

Commercial Non-Life Insurance in Major Global Markets: Size, Segmentation and Forecast to 2020

Series prospectus

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What is the research?

This series of studies is about the market for commercial non-life (property and casualty) insurance in ten major global markets, namely: Australia, Brazil, Canada, China, France, Germany, Italy, Spain, the UK and the US. This includes insurance bought by corporate, business, public sector and not-for-profit customers. The research focuses not only on the market's overall value in terms of gross premiums written but also on its segmentation by broad category, product class, customer size and customer activity. Specifically, for each of these segmentations, premiums are provided from 2012 to 2016 in order to depict the historic trend and they are then forecast up to 2020.

The segmentation by broad category and product class is as follows:

- **commercial liability**, breaking down between D&O, environmental liability, medical malpractice, professional indemnity and other liability cover;
- **commercial MAT**, breaking down between aviation, goods-in-transit and marine cover;
- **commercial motor**;
- **commercial property**;
- **other commercial**, breaking down between cyber, kidnap and ransom, legal protection, political risk, surety, trade credit, workers' compensation and miscellaneous cover.

continued overleaf

What is the research (continued)?

Meanwhile, the segmentation by customer size is as follows (with definitions shown in brackets):

- **micro** (entities with up to nine employees, including self-employed individuals with no employees);
- **small** (entities with between ten and 49 employees);
- **medium** (entities with between 50 and 249 employees);
- **large** (entities with between 250 and 5,000 employees);
- **very large** (entities with more than 5,000 employees).

Finally, the segmentation by customer activity is between the following activities: aerospace; agriculture, fishing and forestry; construction; education; energy and power; financial institutions; healthcare and life sciences; hospitality; manufacturing; mining and minerals; not-for-profit; professional services; public administration; real estate; retail and wholesale distribution; technology and media; transportation (non-air); and other services.

What is the rationale?

Finaccord has developed this series of studies for a number of reasons. First, while country-specific sources such as supervisory bodies and trade associations have long been a source of non-standardised data concerning commercial non-life insurance, especially with regards to certain broad categories and product classes, no standardised data sets exist that describe the size and segmentation of commercial lines insurance in a fully comparable manner across multiple countries. Thus, this research fills this important gap. Furthermore, segmentations of the commercial non-life insurance market by customer size and activity are never available from such sources hence Finaccord has developed a methodology that models these splits in a consistent fashion. Finally, unique forecasts have been incorporated into these data series in order to illustrate how premiums are expected to develop by broad category, product class, customer size and customer activity through to 2020, thereby revealing the segments that are likely to grow and those that are seemingly in decline.

What methodology has been used?

The data in this report series has been modelled by means of a combination of methodologies. The segmentation by broad category and product class is derived not only from standard and public domain sources (e.g. insurance regulatory bodies and trade associations plus disclosures made by specialist underwriters in their annual reports and press releases) but also from Finaccord's own internal databases which are themselves based in part on primary research carried out with insurance sector participants with a knowledge of particular product markets.

Meanwhile, the split by customer size is based on the relative importance of each size band measured in terms of its contribution to national GDP, weighted for the likely value of insurance premiums paid in proportion to the size of entities in each band.

As for the breakdown by customer activity, Finaccord's model incorporates two main inputs namely the relative size of each activity in each country measured in terms of its contribution to national GDP (as reported by the OECD and national statistical bodies), and the likely take-up rate for each product class within each customer activity. For example, aviation and medical malpractice insurance are allocated entirely to the aerospace and the healthcare and life sciences sectors, respectively, while surety bonds concentrate mainly in the construction sector but with some usage in other sectors.

What is the report structure (of each country-specific title)?

Executive Summary: provides a concise evaluation of the report's principal findings.

Introduction: discusses rationale, methodology and definitions.

Market Analysis: data, graphics and commentary concerning the development of premiums in commercial lines insurance in the country in question between 2012 and 2016 segmented by broad category, product class, customer size and customer activity; this is then mirrored by a similar analysis that forecasts premiums forwards to 2020.

What are the key features of the research?

Key features of this report series include:

- quantification of the market size for commercial non-life (property and casualty) insurance across Australia, Brazil, Canada, China, France, Germany, Italy, Spain, the UK and the US: how much is each market worth, and where is the fastest growth occurring?
- segmentation of these markets by broad category and product class: how much demand is there in each country for commercial insurance types such as cyber, D&O, environmental liability, legal protection and political risk cover?
- breakdown of these markets by customer size: what proportion of the commercial lines market in each country is attributable to micro entities, at one end of the spectrum, and very large ones (with more than 5,000 employees), at the other?
- historic and forecast split of premiums by customer activity: which of the 16 business and industrial sectors offer the best prospects for growth in premiums up to 2020 and how do they compare with the not-for-profit and public administration (government) sectors, which are analysed as two extra segments in their own right?

