

# TABLE OF CONTENTS

<b>0.0 EXECUTIVE SUMMARY .....</b>	<b>1</b>
<i>Gross written premiums across the eight countries amounted to around EUR 24.24 billion in 2011...</i>	2
<i>... within which mortgage-related policies made up around EUR 17.48 billion...</i>	3
<i>... and cover for temporary incapacity and unemployment approximately EUR 6.21 billion .....</i>	4
<i>The leading eight groups are likely to account for over a half of the total regional market .....</i>	6
<i>Partnerships with major lending institutions make CNP and Aviva among the region's leaders...</i>	6
<i>... albeit BNP Paribas Cardif holds many more relationships, spread across all countries in the region .....</i>	6
<i>An analysis focused on the non-life elements of creditor insurance would product different results.....</i>	6
<b>1.0 INTRODUCTION .....</b>	<b>8</b>
What is this report about? .....	8
<i>Distribution partnerships with banks and other lending institutions constitute the focus of this report .....</i>	8
Rationale .....	8
<i>Almost two thirds of banking organisations surveyed sell at least one form of creditor insurance .....</i>	8
Methodology .....	9
Survey of banks and other lending institutions.....	9
Market data .....	9
Definitions .....	11
Mortgages, consumer finance and credit cards .....	11
Creditor insurance.....	11
Weighted provider share of partnerships .....	12
Operating models .....	12
Abbreviations and exchange rates .....	13
Finaccord.....	13
<b>2.0 REGIONAL OVERVIEW .....</b>	<b>15</b>
Introduction.....	15
Market analysis – consumer lending.....	16
<i>Balances outstanding reached EUR 5.35 trillion across the eight countries in 2010.....</i>	16
<i>Apart from in Ireland, mortgage customers have not felt the need to reduce the size of their borrowings .....</i>	18
<i>Having peaked in 2008, consumer non-mortgage lending balances have fallen back in four countries .....</i>	20
<i>Belgium's total consumer lending market grew most rapidly from 2006 to 2010.....</i>	22
<i>By a wide margin, total consumer lending balances per capita are highest in the Netherlands... ..</i>	25
<i>... primarily as a result of its substantial residential mortgage market.....</i>	27
<i>Consumer non-mortgage lending balances per capita have tended to stall or decline since 2008.....</i>	29
<i>Non-mortgage credit decreases as a proportion of total consumer lending in all but two countries .....</i>	31
<i>The number of credit and other pay later cards issued has fallen by almost 10% since 2008.....</i>	33
<i>... with the UK having shrunk most rapidly .....</i>	35
<i>In per capita terms, France and the UK remain the most saturated markets in spite of sharp falls .....</i>	36
Creditor insurance provision rates, operating models and partnerships.....	38
Creditor insurance linked to mortgages .....	38
<i>In most countries, over 90% of mortgage lenders researched have a scheme for creditor insurance .....</i>	38
<i>Use of a single, external underwriter constitutes the most regularly used operating model.....</i>	39
<i>... in all countries other than Belgium, the Netherlands and Portugal where captives are preferred.....</i>	39
<i>When analysed on a weighted basis, the use of captive and joint venture underwriters is more prominent.....</i>	42
<i>When analysed at a group level, the leading eight provider groups account for over a half of this market... ..</i>	45
<i>... with CNP likely to be the regional leader thanks to partnerships with a number of major French banks.....</i>	45
<i>... and with Aviva also strong as a result of a presence in six of the eight countries analysed.....</i>	45
Creditor insurance linked to consumer finance .....	47
<i>Loan payment protection insurance is quite commonly available in every country apart from the UK.....</i>	47

