

Global Insurance and Lending Market Data:

Size, Segmentation and Forecast for Worldwide Markets

***Accident and health insurance – commercial non-life
insurance – consumer lending – life insurance and
retirement savings – motor insurance – property insurance***

Series Prospectus

Prospectus contents

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What is it?

Finaccord's *Global Insurance and Lending Market Data* series comprises six products that provide consistent and comparable data for each of 40 of the world's largest countries describing the value and growth of the markets (expressed in both nominal and real terms) over five years. Aggregated data for the most recent five years can be obtained freely from Finaccord by sending an e-mail requesting one or more outputs to research@finaccord.com. In addition, it is also possible to purchase full (paid-for) versions that include the key segmentations described overleaf plus predictions or forecasts for the next four years. The six products in question are as follows:

Global Accident and Health Insurance: Size, Segmentation and Forecast for the Worldwide Market

Global Commercial Non-Life Insurance: Size, Segmentation and Forecast for the Worldwide Market

Global Consumer Lending: Size, Segmentation and Forecast for the Worldwide Market

Global Life Insurance and Retirement Savings: Size, Segmentation and Forecast for the Worldwide Market

Global Motor Insurance: Size, Segmentation and Forecast for the Worldwide Market

Global Property Insurance: Size, Segmentation and Forecast for the Worldwide Market

In all six cases, the 40 countries covered are as follows: Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, China, Colombia, the Czech Republic, Denmark, Finland, France, Germany, India, Indonesia, Ireland, Italy, Japan, Malaysia, Mexico, the Netherlands, Norway, Peru, the Philippines, Poland, Portugal, Romania, Russia, South Africa, South Korea, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, the UK, the US and Vietnam. In addition, residual figures are also given depicting the rest of the world combined thereby allowing presentation of the worldwide total.

What is the rationale?

Finaccord has developed the six products in its *Global Insurance and Lending Market Data* series for a number of reasons:

- at an international level, there is a lack of consistent and comparable market data in the six areas in question;
- this lack is even more acute when it comes to the segmentations in the full version of each product (e.g. the split of motor insurance between personal and commercial business or the split of life insurance between protection-related and investment-related business);
- looking only at national data sources is of limited use not only because they often lack consistency and comparability but also because they do not take account of national inflation rates... the nominal and real growth rates presented in this series circumvent this limitation in a transparent manner;
- based on a uniform methodology, the forecasts contained in the series provide a means of appreciating the likely, future outlook across all 40 countries in scope;
- through its various published reports, Finaccord already holds much of the data included in the six products but has now made it available in a new and easy-to-use format.

What are the data segmentations?

In the full versions of the six products, the data segmentations available for each country and year (including the forecasts) are as follows:

- accident and health insurance: i) accident insurance and ii) health insurance;
- commercial non-life insurance: i) commercial liability insurance, ii) commercial MAT insurance, iii) commercial motor insurance, iv) commercial property insurance, and v) other commercial insurance;
- consumer lending: i) mortgage lending, ii) non-mortgage consumer lending apart from credit card lending, and iii) credit card lending;
- life insurance and retirement savings: i) investment-related life insurance, ii) protection-related life insurance, and iii) retirement savings;
- motor insurance: i) personal motor insurance and ii) commercial motor insurance;
- property insurance: i) personal property (i.e. household / homeowners') insurance and ii) commercial property insurance.

Full definitions are provided from pages 11 to 18 of this prospectus.

What are the key features of the data?

Key features of the data across these six products include:

- coverage of six globally important sectors namely accident and health insurance, commercial non-life insurance, consumer lending, life insurance and retirement savings, motor insurance, and property insurance;
- coverage of a standardised set of 40 major countries with inclusion of a residual figure representing the rest of the world;
- provision of consistent and comparable market value data for the five most recent years (in both basic and full versions) with predictions or forecasts for the coming four years (in the full version);
- in the full versions, key data segmentations for the six markets in scope in order to provide greater granularity of understanding across lines of business that may be seen to have diverse dynamics when viewed in a disaggregated format;
- availability of outputs as Excel worksheets with the option of viewing data in both nominal and real (inflation-adjusted) terms and in US dollars and Euros as well as local currencies.

How can the data be used?

You may be able to use this data in one or more of the following ways:

- gain easy access to unique outputs that provide data relating to the vast majority of the global insurance market plus the entire global consumer lending sector;
- view worldwide trends in the direction of the markets in scope across 40 major countries thereby providing you with a rapid understanding of the global picture;
- appreciate how the value of markets developed over five years in local currency, US dollar and Euro terms, and (in the full versions) how they may reasonably be expected to evolve in each of the four years to come;
- acquire valuable and difficult-to-derive market segmentations (in the full versions) for each of the six categories in order to comprehend product opportunities at a greater level of detail – for example, what is the value of the global market for protection-related life insurance, and its split by country, once investment-related business has been disaggregated from life insurance as a whole?
- copy data from the Excel file to use in your own work and assess how apparently rapid growth in certain markets is reduced or even reversed when national inflation is factored in.