How can the research be used?

You may be able to use this series of reports plus the accompanying market data files in one or more of the following ways:

- to make a like-for-like comparison of commercial lines insurance across ten major global markets which collectively accounted for around 71% of total commercial non-life insurance premiums worldwide in 2016;
- to identify potential product-specific growth opportunities within wider markets for commercial property and casualty insurance that are often mature;
- to appreciate the magnitude of the opportunity for underwriting and / or distributing commercial lines cover to micro and small entities (with fewer than 50 employees);
- to gain insight into the current and future value of commercial non-life insurance sold to 18 key customer activity segments including aerospace, construction, energy and power, financial institutions, healthcare and life sciences, manufacturing, professional services, retail and wholesale distribution; technology and media, and transportation (non-air).

Who can use the research?

1. *Underwriters*: this series of reports provides a unique analysis of a combined market for commercial property and casualty insurance that was worth well over USD 500 billion in premiums in 2016 across the ten major global markets in scope;
2. *Brokers*: in many cases, brokers constitute the main distribution channel for the insurance product classes covered hence this research can help them to quantify the value of the opportunity for broking them;
3. *Claims management / third-party administration firms*: not only do these commercial lines segments constitute an opportunity for underwriters and brokers but they also generate a huge value and volume of claims which are sometimes outsourced to specialist claims management or third-party administration firms;
4. *Management consultancies*: is your organisation helping a participant in the commercial non-life insurance market with its future plans in any or all of these ten countries? Save time researching the subject yourselves by accessing this publication.

What does the market data file contain?

GBP million	2012	2016	2020	CAGR, 2012 to 2016	CAGR, 2016 to 2020
Commercial motor	x,xxx	x,xxx	x,xxx	x.x%	x.x%
Commercial property	x,xxx	x,xxx	x,xxx	x.x%	x.x%
Commercial liability	x,xxx	x,xxx	x,xxx	x.x%	x.x%
of which:					
D&O	xxx	xxx	xxx	x.x%	x.x%
Environmental liability	xxx	xxx	xxx	x.x%	x.x%
Medical malpractice	xxx	xxx	xxx	x.x%	x.x%
Professional indemnity	xxx	xxx	xxx	x.x%	x.x%
Workers compensation	n/a	n/a	n/a	n/a	n/a
Other liability	xxx	xxx	xxx	x.x%	x.x%
Commercial MAT	x,xxx	x,xxx	x,xxx	x.x%	x.x%
of which:					
Aviation	xxx	xxx	xxx	x.x%	x.x%
Goods-in-transit	xxx	xxx	xxx	x.x%	x.x%
Marine	xxx	xxx	xxx	x.x%	x.x%
Other non-life insurance	x,xxx	x,xxx	x,xxx	x.x%	x.x%
of which					
Cyber	xxx	xxx	xxx	x.x%	x.x%
Kidnap and ransom	xxx	xxx	xxx	x.x%	x.x%
Legal protection	xxx	xxx	xxx	x.x%	x.x%
Political risk	xxx	xxx	xxx	x.x%	x.x%
Surety	xxx	xxx	xxx	x.x%	x.x%
Trade credit	xxx	xxx	xxx	x.x%	x.x%
Miscellaneous	xxx	xxx	xxx	x.x%	x.x%
Total	xx,xxx	xx,xxx	xx,xxx	x.x%	x.x%

