UK Niche Insurance: Market Dynamics, Affinities and Partnerships

Series Prospectus

November 2015
## Prospectus contents

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Which titles are included in the series?

Finaccord’s *UK Niche Insurance: Market Dynamics, Affinities and Partnerships* series embraces 20 titles about the following types of insurance in the UK:

- Bicycle Insurance
- Boat, Yacht and Pleasure Craft Insurance
- Business (Life) Protection Insurance
- Caravan and Park Home Insurance
- Classic Car Insurance
- Excess Protection Insurance and Waivers
- Extended Warranties for Cars
- GAP Insurance
- Holiday and Second Home Insurance
- Jewellery and Watch Insurance
- Landlord Property Insurance
- Landlord Rent Guarantee Insurance
- Motor Cycle Insurance
- Non-Standard and Thatched Property Insurance
- Personal Event and Wedding Insurance
- Pet and Personal Equine Insurance
- Short-Term Motor Insurance
- Student Contents Insurance
- Tax Investigation Insurance
- Van Insurance

Separate tables of contents are available for each of these studies on the relevant pages of the Finaccord website with this single marketing prospectus covering the entire series.
What is the research and rationale for it?

*UK Niche Insurance: Market Dynamics, Affinities and Partnerships* is a series of 20 studies from Finaccord published over the course of 2015 investigating niche insurance products in the UK. Key features of each study include: an outline of market drivers and the value of the market from 2010 to 2014; quantification and commentary concerning the segmentation of policies in force by distribution channels used to buy them in 2014; estimates for underwriter market shares in 2014; comprehensive listing of affinity and partnership marketing relationships visible at the time of the research in 2015; and forecasts for the value of the market up to 2018.

Finaccord has produced this series for two main reasons. First, it generally deals with product markets about which little published research existed at the time of publication in spite of their often substantial value. Secondly, affinity and partnership marketing, in its many guises, has been growing in recent years as a means of distributing both personal and commercial insurance products. The comprehensive listing of affinity and partnership marketing relationships given in each of these reports indicates that these are also often significant, next to brokers, direct purchase from underwriters and aggregators, in the case of these insurance products.
What methodology has been used?

Research processes and sources used to create the 20 studies in this series are as follows:

• primary interviews with leading brokers, underwriters and affinity / corporate partners active in each product market;

• in-house data drawn from other Finaccord reports (e.g. from its dealer surveys used for investigating consumer automotive financial services in the UK in the case of extended warranties for cars and GAP insurance);

• comprehensive analysis of secondary information from a diverse range of data sources including UK government departments and financial regulators, relevant lifestyle organisations and trade associations, specialist publications and published disclosures by the competitors themselves.
What is the structure of each report?

0. Executive Summary - providing a concise evaluation of the principal findings of the report.

1. Introduction - offering rationale for the report, a detailed description of the methodology and associated definitions.

2. Market Analysis - composed of six distinct sections that focus on the following areas:

- the evolution of the underlying market drivers from 2010 to 2014;
- the value and (where relevant) segmentation of the insurance markets from 2010 to 2014 in terms of gross written premiums;
- the distribution channels (e.g. aggregator, broker, direct and other including affinity / corporate partner) and most significant specific distributors;
- a comprehensive listing of the affinity and corporate partnerships in evidence at the time of the research;
- estimated market shares in 2014 of underwriters of the insurance type, expressed as a likely minimum and maximum range (e.g. 5.0% to 7.5%);
- forecasts for the value and (where relevant) segmentation of the insurance markets from 2014 to 2018 in terms of gross written premiums.
How can the research be used?

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

• gain access to data and commentary about 20 niche insurance markets in the UK about most of which little research otherwise exists in the public domain and many of which are growing more rapidly than mainstream forms of insurance such as household, life, motor, travel etc.

• evaluate the magnitude of the underwriting and broking opportunity across niche lines as diverse as boat, yacht and pleasure craft insurance, business (life) protection insurance, GAP insurance, holiday and second home insurance and tax investigation insurance;

• understand how they are distributed and the relative importance of affinity and corporate partnerships in comparison to aggregators, brokers and direct sales;

• view comprehensive listings of affinity and corporate partners that distribute each type of niche insurance plus the product providers that they work with in this context;

• appreciate how the market value is likely to develop up to 2018 and what the main factors are that will cause it to increase or diminish.
Who can use the research?

1. **Affinity and corporate partners:** often, particular types of affinity and corporate partner are especially well-suited to distributing particular insurance products (e.g. accountants in the case of tax investigation insurance) and this research will provide them with guidance concerning the magnitude of the opportunity available to them;

2. **Insurance aggregators and brokers:** dedicated insurance intermediaries are dominant or significant as distributors for most of the 20 niche insurance types in scope in this series, and this research identifies the most important competitors in each;

3. **Insurance underwriters:** some of the niche insurance products offer growth rates and levels of underwriting profitability that are ahead of that available from mainstream insurance types, thereby providing an incentive for becoming involved in them;

4. **Management consultancies:** are you helping an organisation in either of the preceding categories with approach to any of these insurance types? This research will help you to evaluate the options in affinity and partnership marketing, saving time and effort on researching the subject yourself.
What are some of the key findings?

1) Brokers and aggregators dominate distribution of product X albeit affinity and corporate partners account for about 10% of distribution.
What are some of the key findings? (cont.)

2) Aviva and Markerstudy are likely to be the leading underwriters for product Y with competitors outside of the top six accounting for up to a quarter of the market.

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

3) Affinity and corporate partner schemes for van insurance are spread across a broad range of provider categories

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<tr>
<th>Organisation</th>
<th>Category</th>
<th>Operating model</th>
<th>Partner(s)</th>
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<tr>
<td>SAFEcontractor</td>
<td>Trade associations</td>
<td>External broker</td>
<td>Arthur J Gallagher</td>
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<tr>
<td>Santander</td>
<td>Banks</td>
<td>External underwriter</td>
<td>AXA</td>
</tr>
<tr>
<td>The Co-operative Insurance</td>
<td>Insurers (underwriters)</td>
<td>External broker</td>
<td>Commercial Vehicle Direct (Brightside)</td>
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<td>Vauxhall</td>
<td>Automotive manufacturers</td>
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<tr>
<td>Vanarama</td>
<td>Retailers</td>
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<td>Autonet</td>
</tr>
<tr>
<td>VanMan</td>
<td>Retailers</td>
<td>External broker</td>
<td>Autonet</td>
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Identify specific affinity partners

Understand activity by category

Appreciate operating model preferences

View partnerships of particular providers
What is the cost and format?

Reports in the *UK Niche Insurance: Market Dynamics, Affinities and Partnerships* series are available as standard PDF documents and cost GBP 595 each. For purchases of multiple reports in this (or other) series, a discount scale is available: please contact Finaccord for further details.

* VAT at the prevailing rate will be added to the basic price for UK-based buyers except for where the request is for hard copy only. Costs quoted are for a single office, single country licence only. For corporate user licence options, please see the next slide for further details. Invoices can be paid in EUR or USD, at the prevailing exchange rate, if preferred.*
How can the research be purchased?

Simple. Just go to the relevant area of the Finaccord website available at www.finaccord.com/order_uk_niche_insurance_market_dynamics_affinities_partnerships 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

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