

Non-Life Bancassurance in Europe: Motor and Household Insurance

Report Prospectus

November 2011

Prospectus contents

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What is the research?

Finaccord's report titled *Non-Life Bancassurance in Europe: Motor and Household Insurance* offers updated and expanded insights into the distribution by banks and other lending institutions of personal motor and household insurance in 20 European countries: 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.

Drawing on the results of a survey of nearly 1,200 banking entities, the study reveals that 42.1% offer personal motor insurance and 53.9% household insurance, giving a total of over 1,150 initiatives in these two fields combined. Hence, given that the aggregate market for personal motor and household insurance across the 20 countries is worth around EUR 138.3 billion, it is clear that banks and other lending institutions can intermediate a significant volume of business across these two sectors.

In addition to identifying bancassurance schemes for the distribution of personal motor and household insurance, the research also classifies and analyses these according to the operating model used, distinguishing, for example, between captive, joint venture and external underwriters. Furthermore, it also calculates the weighted share of partnerships of the underwriters and other providers involved, thereby illustrating not only which competitors hold which partnerships but also which competitors hold the most significant distribution deals.

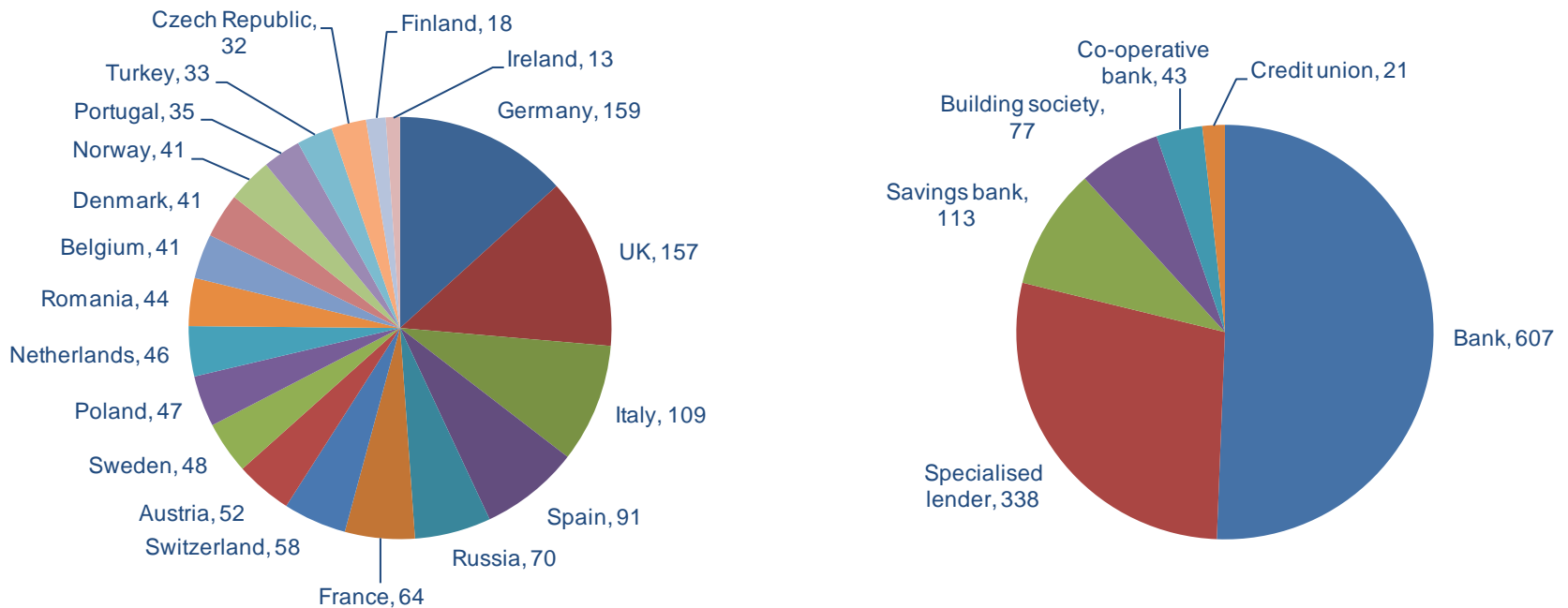
What methodology has been used?

Finaccord's survey of the provision of personal motor and household insurance by banks and other lending institutions in Europe was carried out during a 12-week period between August and October 2011 and focused on all significant banking entities in each country. The research embraces the following information:

- whether personal motor and household insurance are available to customers;
- if so, how... through an external underwriter, multiple external underwriters, an external broker, a captive broker, a joint venture underwriter, a captive underwriter or a combination of these approaches?
- if so, who are the product providers?