## CREDITOR INSURANCE IN SOUTHERN AND WESTERN EUROPE

<i>Captive and joint venture underwriters are slightly less prevalent in loan payment protection insurance.....</i>	<i>48</i>
<i>... because the consumer finance market is populated by a larger number of small lending institutions.....</i>	<i>48</i>
<i>... although they are still present in all countries other than Ireland and the UK.....</i>	<i>51</i>
<i>The leading four groups in creditor insurance linked to consumer finance all originate from France .....</i>	<i>53</i>
<i>BNP Paribas Cardif emerges as the leading group thanks to its range of captive and non-captive deals .....</i>	<i>53</i>
<b>Creditor insurance linked to credit cards.....</b>	<b>55</b>
<i>Credit card payment protection insurance is most widespread in France and Portugal.....</i>	<i>55</i>
<i>On an unweighted basis, captive underwriters are utilised most frequently in three countries... ..</i>	<i>56</i>
<i>... although these are joined by Spain when results are viewed on a weighted basis .....</i>	<i>59</i>
<i>For credit card payment protection insurance, groups owned by French banks are even more dominant.....</i>	<i>62</i>
<b>Market analysis – creditor insurance.....</b>	<b>63</b>
<i>The total market value is predicted to advance to EUR 27.51 billion in gross written premiums by 2015.....</i>	<i>63</i>
<i>Modest growth is predicted for the life insurance elements of creditor insurance.....</i>	<i>65</i>
<i>... with a partial recovery also forecast for the value of cover for temporary incapacity and unemployment .....</i>	<i>68</i>
<i>In 2011, France accounted for over 30% of mortgage-related gross written premiums.....</i>	<i>70</i>
<i>... and its market, along with that of Portugal, is large relative to its underlying mortgage market .....</i>	<i>72</i>
<i>The collapse of the UK's loan payment protection market has caused a sharp fall in the regional total .....</i>	<i>73</i>
<i>In relative terms, policies linked to consumer loans seem least popular in Ireland and the UK.....</i>	<i>75</i>
<i>Shrinkage in the UK also weighs on the region's market for credit card payment protection insurance.....</i>	<i>76</i>
<i>... albeit six out of eight markets are expected to achieve growth to one extent or another by 2015.....</i>	<i>78</i>
<b>3.0 BELGIUM .....</b>	<b>79</b>
<b>Banks and other lending institutions covered .....</b>	<b>79</b>
<b>Introduction to the banking sector .....</b>	<b>79</b>
<i>Structurally, Belgium's banking and insurance sectors are very closely linked.....</i>	<i>79</i>
<i>Dexia's banking and insurance operations were nationalised in October 2011.....</i>	<i>79</i>
<b>Consumer lending market size and growth .....</b>	<b>80</b>
<b>Mortgage lending .....</b>	<b>80</b>
<i>Mortgage lending balances rose at a consistently strong rate between 2006 and 2010.....</i>	<i>80</i>
<b>Non-mortgage lending .....</b>	<b>81</b>
<i>Non-mortgage lending balances remained steady between 2008 and 2010 .....</i>	<i>81</i>
<b>Credit and other pay later cards .....</b>	<b>82</b>
<i>In 2010, there were 0.41 credit and other pay later cards per capita in Belgium .....</i>	<i>82</i>
<b>Creditor insurance provision rates, operating models and partnerships.....</b>	<b>84</b>
<b>Creditor insurance linked to mortgages .....</b>	<b>84</b>
<i>Captive and joint venture insurers account for more than half of all partnerships in this area .....</i>	<i>84</i>
<i>... giving providers such as AG insurance and ING a substantial share of the market .....</i>	<i>84</i>
<i>Several smaller mortgage lending institutions also possess captive insurance underwriters .....</i>	<i>84</i>
<i>Even the most prominent external underwriter holds less than 5% of weighted partnerships .....</i>	<i>85</i>
<b>Creditor insurance linked to consumer finance .....</b>	<b>87</b>
<i>Over three quarters of non-mortgage credit providers promote creditor insurance .....</i>	<i>87</i>
<i>By weighted share of partnerships, Cardif is ranked second in this field in Belgium... ..</i>	<i>87</i>
<i>... as a result of its relationships with a significant proportion of specialised lenders .....</i>	<i>87</i>
<i>In total, over 20 underwriters compete for mandates in loan payment protection insurance .....</i>	<i>88</i>
<b>Creditor insurance linked to credit cards.....</b>	<b>90</b>
<i>Card-related creditor insurance is available from a half of Belgian credit card issuers investigated.....</i>	<i>90</i>
<i>The majority of leading underwriters have just one partnership in this area .....</i>	<i>90</i>
<i>... whereas Cardif underwrites policies for both Fimaser and Buy Way Personal Finance .....</i>	<i>90</i>
<b>Creditor insurance risk coverage.....</b>	<b>92</b>
<i>Many policies in Belgium are only designed to provide cover in the event of death.....</i>	<i>92</i>
<b>Alternative distribution channels.....</b>	<b>93</b>
<i>Borrowers can also choose to acquire creditor insurance directly from insurers or through brokers.....</i>	<i>93</i>
<b>Creditor insurance market size, growth and forecast.....</b>	<b>94</b>
<i>Growth in creditor insurance premiums is forecast to moderate slightly between 2011 and 2015.....</i>	<i>94</i>
<b>4.0 FRANCE.....</b>	<b>97</b>

