

# Mobile Telephone Insurance in Europe

## Report Prospectus

*July 2011*

*Expertise in financial services*

# Prospectus contents

|  | <b>Page</b> |
|--|-------------|
| What is the research?                      | 3           |
| How does it fit into the wider series?     | 4           |
| What methodology has been used?            | 5           |
| How do organisations surveyed 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           |
| How can the PartnerBASE™ be used?          | 10          |
| Who can use the research?                  | 11          |
| What are some of the key findings?         | 12-15       |
| What is the cost and format?               | 16          |
| How can the research be purchased?         | 17          |

*Expertise in financial services*

## What is the research?

This report titled *Mobile Telephone Insurance in Europe* is about the market for insurance sold in conjunction with mobile telephones in 20 countries: Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Romania, Russia, Spain, Sweden, Switzerland, Turkey, and the UK.

Mobile telephones are defined as any mobile handset that incorporates a conventional mobile telephony facility including 'smartphones'. Mobile telephone insurance can cover one or more of accidental damage, loss, technical breakdown, theft and / or airtime abuse (unauthorised usage).

The report draws on extensive primary and secondary research covering over 800 organisations involved in the production and distribution of mobile telephones including mainstream mobile network operators, mobile virtual network operators (MVNOs), specialised retailers of consumer electronics, supermarkets, other types of retailer (namely, department stores, DIY outlets, speciality retailers and variety retailers), and manufacturers.

*Expertise in financial services*

## How does it fit into the wider series?

This study is one of a series of reports published by Finaccord in July 2011 on the subject of extended warranties and insurance linked to mobile and non-mobile consumer products in Europe. The specific product and geographical coverage of this publication is shown in the grid below while a full list of other titles in the series can be seen on the penultimate slide of this report prospectus.

| Product group     | AT | BE | CZ | DK | FI | FR | DE | IE | IT | NL | NO | PL | PT | RO | RU | ES | SE | CH | TU | UK |
|-------------------|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|
| White goods       |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| Brown goods       |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| Grey goods        |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| Mobile gadgets    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| Mobile telephones |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |

*Expertise in financial services*

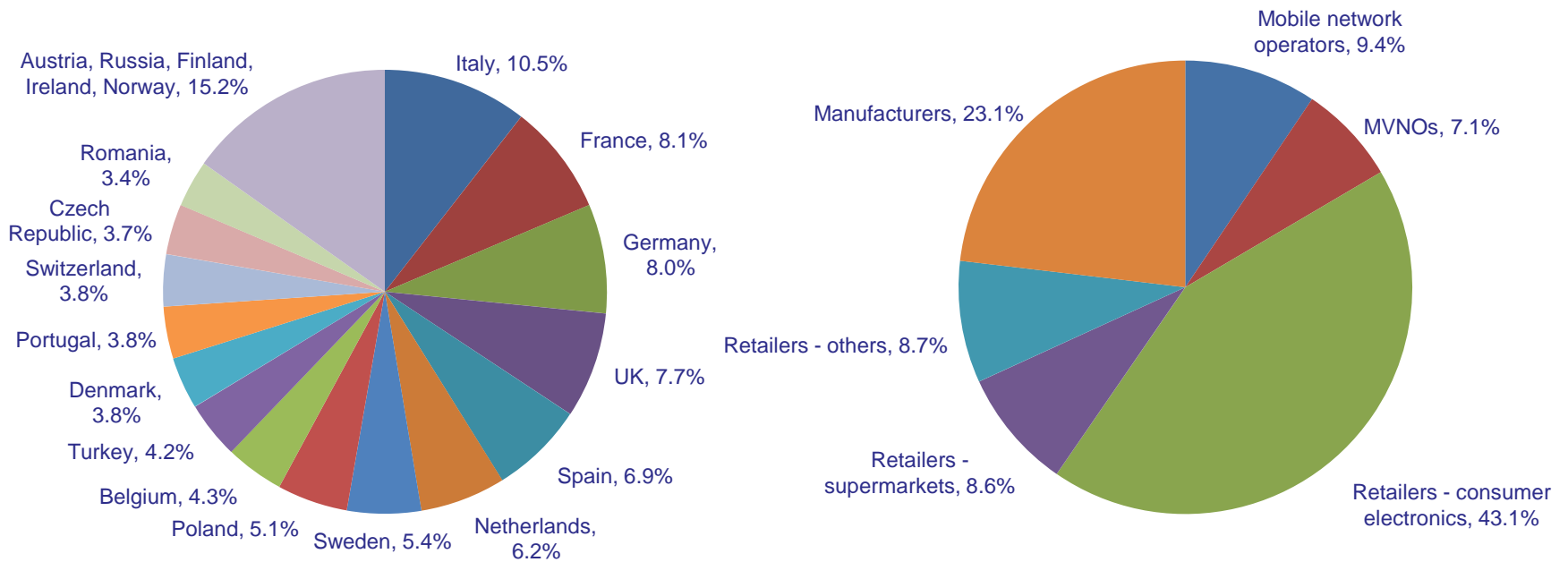
## What methodology has been used?