As such, combined with Finaccord's unique and proprietary quantification of the size and growth of the market for personal motor and household insurance in each of the 20 countries (which strips out commercial motor and property insurance), this study constitutes the most thorough and comprehensive research into this subject ever published.

How do banking institutions surveyed break down?



Finaccord's universe of banking institutions covers 1,199 entities spread across 20 countries in Europe, including mainstream retail banks, specialised lenders, savings banks, building societies, co-operative banks and credit unions. For a full list of the organisations contacted for the research and included in the report's PartnerBASE™, please contact Finaccord.

How does the report fit into the wider series?

Non-Life Bancassurance in Europe: Motor and Household Insurance fits into a wider series of reports published by Finaccord in November 2011 on the subject of bancassurance in Europe. The specific product and geographical coverage of this report is shown in the grid below.

Product category / type	AT	BE	CZ	DK	FI	FR	DE	IE	IT	NL	NO	PL	PT	RO	RU	ES	SE	CH	TU	UK
Investment-related life insurance and retirement savings																				
<i>comprised of</i>																				
Investment-related life insurance																				
Retirement savings																				
Protection-related life insurance																				
<i>comprised of</i>																				
Risk life insurance																				
Critical illness insurance																				
Income protection insurance																				
Accident and health insurance																				
<i>comprised of</i>																				
Accident insurance																				
Medical expenses insurance																				
Health / hospital cash plans																				
Personal motor and household insurance																				
<i>comprised of</i>																				
Personal motor insurance																				
Household insurance																				
Creditor insurance																				
<i>comprised of</i>																				
Creditor insurance related to mortgages																				
Creditor insurance related to consumer finance																				
Creditor insurance related to credit cards																				

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: this includes an overview and quantification of the size and growth of personal motor and household insurance across the 20 countries, an analysis of the rates of provision of these products by banking entities, an investigation into the operating models used, and a unique and valuable snapshot of the weighted share of partnerships for these products across Europe as a whole. This latter analysis indicates which underwriters and other providers of personal motor and household insurance have established distribution partnerships with banks and other lending institutions that offer the greatest sales potential.

Specific country chapters (20): an in-depth investigation into the distribution of personal motor and household insurance by banking entities in each country, including an introduction to the banking sector, national market size and growth data for the two types of insurance, commentary concerning the overall importance of bancassurance as a distribution channel, analysis of the operating models used by banks and other lending institutions that are active in these fields, computation of the weighted share of bancassurance partnerships among product providers in these countries, and data illustrating the size and growth of key bancassurance underwriters.

What are the key features of the research?

Key features of this report include:

- analysis of a combined total of around 1,150 partnerships for the distribution of personal motor and household insurance through banking entities across 20 countries in Europe;
- identification of the underwriters or other product providers used by the 724 banks and other lending institutions that are active in either or both of these areas;
- computation of the weighted share of bancassurance partnerships of these product providers, illustrating which competitors hold the most significant relationships and which are limited to relatively minor agreements;
- commentary and observations concerning key bancassurance links including, in many cases, the dates of and rationale for their creation;
- quantification of the size, segmentation and growth of gross written premiums for personal motor and household insurance in each country.

How can the research be used?

You may be able to use this report and the PartnerBASE™ dataset that accompanies it in one or more of the following ways:

- to gain access to a source of information that provides a comprehensive overview of the provision of personal motor and household insurance by all significant banking entities in Europe;
- to identify partnership opportunities for personal motor and household insurance that may arise either because a banking institution is not currently active or because there is scope for replacing an existing initiative;
- to understand which underwriters and other providers have been successful in establishing distribution relationships with the most important banking entities;
- to assess the background to the most significant bancassurance deals, differentiating between those that originate from long-term or strategic objectives and those that are more transient;
- to appreciate the magnitude of the opportunity to sell personal motor and household insurance through banks and other lending institutions in Europe.

How can the PartnerBASE™ be used?

