurance and assistance propositions that they can combine within their regular household insurance, sell on a stand-alone basis or distribute through other organizations.

In addition, as distributors and sometimes as service providers, energy and water firms can also enhance their core revenues through cross-selling home emergency cover. Indeed, in the UK, Centrica's residential services segment contributed GBP 1.41 billion in gross revenues out of total gross revenues of GBP 12.57 billion at its downstream UK division in 2009, thereby making up 11.2% of the total. Furthermore, the same segment generated GBP 233 million in operating profits in the same year, accounting for 23.0% of total downstream UK operating profits which amounted to GBP 1.01 billion.

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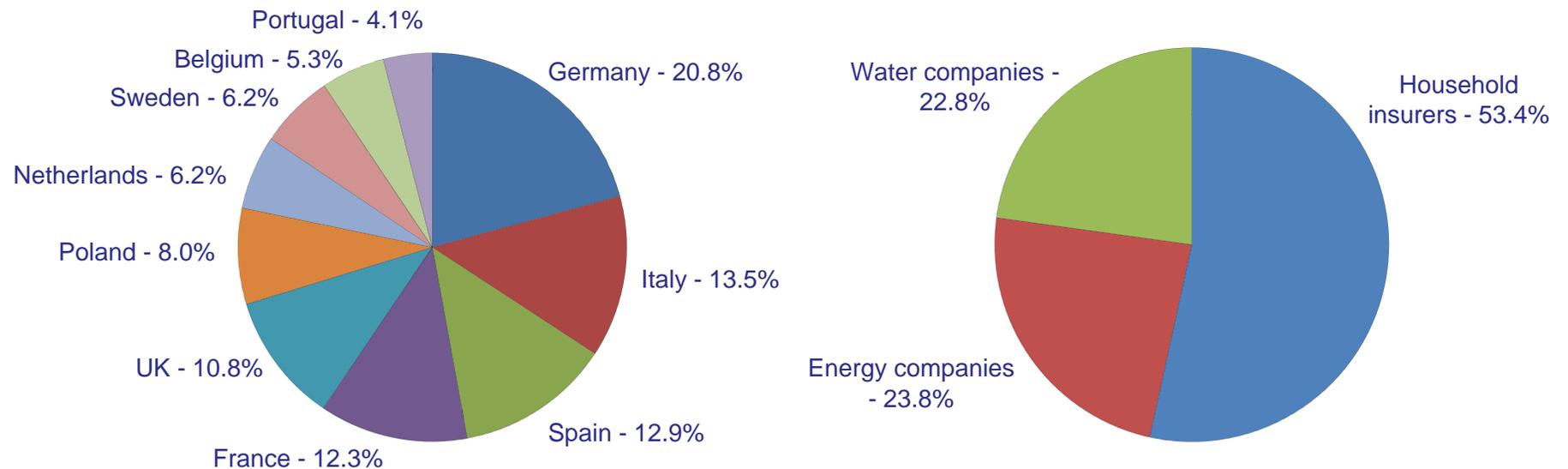
What methodology has been used?

The research for this report, in addition to the associated PartnerBASE™ database, was undertaken during a 12-week period from May to July 2010. The research extended to a total of 715 organisations in total, breaking down by type and country as depicted in the graphics overleaf, thereby accounting for all entities other than banks and card issuers, likely to participate in the distribution of home emergency insurance or assistance in each country. Among other data points, the research embraces the following information for each of the entities covered by the survey:

- whether any type of home emergency insurance or assistance is provided and, if so, whether this takes the form of electrical cover, gas-related contracts, plumbing-related policies and / or fully comprehensive cover;
- if so, whether cover also includes other types of assistance such as key or lock emergency insurance, child care or pet care;
- if so, how... through captive or internally managed schemes, through a single partner, through a broker or through relationships with multiple partners?
- if through external entities, the identity of the partner(s) used in each instance.

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How do organisations surveyed break down?



The organisations covered by the survey extend to 715 actual or potential participants in the market for home emergency insurance or assistance in Europe.

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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, description of methodology and some definitions.

2. *European Overview*: comprising an overview of the European market including the size of the market for home emergency insurance and assistance in 2010 split by policy type and by country, measured both by value and volume. In addition, this chapter compares the housing stock across the ten countries, including the split between owner-occupied, privately-rented and social housing units, as well as providing a definitive overview of the extent to which energy firms, water companies and household insurers actually offer home emergency insurance or assistance and, for those that do, the operating models and partners that they utilize for this purpose.