Banks and other lending institutions covered .....	97
Introduction to the banking sector .....	97
Consumer lending market size and growth .....	98
<i>Mortgage lending</i> .....	98
<i>Mortgage lending balances rose by over EUR 60 billion in 2010 alone</i> .....	98
<i>Non-mortgage lending</i> .....	99
<i>... although the non-mortgage lending market levelled off</i> .....	99
<i>Credit and other pay later cards</i> .....	100
<i>French issuers cancelled a very large number of under-performing accounts during 2010</i> .....	100
<i>Creditor insurance linked to mortgages</i> .....	102
<i>One way or another, mortgage lenders oblige their borrowers to take out related creditor insurance</i> .....	102
<i>CNP Assurances is likely to account for over one third of this market</i> .. ..	102
<i>... with Cardif and ACM (Assurances Crédit Mutuel) the next most significant competitors</i> .....	102
<i>Both Crédit Agricole and Société Générale use a combination of captive and external partners</i> .....	102
<i>AXA is the second most prominent insurer that is active primarily on a non-captive basis</i> .....	103
<i>Insurance providers outside of the top eight are likely to be limited to a very small market share</i> .....	103
<i>Creditor insurance linked to consumer finance</i> .....	105
<i>The use of captive insurers is also widespread for loan payment protection insurance</i> .....	105
<i>Distribution partnerships for this type of cover typically mirror those of mortgage-related policies</i> .....	105
<i>...although La Banque Postale uses a separate underwriter for its consumer finance proposition</i> .....	105
<i>...and the large number of specialist consumer credit providers results in a more diverse market</i> .....	105
<i>In total, approaching 30 legally distinct underwriting entities are active in this arena</i> .....	106
<i>Creditor insurance linked to credit cards</i> .....	108
<i>Card-related creditor insurance is widely available from French credit card issuers</i> .....	108
<i>In this field, the apparent leader by weighted share of partnerships is different</i> .....	108
<i>...and other differences are visible further down the scale</i> .....	108
<i>Only three issuers of credit cards were found to have no apparent arrangement in this sector</i> .....	109
<i>Creditor insurance risk coverage</i> .....	111
<i>Cover against death and permanent disability is universal across all three types of creditor policy</i> .....	111
<i>Alternative distribution channels</i> .....	112
<i>2010's 'Loi Lagarde' has paved the way for greater use of alternative distribution channels in France</i> .. ..	112
<i>... including direct and agency sales by insurance underwriters</i> .....	112
<i>... and dedicated online aggregators such as assurance-emprunteur.com</i> .....	112
<i>Cardif has finalised a partnership with SeLoger.com, an online real estate company</i> .....	112
<i>APRIL launched an innovative new creditor insurance proposition in June 2011</i> .....	112
<i>CBP is another prominent competitor in this arena, with particular expertise in 'non-standard' risks</i> .....	113
<i>Creditor insurance market size, growth and forecast</i> .....	114
<i>Mortgage-related policies will continue as the engine for growth in French creditor insurance</i> .....	114
<b>5.0 IRELAND</b> .....	<b>117</b>
Banks and other lending institutions covered .....	117
Introduction to the banking sector .....	117
<i>Six major Irish banks have been reduced to three by the financial crisis</i> .. ..	117
<i>... with foreign-owned banks making up the field</i> .....	118
<i>The Irish League of Credit Unions has the largest customer base, but this is spread across 400 entities</i> .....	118
<i>The Central Bank of Ireland has launched an investigation into mis-selling of creditor insurance</i> .....	118
Consumer lending market size and growth .....	119
<i>Mortgage lending</i> .....	119
<i>Mortgage lending balances fell by almost a quarter in value between their high point in 2007 and 2010</i> .....	119
<i>Non-mortgage lending</i> .....	120
<i>... with non-mortgage lending also having lost ground in recent years</i> .....	120
<i>Credit and other pay later cards</i> .....	121
<i>Ireland's market for credit and other pay later cards peaked in 2008 before slipping back in 2009 and 2010</i> .....	121
Creditor insurance provision rates, operating models and partnerships.....	123
<i>Creditor insurance linked to mortgages</i> .....	123