Select country		Choose product type			Identify insurance providers	
Name of organisation	Country	Estimated number of retail customers (000s)	Product type	Product offered?	Operating model	Partner(s)
Frankfurter Volksbank	Germany	380	Household insurance	Yes	External underwriter	R+V
Frankfurter Volksbank	Germany	380	Personal motor insurance	Yes	External underwriter	R+V
Friesland Bank	Netherlands	286	Household insurance	Yes	Captive broker	Friesland Bank Assuradeuren
Friesland Bank	Netherlands	286	Personal motor insurance	Yes	Captive broker	Friesland Bank Assuradeuren
Furness B.S.	UK	105	Household insurance	Yes	External broker	Heath Lambert
Furness B.S.	UK	105	Personal motor insurance	No		

Look up specific organisations

See the estimated number of retail customers for each organisation

Choose operating model

Note - The PartnerBASE™ also includes fields showing the category of organisation, its UHC (ultimate holding company, where part of a major group) and the UHCs that own (or co-own, in the case of joint ventures) the partners used for each product type.

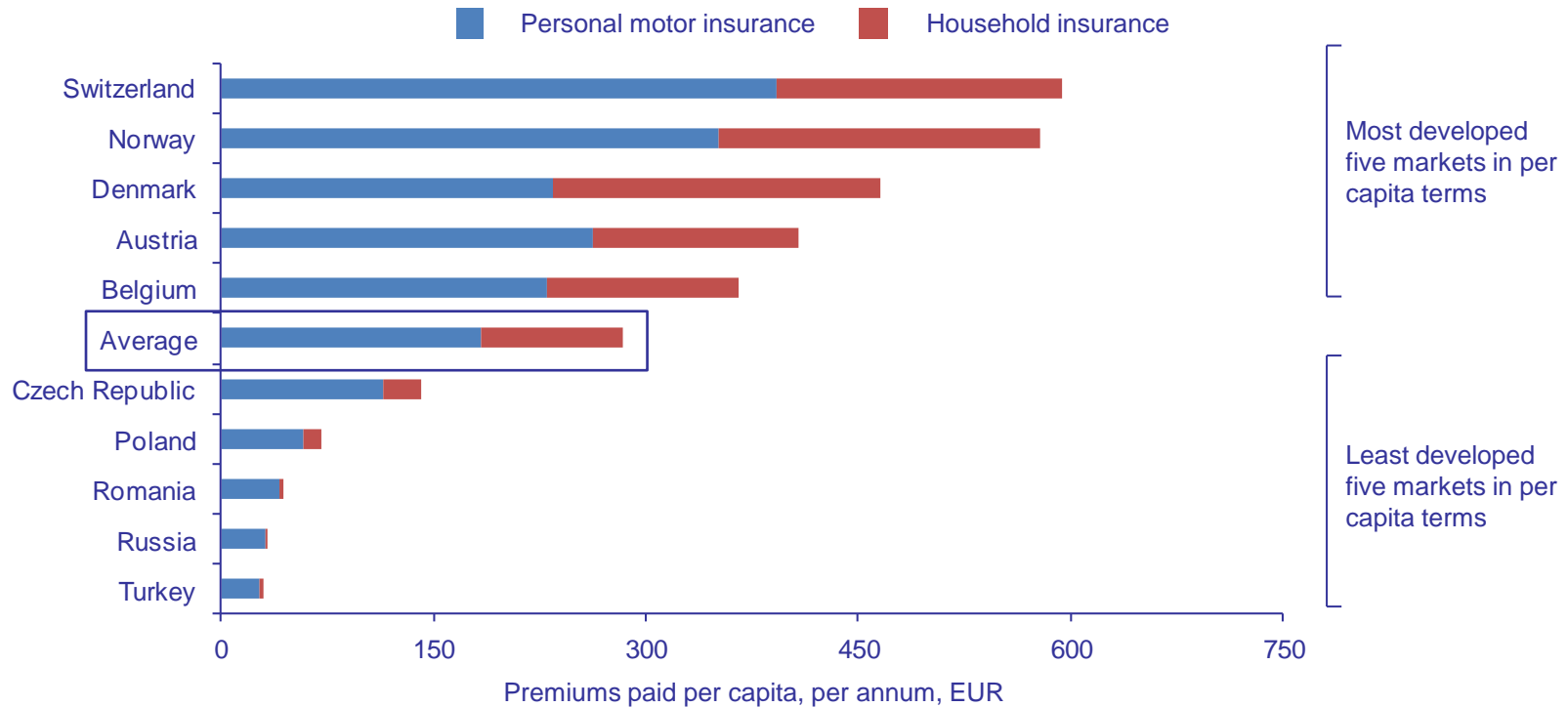
Source: Finaccord European Bancassurance PartnerBASE

Who can use the research?