3. *Belgium*: an in-depth analysis of the market for home emergency insurance and assistance in Belgium including: introduction to the underlying markets for energy, water and household insurance services; prevalence of bundling with payment cards and bank accounts; identification of key competitors in home emergency insurance and assistance in Belgium; and estimates for the current and likely future market size for home emergency insurance and assistance.

4 - 12: *France, Germany, Italy, Netherlands, Poland, Portugal, Spain, Sweden and the UK* (for all, contents as for Belgium).

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What are the key features of the research?

Key features of this report include:

- quantification of the market size for home emergency insurance and assistance: how much is the market really worth across the ten countries considered in Europe, how does it break down by policy type and by country, and how is it likely to have grown by 2014?
- identification of providers of home emergency insurance and assistance that have established relationships with energy firms, water companies and household insurers;
- the results of detailed consumer research covering the developed UK market including the perceived value and actual use of home emergency insurance and assistance in this market and analyses concerning the distribution channels used by customers to acquire the product;
- assessment of the degree to which insurance companies currently bundle home emergency cover with their mainstream household insurance policies: in which countries could this practice impact upon the development of the stand-alone market for home emergency insurance and assistance?

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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:

- appreciate the size of the opportunity in the market for home emergency insurance and assistance in Europe: in aggregate, this is a substantial market;
- understand how dynamic competitors are helping the sector to grow at a rate well in excess of the underlying markets for utilities services and household insurance in a number of countries;
- assess the position of significant national and international competitors such as Almeda, Asitur, AXA Assistance, Europ Assistance, Fidelia Assistance, HomeServe, Inter Mutuelles Assistance, Mapfre Asistencia, Mondial Assistance, Multiasistencia, Roland Schutzbrief-Versicherung, SPB and The Warranty Group;
- the UK accounted for almost two thirds of the EUR 2.65 billion market value in 2010 - hence understanding the exact dynamics of the market for home emergency insurance and assistance in this country, and how and why consumers buy it, will provide indicators for how the market may develop elsewhere in Europe in future.

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How can the PartnerBASE be used?

Search by type of policy

Filter by type of organisation Select country

Organisation	Type	Country	Product offered?	Operating model	Partner(s)
PLUMBING, DRAINAGE AND WATER SUPPLY PIPE INSURANCE OR ASSISTANCE					
MVV Energie	Energy company	Germany	Yes	Single partner	Roland Schutzbrief-Versicherung
Natio Assurance	Household insurer	France	Yes	Captive	Natio Assurance
Northumbrian Water	Water company	UK	Yes	Single partner	HomeServe / Inter Partner Assistance
Ocaso	Household insurer	Spain	Yes	Single partner	Europ Assistance
Patria Hispana	Household insurer	Spain	Yes	Single partner	Reparalia

Look up specific organisations

Choose operating model

Identify product partners

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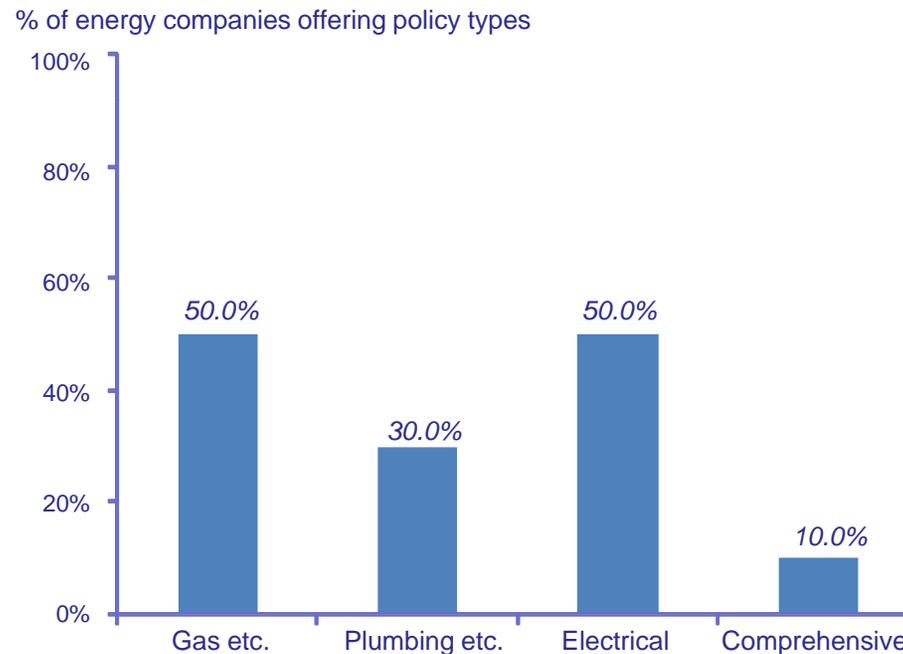
Who can use the research?