<i>Hybrid operating models predominate, as life insurance providers differ from short-term insurance providers</i> .....	123
<i>One life insurer and two short-term insurers share the largest partnerships between them</i> .....	123
Creditor insurance linked to consumer finance .....	125
<i>Creditor insurance for consumer finance is usually offered through one external underwriter</i> .....	125
<i>Assurant established its relationship with the Irish League of Credit Unions in 2007</i> .....	125
Creditor insurance linked to credit cards.....	127
<i>Only two credit card providers offer payment protection insurance</i> .....	127
Creditor insurance risk coverage.....	129
<i>Credit card policies carried the most comprehensive insurance</i> .....	129
Alternative distribution channels.....	130
<i>Direct underwriters and intermediaries often sell mortgage term life cover, but payment protection is rarer</i> .....	130
Creditor insurance market size, growth and forecast.....	131
<i>Irish creditor insurance contracted between 2007 and 2011 and is forecast to continue shrinking</i> .....	131
<b>6.0 ITALY .....</b>	<b>134</b>
Banks and other lending institutions covered .....	134
Introduction to the banking sector .....	134
<i>Four, or arguably five, retail banking groups lay claim to a genuinely nationwide network</i> ..	135
... <i>although these are being challenged by an array of ambitious regional competitors</i> ..	135
... <i>including the banche di credito cooperative and casse Raiffeisen</i> .....	135
... <i>as well as several insurer-owned banks and banks falling under foreign ownership</i> .....	135
<i>Italy also plays host to a considerable number of specialised lending institutions</i> .....	135
<i>Italy's banking groups typically encapsulate a number of local or regional banking brands</i> .....	136
Consumer lending market size and growth .....	137
Mortgage lending .....	137
<i>Italy's residential mortgage market continues to grow although balances per capita remain low</i> .....	137
Non-mortgage lending .....	138
<i>The compound annual growth rate for non-mortgage balances is slightly higher than that for mortgages</i> .....	138
Credit and other pay later cards .....	139
<i>Italy's market for credit and other pay later cards has stagnated in recent years</i> .....	139
Creditor insurance provision rates, operating models and partnerships.....	141
Creditor insurance linked to mortgages .....	141
<i>Several lending institutions utilise hybrid operating models incorporating different types of underwriter</i> .....	141
... <i>including the UniCredit grouping, which runs joint ventures with three separate partners</i> ...	141
... <i>and UBI Banca, which works with underwriters co-owned by both Aviva and Cattolica</i> .....	142
<i>Other smaller captive and joint venture underwriters are also in evidence</i> .....	142
... <i>as are over 20 external providers of mortgage-related creditor insurance with at least one relationship</i> .....	142
<i>Assimoco co-operates in this area with as many as 14 of the lending institutions investigated</i> .....	143
<i>Unipol has owned over 60% of the equity capital of Arca since June 2010</i> .....	143
Creditor insurance linked to consumer finance .....	145
<i>Virtually all lending institutions that could offer this type of creditor insurance actually do so in practice</i> .....	145
<i>By weighted share of partnerships, Cardif emerges as the second-ranked competitor</i> .....	145
<i>Among other specialist underwriters, ALICO and CACI are also relatively prominent</i> .....	145
<i>As in several other countries, Banque PSA Finance makes use of a captive underwriter in this field</i> .....	145
<i>The competition among non-captives is as fragmented and intense as it is for mortgage-related cover</i> .....	145
<i>Lending institutions with no arrangement in this area are all comparatively minor entities</i> .....	146
Creditor insurance linked to credit cards.....	148
<i>Small and medium-sized banks tend not to have schemes for credit card payment protection insurance</i> ..	148
... <i>because, typically, they are distributors rather than original issuers of credit cards</i> .....	148
<i>Nevertheless, 20 programs were identified among more significant competitors in the credit card sector</i> .....	148
Creditor insurance risk coverage.....	150
<i>Virtually all policies now available in Italy offer comprehensive risk coverage</i> .....	150
Alternative distribution channels.....	151
<i>Credit intermediaries and estate agency chains are also used for selling creditor insurance</i> .....	151
Creditor insurance market size, growth and forecast.....	152