1. *Insurance underwriters:* this study is a uniquely comprehensive guide to a key segment within Europe's bancassurance market that can be used to identify partnership opportunities and to monitor competitor activity;
2. *Banks and other lending institutions:* the research will help banking entities to understand how their bancassurance strategy compares to that of other comparable institutions both in their domestic market and across Europe as a whole;
3. *Management consultancies:* are you helping an insurance company or bank with its bancassurance strategy in the specific fields of either personal motor or household insurance? Understand the current status of bank distribution of these two products in Europe, saving time and effort on researching the subject yourself;
4. *Investment banks and private equity companies:* with banking institutions under financial pressure in many European countries, this research may be useful to understanding where there is scope for them to divest captive or joint venture underwriters in order to raise capital.

What are some of the key findings?

1. On a per capita basis, premiums for personal motor and household insurance are highest in Switzerland, Norway and Denmark

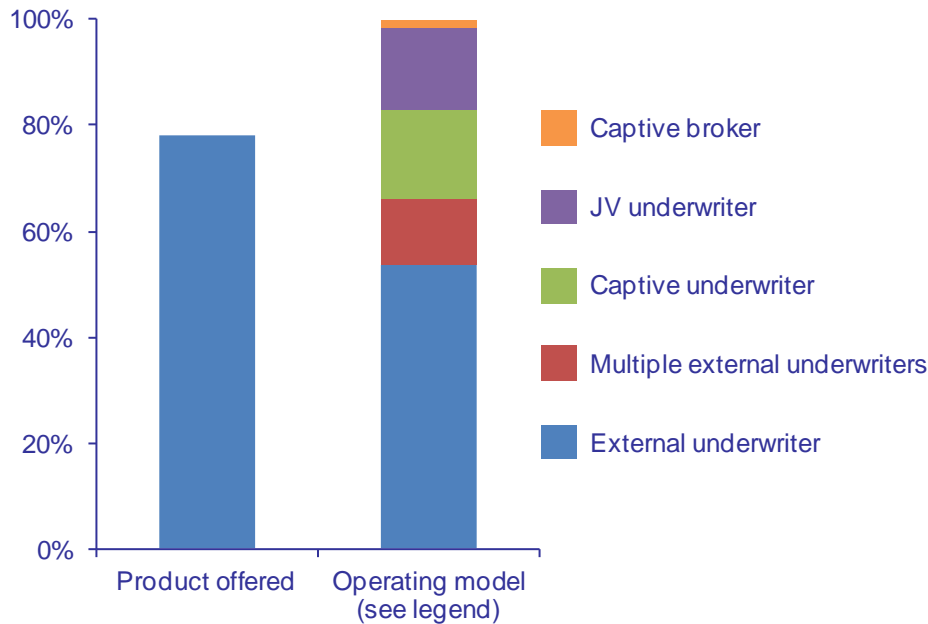


Source: Finaccord European Insurance Market Model (chart shows top and bottom five countries plus average, for 2010)

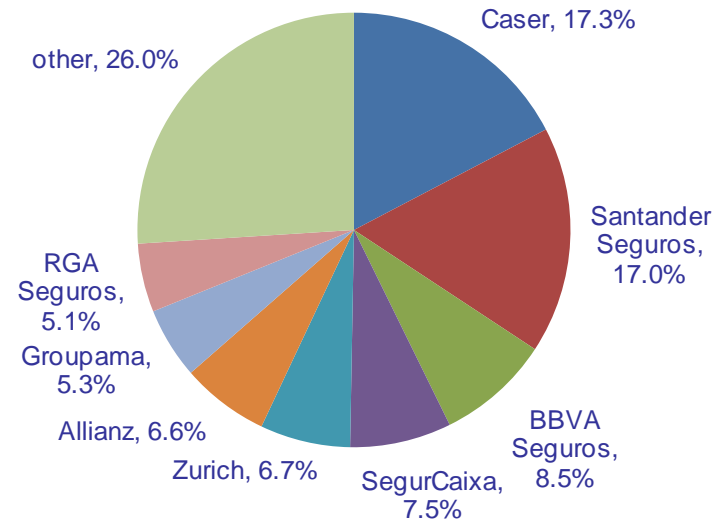
What are some of the key findings? (cont.)