↑
PREMIUMS SEGMENTED
BY BROAD CATEGORY
AND PRODUCT CLASS

PREMIUMS SEGMENTED
BY CUSTOMER ACTIVITY

PREMIUMS SEGMENTED
BY CUSTOMER SIZE

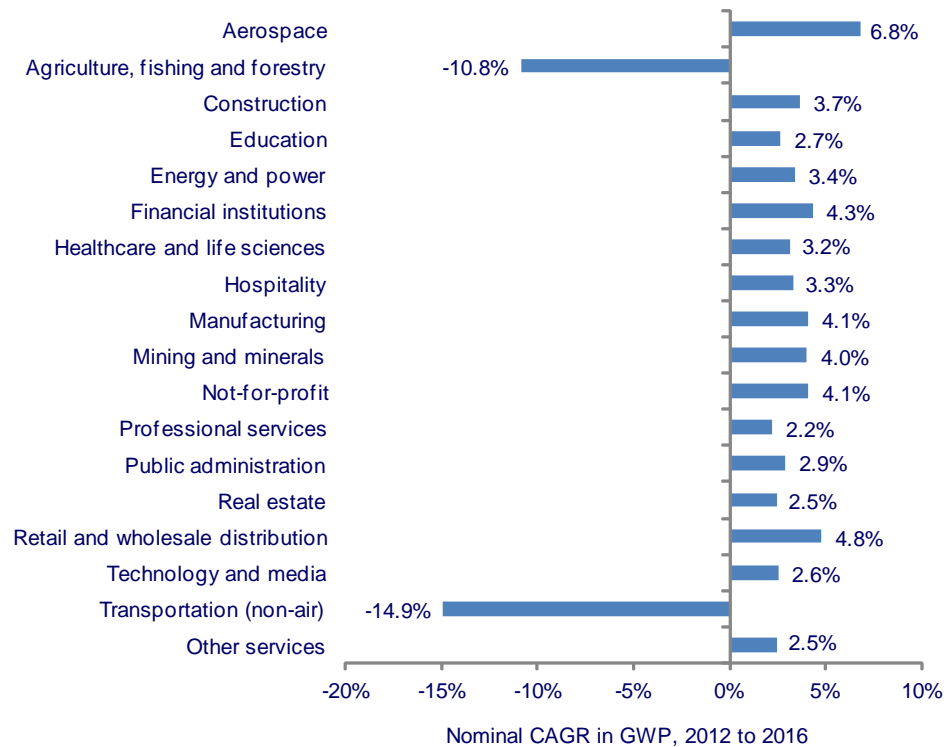


GBP million	2012	2016	2020	CAGR, 2012 to 2016	CAGR, 2016 to 2020
Micro	x,xxx	x,xxx	x,xxx	x.x%	x.x%
Small	x,xxx	x,xxx	x,xxx	x.x%	x.x%
Medium	x,xxx	x,xxx	x,xxx	x.x%	x.x%
Large	x,xxx	x,xxx	x,xxx	x.x%	x.x%
Very large	x,xxx	x,xxx	x,xxx	x.x%	x.x%
Total	xx,xxx	xx,xxx	xx,xxx	x.x%	x.x%

GBP million	2012	2016	2020	CAGR, 2012 to 2016	CAGR, 2016 to 2020
Aerospace	xxx	xxx	xxx	x.x%	x.x%
Agriculture, fishing and forestry	xxx	xxx	xxx	x.x%	x.x%
Construction	xxx	xxx	xxx	x.x%	x.x%
Education	xxx	xxx	xxx	x.x%	x.x%
Energy and power	xxx	xxx	xxx	x.x%	x.x%
Financial institutions	xxx	xxx	xxx	x.x%	x.x%
Healthcare and life sciences	xxx	xxx	xxx	x.x%	x.x%
Hospitality	xxx	xxx	xxx	x.x%	x.x%
Manufacturing	xxx	xxx	xxx	x.x%	x.x%
Mining and minerals	xxx	xxx	xxx	x.x%	x.x%
Not-for-profit	xxx	xxx	xxx	x.x%	x.x%
Professional services	xxx	xxx	xxx	x.x%	x.x%
Public administration	xxx	xxx	xxx	x.x%	x.x%
Real estate	xxx	xxx	xxx	x.x%	x.x%
Retail and wholesale distribution	xxx	xxx	xxx	x.x%	x.x%
Technology and media	xxx	xxx	xxx	x.x%	x.x%
Transportation (non-air)	xxx	xxx	xxx	x.x%	x.x%
Other services	xxx	xxx	xxx	x.x%	x.x%
Total	xx,xxx	xx,xxx	xx,xxx	x.x%	x.x%

What are some of the key findings?

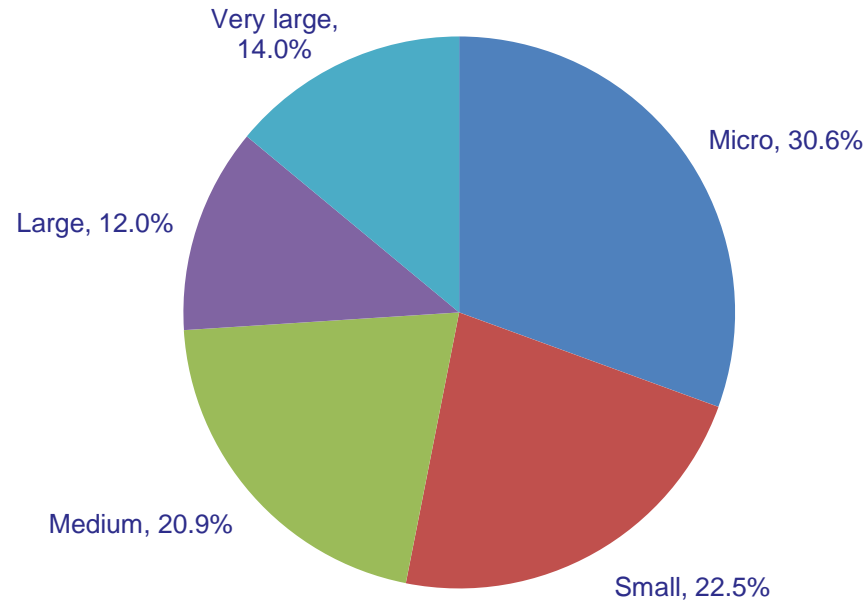
- In Country X, commercial lines premiums grew in all customer activity segments apart from two, for both of which the decline was sharp between 2012 and 2016**