<i>All forms of creditor insurance are forecast to continue growing between 2011 and 2015</i> .....	152
<b>7.0 NETHERLANDS</b> .....	<b>155</b>
Introduction to the banking sector .....	155
<i>The Dutch state exerts a greater influence on the retail banking sector than foreign institutions</i> .....	155
...and is likely to continue to do so until 2014 at least.....	155
<i>ING has reshaped itself greatly in recent years</i> .....	155
<i>Several lending institutions have closed to new business</i> .....	156
Consumer lending market size and growth .....	157
Mortgage lending .....	157
<i>In terms of balances per capita, the Dutch mortgage market is one of the most developed in Europe</i> .....	157
Non-mortgage lending .....	158
... although the non-mortgage lending sector is modest by comparison.....	158
Credit and other pay later cards .....	159
<i>The Dutch market for credit and other pay later cards has contracted since 2006</i> .....	159
Creditor insurance linked to mortgages .....	161
<i>By weighted share of partnerships, the Dutch market appears highly concentrated</i> .....	161
...and largely controlled by captive or joint venture underwriters owned by the leading banks .....	161
Creditor insurance linked to consumer finance .....	163
<i>Many partnerships for this form of creditor insurance are the same as those for mortgage-related policies</i> .....	163
Creditor insurance linked to credit cards.....	165
<i>Only two underwriters were found to be active in credit card payment protection insurance</i> .....	165
...with a limited pool of card issuers available to them to cultivate .....	165
Creditor insurance risk coverage.....	167
<i>Virtually all policies tied to consumer finance include cover for temporary incapacity and unemployment</i> .....	167
Alternative distribution channels.....	168
<i>The Nationale Hypotheek Garantie is important in the context of mortgage-related insurance</i> .....	168
<i>Mortgage and insurance brokers comprise another significant independent distribution channel</i> .....	168
Creditor insurance market size, growth and forecast.....	169
<i>Creditor insurance in the Netherlands is largely dominated by mortgage-related cover</i> .....	169
<b>8.0 PORTUGAL</b> .....	<b>172</b>
Banks and other lending institutions covered .....	172
Introduction to the banking sector .....	172
Consumer lending market size and growth .....	173
Mortgage lending .....	173
<i>In spite of economic uncertainties, Portuguese mortgage balances continue to increase</i> .....	173
Non-mortgage lending .....	174
<i>Non-mortgage lending to consumers, on the other hand, slipped back slightly in 2010</i> .....	174
Credit and other pay later cards .....	175
<i>Although they peaked in 2008, credit cards issued in 2010 were still over 20% higher in 2010 than in 2006</i> .....	175
Creditor insurance provision rates, operating models and partnerships.....	177
Creditor insurance linked to mortgages .....	177
<i>A wide range of operating models is used to source mortgage-related creditor insurance in Portugal</i> .....	177
<i>The majority of underwriters are external in this market</i> .....	177
<i>No provider of mortgage-related creditor insurance possesses more than two distribution partnerships</i> .....	177
<i>Crédit Agricole entered into its bancassurance joint venture with Banco Espírito Santo in 2006</i> .....	178
<i>The final cost to CNP of its deal with Barclays will play out over 12 years following its commencement</i> .....	178
Creditor insurance linked to consumer finance .....	180
<i>Many partnerships for this form of creditor insurance are the same as those for mortgage-related policies</i> .....	180
... although there are also at least 15 distribution relationships specific to consumer finance products .....	180
Creditor insurance linked to credit cards.....	182
<i>Most credit card issuers have an arrangement in place for creditor insurance of one sort or another</i> .....	182
<i>There are some variations in risk coverage and insurers used relative to other types of creditor policy</i> .....	182
Creditor insurance risk coverage.....	184