2. Household cover is available from 78% of banking entities in Spain, where the leading bancassurance partners include Caser and Santander Seguros

HOUSEHOLD INSURANCE IN SPAIN: BANK PROVISION RATE AND OPERATING MODELS



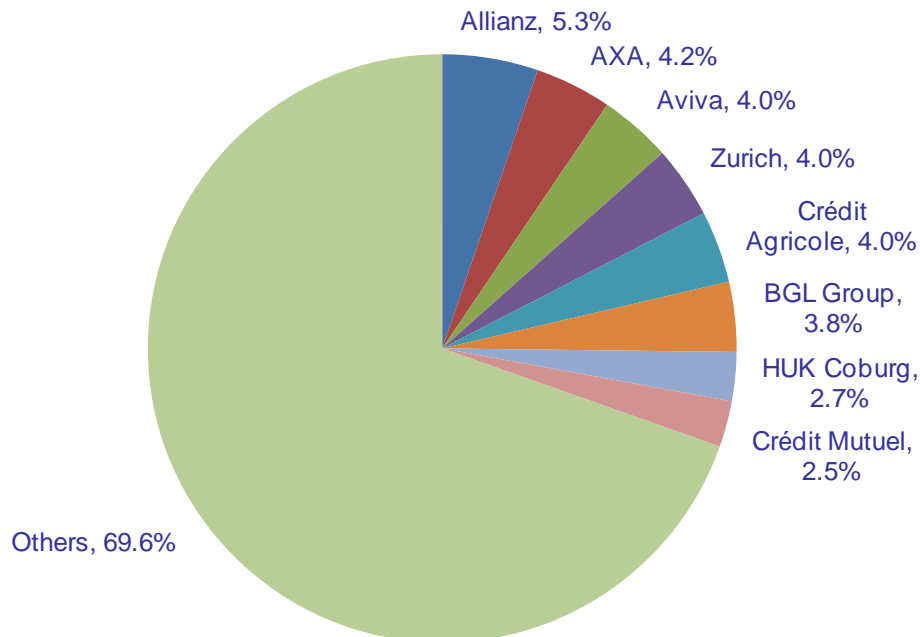
HOUSEHOLD INSURANCE IN SPAIN: WEIGHTED PROVIDER SHARES OF BANCASSURANCE PARTNERSHIPS



Source: Finaccord European Bancassurance PartnerBASE™

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

3. At the pan-European level, Allianz emerges as the leading provider with a weighted share of bancassurance partnerships for personal motor and household insurance combined of 5.3%, followed by AXA, Aviva and Zurich



Source: Finaccord European Bancassurance PartnerBASE™ (chart shows weighted group share of bancassurance partnerships for personal motor and household insurance combined, across 20 European countries)

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

4. Key findings from the executive summary include:

- the value of the combined markets for personal motor and household insurance across the 20 European countries investigated is around EUR 138.3 billion, consisting of EUR 94.2 billion attributable to personal motor insurance and EUR 44.1 billion related to household cover;
- in terms of gross written premiums, Germany has the largest market, although the most rapid growth is occurring in relatively young markets such as Poland, Romania, Russia and Turkey;
- across all 20 countries, bancassurance plays a far greater role in the distribution of household insurance than it does for personal motor cover, and as a channel is most prominent in Russia;
- 60.4% of the 1,199 banking entities surveyed have an arrangement in place for selling at least one of either personal motor or household insurance;
- for both types of cover, the most frequently-used operating model is for banking entities to partner with a single external underwriter; however, the captive and joint venture underwriter models take on added importance when the analysis is weighted by the size of the bank distributing the policies, since larger banking entities are more likely to have set up insurance subsidiaries.

What is the cost and format?

Non-Life Bancassurance in Europe: Motor and Household Insurance is available as a standard *Adobe Acrobat PDF* document and / or hard copy. The PartnerBASE™ dataset that accompanies it at no further charge is in *Microsoft Excel* format. Prices for this title and other multi-country and country-specific titles in the wider series are as follows:

REPORT	PRICE *
Non-Life Bancassurance in Europe: Motor and Household Insurance	GBP 2,995
Bancassurance in Austria, Belgium etc.: Life, Non-Life and Creditor Insurance *	GBP 795
Bancassurance in China: Life, Non-Life and Creditor Insurance	GBP 995
Creditor Insurance in Northern, Central and Eastern Europe	GBP 2,495
Creditor Insurance in Southern and Western Europe	GBP 2,495
Life Bancassurance in Europe: Investment-Related Life Insurance and Retirement Savings	GBP 2,995
Life Bancassurance in Europe: Protection-Related Life Insurance	GBP 2,995
Non-Life Bancassurance in Europe: Accident and Health Insurance	GBP 2,995

** 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.

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_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.