1. *Assistance companies*: this study is a unique guide to an under-researched yet significant and rapidly evolving market with pan-European development potential - be fully appraised of what growth in these markets could mean for your organisation;
2. *Insurance companies*: as a concept that can be made distinct from regular household insurance, home emergency insurance and assistance can either be sold stand-alone or packaged within premium household insurance policies;
3. *Electricity, gas and water companies*: growth in the market for home emergency cover, allied to apparently high profit margins, presents a revenue enhancement opportunity for electricity, gas and water companies as well as insurance and assistance firms;
4. *Management consultancies*: are you helping an insurance or assistance provider to develop its business in Europe, or are you advising an energy or water firm with regards to how it can improve its profitability? If so, this research will provide you with important insights into the market for home emergency insurance and assistance.

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What are some of the key findings?

1. Electricity and gas companies in France are more likely to offer disaggregated policies than comprehensive cover



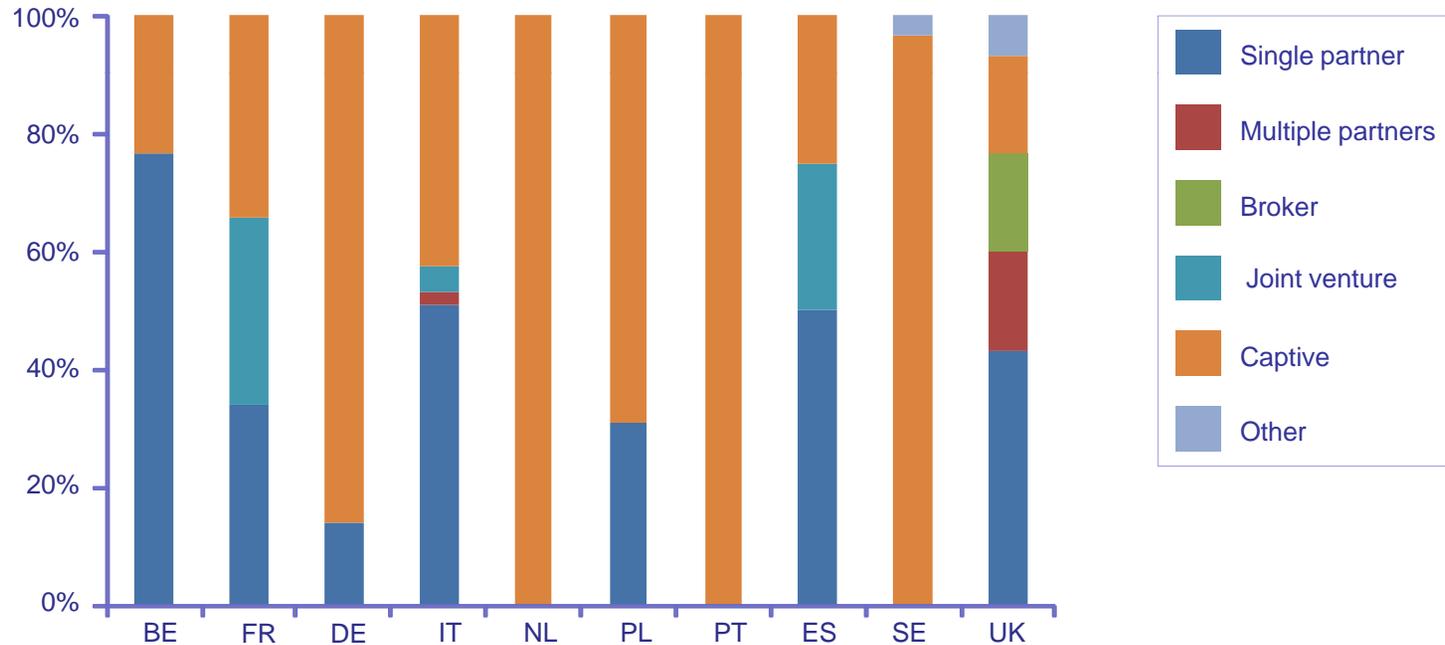
Source: Finaccord

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

2. Household insurers across Europe organize home emergency cover through a variety of means

% segmentation of operating models



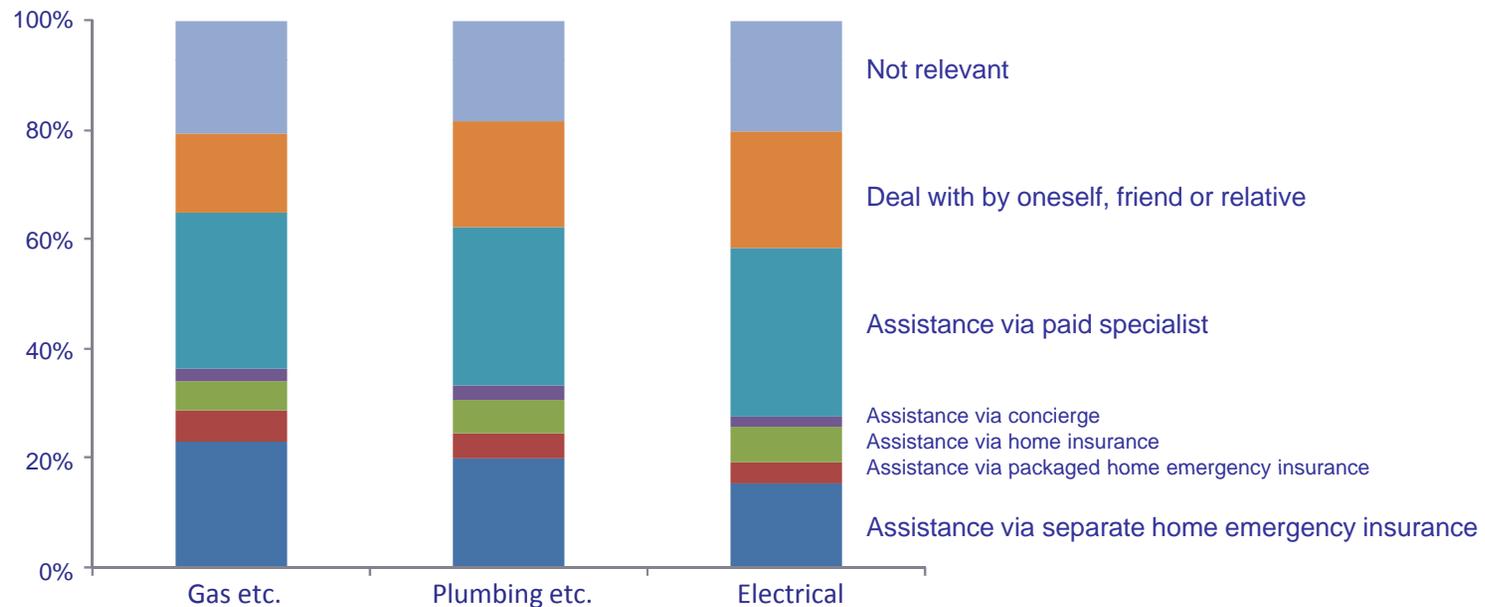
Source: Finaccord PartnerBASE

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

3. Even in the developed UK market, consumer behaviour would suggest that there is still considerable potential to grow the market

% split of approaches used to resolve problem



Source: Finaccord Assistance Metrics report

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

4. Key findings from the executive summary include:

- excluding cover packaged with payment cards and added value bank accounts, Finaccord estimates a total number of home emergency insurance and assistance policies in force of 47.91 million in 2010 across the ten countries included in the research;