## CREDITOR INSURANCE IN SOUTHERN AND WESTERN EUROPE

<i>Policies linked to consumer finance commonly include cover for temporary incapacity and unemployment.....</i>	184
Alternative distribution channels.....	185
<i>Few alternative distribution channels exist for selling creditor insurance in Portugal.....</i>	185
Creditor insurance market size, growth and forecast.....	186
<i>Portugal's creditor insurance market seems close to maturity.....</i>	186
<b>9.0 SPAIN.....</b>	<b>189</b>
Introduction to the banking sector.....	189
<i>The end of the decade sees a raft of mergers amid general economic uncertainty.....</i>	189
<i>...with more mergers and state take-overs in the forecast.....</i>	190
Consumer lending market size and growth.....	191
<i>Mortgage lending.....</i>	191
<i>Predictably, growth in Spanish mortgage lending balances has stalled since 2008.....</i>	191
<i>Non-mortgage lending.....</i>	192
<i>... with non-mortgage lending balances having actually declined by over 7%.....</i>	192
<i>Credit and other pay later cards.....</i>	193
<i>The Spanish credit card market declined slightly in both 2009 and 2010 having peaked in 2008.....</i>	193
Creditor insurance provision rates, operating models and partnerships.....	195
<i>Creditor insurance linked to mortgages.....</i>	195
<i>A broad variety of operating models are reported for mortgage-related creditor insurance in Spain.....</i>	195
<i>Large captive underwriters leverage high potential client numbers into the highest weighted share.....</i>	195
<i>...while a very large number of insurers hold deals among the smaller mortgage lending institutions.....</i>	195
<i>Joint ventures have been popular.....</i>	196
<i>...although Spain's evolving banking market means that the future of many of these is uncertain.....</i>	196
<i>Creditor insurance linked to consumer finance.....</i>	198
<i>Many partnerships for this form of creditor insurance replicate those for mortgage-related policies.....</i>	198
<i>... although Cardif is ranked first in this field by weighted share of partnerships.....</i>	198
<i>Once again, numerous smaller captive and joint venture underwriters are in evidence.....</i>	198
<i>Creditor insurance linked to credit cards.....</i>	201
<i>Schemes for credit card payment protection insurance are comparatively few in number.....</i>	201
<i>...with the potential reduced somewhat by free protection-related insurance packaged with cards.....</i>	201
Creditor insurance risk coverage.....	203
<i>Policies linked to consumer finance commonly include cover for temporary incapacity and unemployment.....</i>	203
Alternative distribution channels.....	204
<i>Several major insurers offer mortgage-related creditor insurance direct to consumers.....</i>	204
Creditor insurance market size, growth and forecast.....	205
<i>Spain's market for creditor insurance is unlikely to deliver more than weak growth from 2011 to 2015.....</i>	205
<b>10.0 UNITED KINGDOM.....</b>	<b>208</b>
Introduction to the banking sector.....	209
<i>The crisis of 2007 onwards forced many institutions to close, merge or be nationalised.....</i>	209
<i>... with Santander as the only bank to emerge much stronger from the turmoil.....</i>	210
<i>... while the Nationwide and the Yorkshire rescued several building societies in trouble.....</i>	210
<i>New entrants are appearing, with 700 branches scheduled to change hands at the time of publication.....</i>	210
Consumer lending market size and growth.....	211
<i>Mortgage lending.....</i>	211
<i>Mortgage lending balances per capita reached their highest point in 2008.....</i>	211
<i>Non-mortgage lending.....</i>	212
<i>... with a similar assertion applying in the case of non-mortgage consumer lending balances.....</i>	212
<i>Credit and other pay later cards.....</i>	213
<i>The number of credit cards issued in the UK has been in retreat since 2005.....</i>	213
Creditor insurance provision rates, operating models and partnerships.....	215
<i>Creditor insurance linked to mortgages.....</i>	215
<i>External underwriters, captive underwriters and captive brokers dominate distribution.....</i>	215
<i>Aviva is the leading external provider for mortgage term life insurance.....</i>	215