The majority of the research for this report, in addition to the associated PartnerBASE dataset, was undertaken during a 12-week period from April to June 2011. The research extended to a total of 818 organisations in total, breaking down by type and country as depicted in the graphics overleaf, and should account for most significant entities involved in the provision of mobile contracts and the production and distribution of mobile handsets in each country. In particular, the research answers the following questions:

- whether mobile telephone insurance is provided in association with the underlying mobile telephone contracts and handsets sold;
- if so, whether cover includes protection in the event of each of accidental damage, airtime abuse, loss, technical breakdown and theft;
- 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.

*Expertise in financial services*

# How do organisations surveyed break down?



Source: Finaccord

*Expertise in financial services*

## What is the report structure?

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

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

*European Overview:* comprising an overview of the market for mobile telephone insurance across all 20 countries including a calculation of the value of this market in terms of gross premiums written and other revenues in 2010 and a forecast for the likely evolution up to 2010. In addition, this chapter analyses comparative penetration rates for mobile telephone insurance schemes among the network operators, retailers and manufacturers surveyed in each country and compares the operating models that they use for these programs.

*Specific country chapters (20):* an in-depth analysis of the market for mobile telephone insurance in each country including: introduction to the market for the underlying mobile subscriptions and individuals owning a mobile handset; survey results for manufacturers; survey results for network operators and retailers; analysis of risks covered by all schemes (i.e. accidental damage, airtime abuse, loss, technical breakdown and theft) existence of independent distribution channels; and estimates for the market size for mobile telephone insurance in 2010, with forecasts to 2014.

*Expertise in financial services*

# What are the key features of the research?

Key features of this report include:

- quantification of the market size for insurance and related extended warranties linked to mobile telephones: how much is the market really worth across the 20 territories considered in Europe and how does it break down by country?
- analysis of insurance underwriters and brokers in each country that have established scheme relationships with network operators and / or retailers and manufacturers of mobile telephones, including their unweighted share of partnerships
- consideration of the potential for cross-selling stand-alone mobile telephone insurance policies through independent channels that are separate from network operators, retailers and manufacturers: in which countries does an emerging market exist for this form of distribution?
- forecasts for the market size for mobile telephone insurance up to 2014: assuming no significant changes in the number of network operator, retailer and manufacturer schemes, what factors will cause this sector to grow or decline in the next few years?

*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 size of the opportunity in the market for mobile telephone insurance in Europe: in aggregate, this is a substantial market;
- understand how dynamic competitors are helping the sector to grow at a rate in excess of the underlying market for mobile telephone subscriptions in a number of countries;
- assess the position of national and international competitors such as ACE European Group, AmTrust International, Anovo, Aon, assona, Assurant Solutions, CPP, Estendo, Lifestyle Services Group, Marsh, Moderna Försäkringar, Mondial Assistance, NEW Asurion, Pier Insurance, ProAssist, Solid Försäkringar, SPB, Summit Insurance Services, The Warranty Group, and Wertgarantie;
- consider how the value of the market for insurance and extended warranties linked to mobile telephones in Europe may reasonably be expected to evolve up to 2014.