How else may Finaccord be able to help with global market data?

Note that Finaccord also holds international data across a number of other insurance, assistance and financial products that are not explicitly covered by the outputs in the *Global Insurance and Lending Market Data* series. Although not an exhaustive list, these include the following:

- automotive finance and leasing;
- creditor insurance;
- D&O insurance;
- energy and power insurance;
- extended warranties for new and used cars;
- extended warranties and insurance for white, brown and grey goods;
- home emergency insurance and assistance;
- mobile gadget and phone insurance and extended warranties;
- professional indemnity insurance;
- road assistance;
- surety bonds;
- trade credit insurance;
- travel insurance and assistance.

For further information about what Finaccord is able to provide in these areas, please contact us on research@finaccord.com.

What is the cost and format?

The six products in the *Global Insurance and Lending Market Data* series are available as standard Excel files. Basic versions can be obtained freely from Finaccord by sending an e-mail requesting one or more outputs to research@finaccord.com. Otherwise, costs for the full versions are as follows:

DATA	PRICE *
Global Accident and Health Insurance: Size, Segmentation and Forecast for the Worldwide Market	USD 1,195
Global Commercial Non-Life Insurance: Size, Segmentation and Forecast for the Worldwide Market	USD 1,195
Global Consumer Lending: Size, Segmentation and Forecast for the Worldwide Market	USD 895
Global Life Insurance and Retirement Savings: Size, Segmentation and Forecast for the Worldwide Market	USD 895
Global Motor Insurance: Size, Segmentation and Forecast for the Worldwide Market	USD 1,195
Global Property Insurance: Size, Segmentation and Forecast for the Worldwide Market	USD 1,195

** For Singapore-based clients, GST 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 or GBP, at the prevailing exchange rate, if preferred.

For the four products priced at USD 1,195, the available data series is for 2013-2017-2021

For the two products priced at USD 895, the available data series is for 2012-2016-2020

How can the data be purchased?

Simple. Just go to the relevant area of the Finaccord website, create your account (if you do not have one already) and place your order online. Products paid for online by card will be delivered immediately by e-mail but please allow up to one working day for delivery by e-mail if you choose to pay on receipt of invoice.

With regards to the **corporate user licence**, you will be asked to 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

Alternatively, you can place an order by sending your request to order@finaccord.com, clearly stating the product(s) required, associated price(s) and billing details for eventual invoice or card payment receipt.

How are the segmentations defined? (1)

Accident and health insurance

Accident insurance – this refers to insurance that pays out a lump sum to the policyholder in the event that he or she experiences an accident, thereby sustaining one or more injuries pre-defined in the policy. Where relevant, accidental death insurance has been classified as accident insurance rather than as protection-related life insurance, and data in this category may include some creditor insurance that is classified as accident insurance. It also includes driver's accident or passenger accident insurance that can be cross-sold with motor insurance, but which is an optional cover and does not form an integral part of motor insurance. It excludes compulsory road accident insurance (which is categorised under motor insurance), occupational accident and passenger accident insurance for public transportation (which are both part of commercial liability insurance).

Health insurance – this breaks down into two main groups: health / hospital cash plans; and medical expenses insurance. (However, note that these are combined in the segmentation.)

Health / hospital cash plans are policies that make payments to the policyholder for a pre-determined period of time, typically on a daily or monthly basis, if he or she is hospitalised and / or unwell. Sometimes, they are limited to particular circumstances (e.g. hospitalisation or convalescence following a surgical procedure).

continued overleaf

How are the segmentations defined? (2)

Accident and health insurance (continued)

Medical expenses insurance refers to insurance that covers a proportion or all of either or both of private and public medical expenses (including long-term care and sometimes including, or limited to, dental expenses). Sometimes, it is limited to particular circumstances (e.g. medical expenses incurred for a surgical procedure).

Health insurance can be compulsory or voluntary, and can be written by insurance companies from the private sector, by mutual insurers and similar entities, or by state-owned organisations, as long as payments take the form of insurance premiums.

How are the segmentations defined? (3)

Commercial non-life insurance

Commercial liability insurance – this refers to liability cover bought by corporate, business, public sector and not-for-profit customers including D&O and professional indemnity insurance plus general employers' liability, environmental liability, product liability, public liability and workers' compensation policies.

Commercial MAT insurance – this refers to marine, aviation and goods-in-transit insurance bought by corporate, business, public sector and not-for-profit customers.

Commercial motor insurance – this refers to motor insurance bought by corporate, business, public sector and not-for-profit customers including cover for commercial vehicles and fleets. Some motor insurance bought by self-employed individuals is included here but some is defined as *personal motor insurance* where the insured vehicle is being used primarily for personal use.