Source: Finaccord analysis

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

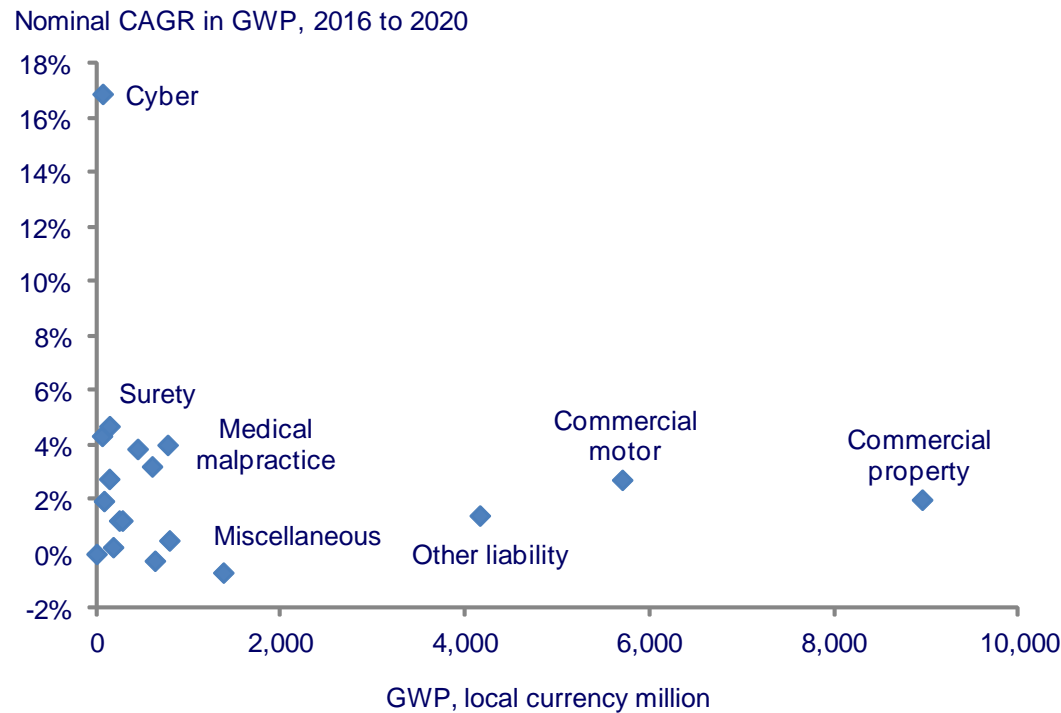
2. In 2016, over 50% of commercial lines premiums in country Y were attributable to micro and small customers (with fewer than 50 employees)



Source: Finaccord analysis

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

3. By product class, by far the most rapid growth in premiums in country Z is predicted for the small but fast-developing cyber segment



Source: Finaccord analysis

What is the cost and format?

The reports in this series are available as standard PDF documents and the market data files that accompany them at no further charge are in *Excel* format. Prices are as follows:

Commercial Non-Life Insurance in Australia: Size, Segmentation and Forecast to 2020	GBP 995
Commercial Non-Life Insurance in Brazil: Size, Segmentation and Forecast to 2020	GBP 995
Commercial Non-Life Insurance in Canada: Size, Segmentation and Forecast to 2020	GBP 995
Commercial Non-Life Insurance in China: Size, Segmentation and Forecast to 2020	GBP 995
Commercial Non-Life Insurance in France: Size, Segmentation and Forecast to 2020	GBP 995
Commercial Non-Life Insurance in Germany: Size, Segmentation and Forecast to 2020	GBP 995
Commercial Non-Life Insurance in Italy: Size, Segmentation and Forecast to 2020	GBP 995
Commercial Non-Life Insurance in Spain: Size, Segmentation and Forecast to 2020	GBP 995
Commercial Non-Life Insurance in the UK: Size, Segmentation and Forecast to 2020	GBP 995
Commercial Non-Life Insurance in the USA: Size, Segmentation and Forecast to 2020	GBP 995

** 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 final slide for further details.

Invoices can be paid in EUR or USD, at the prevailing exchange rate, if preferred.

For acquisition of multiple reports, please contact Finaccord - discounts may be available.

How can the research be purchased?

Simple. Just go to the relevant area of the Finaccord web site available at www.finaccord.com/order_commercial_non-life_insurance_markets_reports.htm and fill in the online order form, clearly indicating:

- Report(s) 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.