*Expertise in financial services*

# How can the PartnerBASE™ be used?

| Organisation | Country     | Category | Distribution model | Extended warranty or insurance offered? | Operating model | Non-captive partner(s) and / or captive broker |
|--------------|-------------|----------|--------------------|---|-----------------|--|
| ST-store     | Italy       | Retailer | Online only        | No                                      |                 |  |
| Sunrise      | Switzerland | Retailer | Mixed              | Yes                                     | Single partner  | Elvia Versicherungen / Mondial Assistance      |
| Supermedia   | Italy       | Retailer | Mixed              | Yes                                     | Broker          | Estendo  |
| Surcouf      | France      | Retailer | Mixed              | Yes                                     | Broker          | SPB  |
| Svyaznoy     | Russia      | Retailer | Mixed              | Yes                                     | Single partner  | Rosgosstrakh                                   |

**Select country** (points to Italy)  
**Filter by category of distributor** (points to Retailer)  
**Identify distributors with schemes** (points to No)  
**View operating model** (points to Broker)  
**Look up specific distributors** (points to Surcouf)  
**Filter by distribution model** (points to Online only)  
**Identify extended warranty and insurance providers** (points to Rosgosstrakh)

Source: Finaccord PartnerBASE

Note - The PartnerBASE also classifies distributors that are retailers (as opposed to manufacturers) according to their sub-category (e.g. department store, supermarket etc.)

*Expertise in financial services*

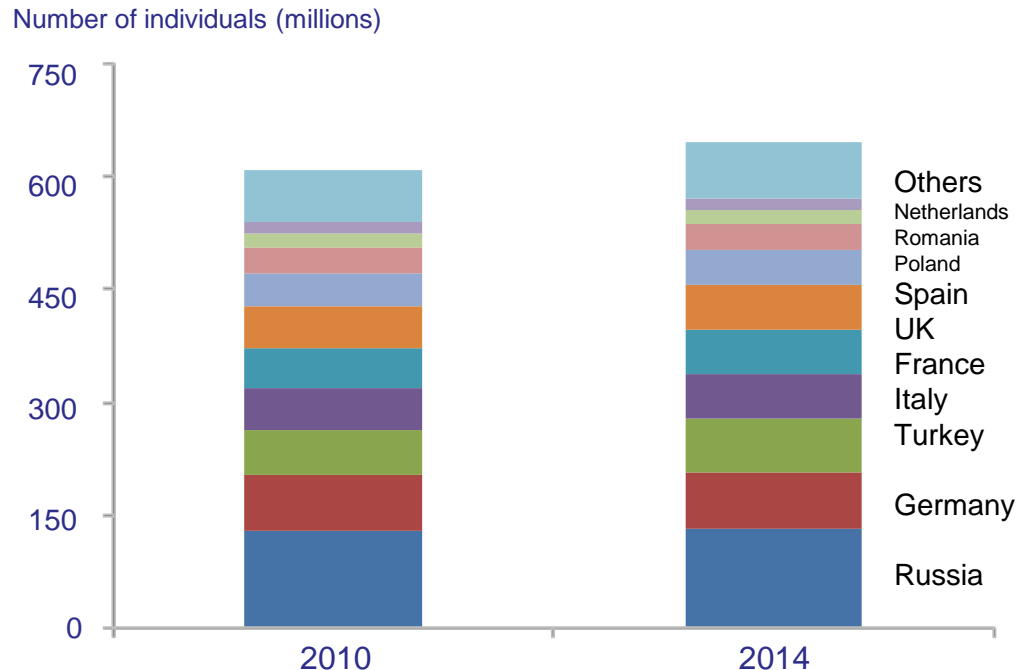
## Who can use the research?

1. *Insurance underwriters and brokers:* this study is a unique guide to an under-researched yet significant and evolving market with pan-European development potential - be fully appraised of what growth in these markets could mean for your organisation;
2. *Network operators, retailers and manufacturers:* growth in the market for mobile telephone insurance, allied to apparently high profit margins, presents a revenue enhancement opportunity not only for the insurance providers but also for their partner organisations;
3. *Management consultancies:* are you helping a an insurance provider to develop its business in Europe, or are you advising a network operator, retailer or manufacturer with regards to how it can improve its profitability? If so, this research will provide you with important insights into the market for insurance and related extended warranties linked to mobile telephones;
4. *Administration and repair firms:* a variety of other organisations can also benefit from the development of the market for mobile telephone insurance - this study offers a comprehensive picture of the current state of this sector.