Commercial property insurance – this refers to property insurance bought by corporate, business, public sector and not-for-profit customers, and includes both crop and private landlord insurance.

Other commercial insurance – this refers to other types of insurance bought by corporate, business, public sector and not-for-profit customers. Common types include business interruption, event / cancellation, legal expenses and trade credit cover plus surety bonds.

How are the segmentations defined? (4)

Consumer lending

Mortgage lending – this refers secured loans granted for the purchase of residential property.

Non-mortgage consumer lending apart from credit card lending – this refers to all forms of non-mortgage credit other than loans related to credit cards. As such, this category encompasses unsecured personal loans and loans secured to property that are not taken out to actually purchase the property (e.g. home improvement loans) as well as car purchase loans (offered directly or via vehicle dealerships), credit intermediated by retailers (e.g. to finance the acquisition of high value items such as furniture) and overdrafts. However, the value of leasing products taken out by consumers are not included.

Credit card lending – this refers to lending made via all cards with a pay-later facility including both cards with revolving credit characteristics (whereby a credit balance can be carried forward over time) and charge cards (whereby it is intended that credit balances are repaid at the end of a particular period, usually the calendar month).

How are the segmentations defined? (5)

Life insurance and retirement savings

Protection-related life insurance – this breaks down into four main groups: risk life insurance, critical illness insurance, income protection insurance and creditor life insurance (although note that these are combined in the data product).

Risk life insurance refers to insurance whose main purpose is to pay out in the event of the death of the policyholder, this can be as a term life policy (i.e. for a defined period of time) or as a whole life policy.

Critical illness insurance refers to insurance that pays out a lump sum in the event of the policyholder suffering from a pre-defined serious illness (e.g. cancer, heart attack, stroke etc.) but not death.

Income protection insurance refers to insurance that pays out in the event of the policyholder becoming incapacitated and hence unable to work due to illness or accident either on a permanent basis (long-term income protection insurance or permanent health insurance) or for a limited period of time (short-term income protection insurance).

In all three cases above, if the value of any claim paid out is linked directly or implicitly to the value of an associated loan, it is considered to be creditor life insurance.

How are the segmentations defined? (6)

Life insurance and retirement savings (continued)

Investment-related life insurance and insurance-backed retirement savings – this refers to premiums paid by companies or private individuals to build capital for the future which can be used either as a lump sum or to provide an income, typically though not necessarily for retirement.

Investment-related life insurance and insurance-backed retirement savings are two overlapping categories, and these are combined in the data product.

Investment-related life insurance refers to insurance policies whose main purpose is to provide a future return to the policyholder while he or she is still alive (although cover for death is sometimes included as a product feature, as in universal life policies). These policies can take a variety of forms, which are often defined by their tax benefits. They can include policies that offer a guaranteed return or a variable return that depends on the performance of the underlying assets of the policy, and these assets can be managed by an insurance company or managed by external fund managers; in the latter case, the insurer provides a tax-efficient vehicle or ‘wrapper’ that enables assets to be moved from fund to fund without incurring taxes. While not a complete list, policies in this category include capitalisation bonds, endowment policies, investment bonds and unit-linked life insurance.

How are the segmentations defined? (7)

Life insurance and retirement savings (continued)

Insurance-backed retirement savings refer to policies whose specific purpose is to provide either a lump sum when the policyholder retires or a regular income during the policyholder's retirement (annuity). Policy types vary widely depending on government-sponsored tax advantages and other regulations, and this analysis concentrates on insurance-backed policies (i.e. contributions are paid by individuals and / or their employers as premiums received by life insurance companies).

Therefore, they include 'third-pillar' schemes defined as voluntary personal pension savings through life insurance companies and 'second-pillar' or occupational pensions, as long as contributions are paid as premiums to life insurance companies. However, they exclude pensions where contributions are paid to another type of pension fund and / or where life insurers act as external fund managers to such pension funds. They also exclude state pensions or 'first-pillar' schemes.

How are the segmentations defined? (8)

Motor insurance

Personal motor insurance – this refers to all types of insurance policy bought for motorised road vehicles by individual consumers plus self-employed individuals where the vehicle is being used primarily for personal use. As such, it excludes all forms of *commercial motor insurance* plus road assistance, but does include insurance for camper vans and motorcycles as well as cars. Note that Finaccord assumes that any light commercial vehicles and heavy goods vehicles bought by private individuals are used primarily for commercial purposes so insurance for them is consistently classified as commercial motor insurance.

Commercial motor insurance – see the definition given on page 13.

How are the segmentations defined? (9)

Property insurance

Personal property insurance – this refers to buildings and / or contents policies bought for residential properties by individual consumers, thereby excluding all types of *commercial property insurance*, including insurance acquired by landlords for properties that they let, plus home emergency insurance. However, it does include higher-value personal property insurance plus insurance for second homes.

Commercial property insurance – see the definition given on page 13.