- with regards to the involvement of energy companies in the provision of home emergency insurance or assistance, the research revealed that this is most common in France where 70.0% of all energy companies included in the survey were making at least some form of home emergency cover available;
- in contrast, the survey reveals that the provision of at least some form of home emergency insurance or assistance is most common among water companies in the UK where 73.1% of entities investigated were active distributors at the time of the research;
- having been instrumental in developing the UK market for home emergency cover, and as a result of its expansion into new territories, including Belgium, France and Spain, HomeServe is identifiable as the leading specialist provider in the European market for home emergency insurance and assistance.

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What is the cost and format?

Home Emergency 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 selected other titles are as follows:

REPORT	COST *	FORMAT
Home Emergency Insurance and Assistance in Europe	GBP 2,495	240 pages
Extended Warranties and Insurance for Mobile Consumer Goods in Northern and Central Europe	GBP 2,495	200 pages
Extended Warranties and Insurance for Mobile Consumer Goods in Southern and Western Europe	GBP 2,495	180 pages
Extended Warranties for Non-Mobile Consumer Goods in Europe	GBP 2,495	165 pages
Insurance and Assistance linked to Payment Cards and Bank Accounts in Northern and Central Europe	GBP 2,495	190 pages
Insurance and Assistance linked to Payment Cards and Bank Accounts in Southern and Western Europe	GBP 2,495	175 pages
Mobile Telephone Insurance in Europe	GBP 2,495	230 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 a corporate user license, an additional 10% of the basic cost is payable, inclusive of VAT.

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

Invoices can be paid in EUR, 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 - www.finaccord.com/uk/order_eu_mpr.htm - 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.

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