*Expertise in financial services*

# What are some of the key findings?

1. Finaccord predicts that 645.1 million individuals will be owners of mobile telephones by 2014 across the 20 countries in question

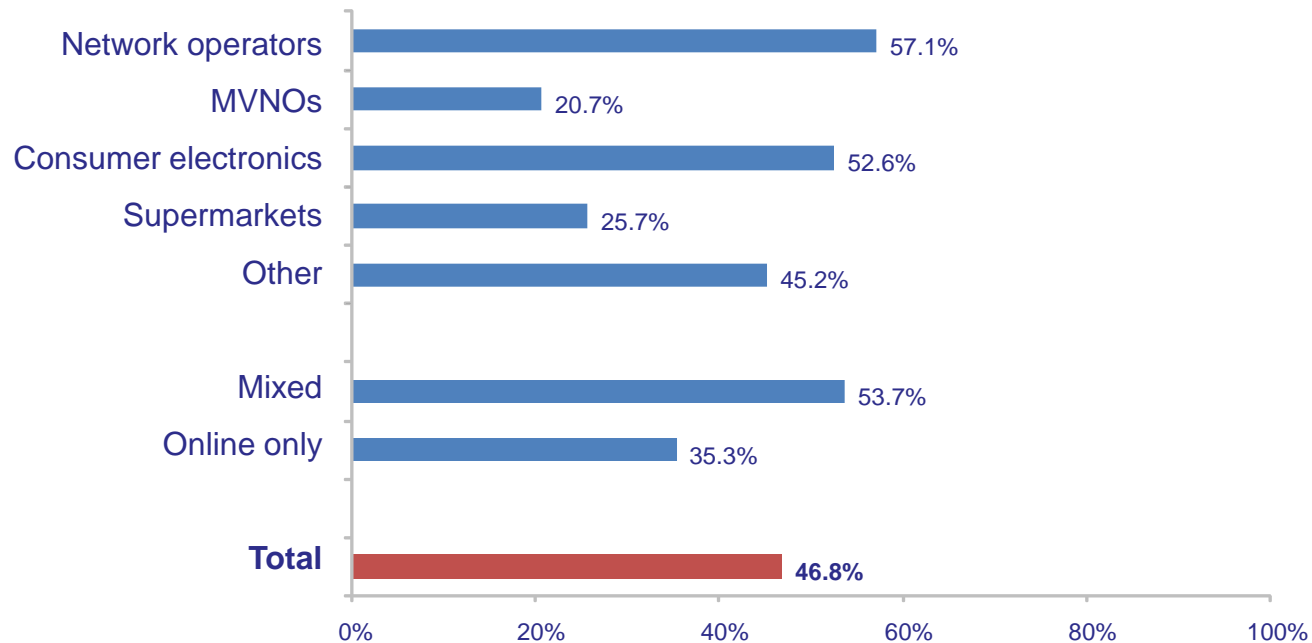


Source: Finaccord analysis of multiple data sources

*Expertise in financial services*

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

2. Among retailers, mainstream network operators and specialist retailers of consumer electronics are most likely to be running schemes for mobile telephone insurance



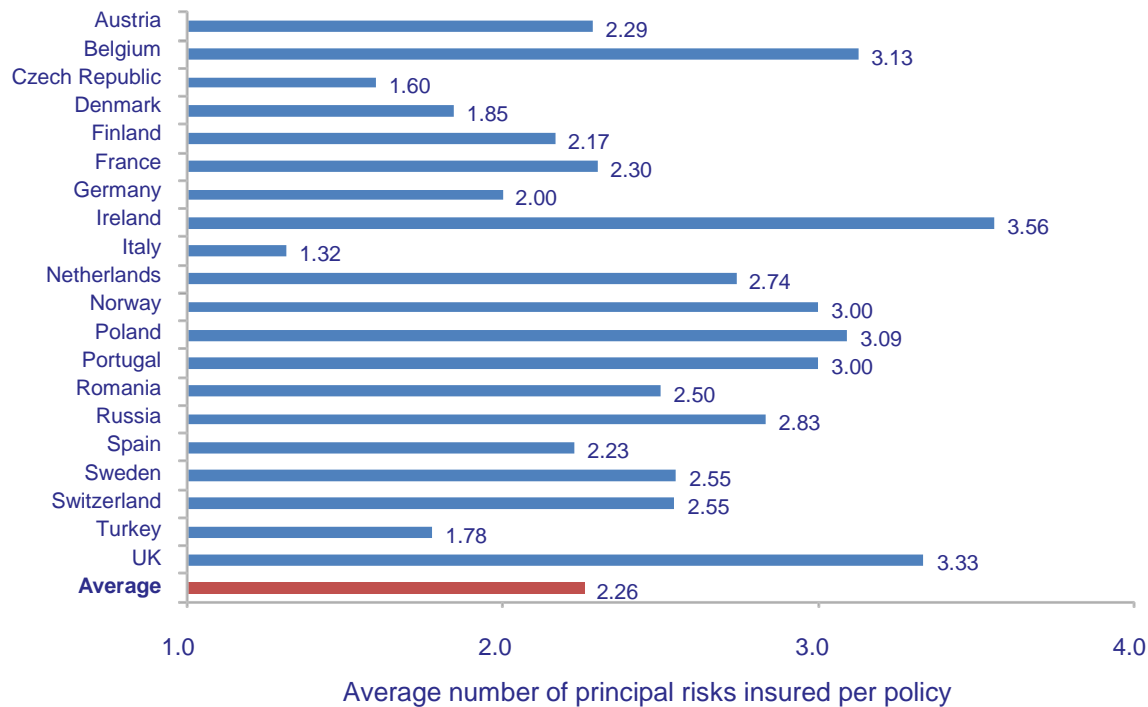
Percentage of network operators and retailers of mobile telephones researched with their own insurance scheme

Source: Finaccord PartnerBASE

*Expertise in financial services*

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

3. On average, the risk coverage of mobile telephone insurance policies sold in Italy and the Czech Republic is most limited and that in Ireland and the UK the most comprehensive



*Note - principal risks are defined as accidental damage, airtime abuse, loss, technical breakdown, and theft*

**Source: Finaccord PartnerBASE**

*Expertise in financial services*

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

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

- The approximate value of the market for mobile telephone insurance in Europe was around EUR 1.58 billion in terms of gross premiums written and other revenues in 2010;
- the largest five countries combined - namely, the UK, France, Germany, Spain and the Netherlands - are estimated to have accounted for 81.9% of the market total;
- generally speaking, stand-alone mobile telephone insurance is sold only via manufacturer and retailer schemes: however, independent distributors are seeking to develop a market in several of the larger markets named above;
- in most countries, Finaccord believes that growth in the market value will be attributable to higher take-up rates and prices for this type of cover as well as to an increase in the underlying numbers of mobile subscriptions and individuals with a mobile telephone.

## What is the cost and format?

*Mobile Telephone Insurance 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 titles in this series are as follows:

| <b>REPORT</b>  | <b>COST *</b> | <b>FORMAT</b> |
|--|---------------|---------------|
| Mobile Telephone Insurance in Europe   | GBP 2,495     | c. 270 pages  |
| Extended Warranties and Insurance for Brown Goods in Europe  | GBP 1,995     | c. 225 pages  |
| Extended Warranties and Insurance for Grey Goods in Europe   | GBP 1,795     | c. 230 pages  |
| Extended Warranties and Insurance for Mobile Consumer Products in Northern, Central and Eastern Europe     | GBP 2,495     | c. 320 pages  |
| Extended Warranties and Insurance for Mobile Consumer Products in Southern and Western Europe              | GBP 2,495     | c. 250 pages  |
| Extended Warranties and Insurance for Non-Mobile Consumer Products in Northern, Central and Eastern Europe | GBP 2,495     | c. 420 pages  |
| Extended Warranties and Insurance for Non-Mobile Consumer Products in Southern and Western Europe          | GBP 2,495     | c. 325 pages  |
| Extended Warranties and Insurance for White Goods in Europe  | GBP 1,995     | c. 225 pages  |
| Mobile Gadget Insurance in Europe  | GBP 2,495     | c. 235 pages  |
| Extended Warranties and Insurance for Mobile and Non-Mobile Consumer Products in Austria, Belgium etc. *   | GBP 595       | c. 60 pages   |

*\* Titles focused on single territories are available for all 20 countries covered by this series.*

*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, 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 [www.finaccord.com/order\\_eu\\_mpr.htm](http://www.finaccord.com/order_eu_mpr.htm) and fill in the online order form, clearly indicating:

- report required
- type of corporate user license, 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 copy and one working week for the arrival of hard copy.

\* For the **corporate user license** 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 license acquired by UK-based buyers.*

*Expertise in financial services*