## CREDITOR INSURANCE IN SOUTHERN AND WESTERN EUROPE

<i>...while Scottish Widows is the leading captive underwriter</i> .....	215
<i>Friends Life combines the partnerships formed by AXA and Friends Provident</i> .....	216
<i>15 banks and building societies use financial advisers for mortgage term life insurance</i> .....	216
<i>... but only two of these distribute mortgage payment protection insurance</i> .....	216
<b>Creditor insurance linked to consumer finance</b> .....	218
<i>Only a handful of lending institutions still offer creditor insurance related to consumer finance</i> .....	218
<i>... albeit some have introduced short-term income protection cover as a substitute product</i> .....	218
<i>Jubilee was the leading provider in this fast-shrinking market</i> .....	218
<i>... followed by Pinnacle Insurance</i> .....	218
<b>Creditor insurance linked to credit cards</b> .....	220
<i>Only four schemes for credit card payment protection insurance are still active</i> .....	220
<b>Creditor insurance risk coverage</b> .....	222
<i>Mortgage-related creditor insurance propositions are focused mainly on cover for death and critical illness</i> .....	222
<b>Alternative distribution channels</b> .....	224
<i>Mortgage brokers and financial advisers are major distributors of mortgage term life insurance</i> ... ..	224
<i>... while online aggregators and brokers sell 'accident, sickness and unemployment' cover</i> .....	224
<i>Towergate's British Insurance has a long-established and fairly high profile presence in this area</i> .....	224
<i>... with other competitors including Ant Insurance, Best Insurance, i:protect and Paymentcare</i> .....	225
<b>Creditor insurance market size, growth and forecast</b> .....	226
<i>The market for classic payment protection insurance has collapsed since 2007</i> .....	226
<i>Citizens Advice filed its original 'super-complaint' as long ago as September 2005</i> .....	228
<i>... on the basis of at least five concerns</i> .....	228
<i>Lending institutions began to withdraw from the payment protection market from 2007 onwards</i> .....	229
<i>... and have made provisions for compensation in excess of the GBP 4.5 billion estimated by the FSA</i> .....	229
<i>New regulations for payment protection insurance are being introduced</i> ... ..	229
<i>... with the result that three outcomes look likely for this product in the UK</i> .....	229

# LIST OF GRAPHICS / TABLES

<b>0.0 EXECUTIVE SUMMARY .....</b>	<b>1</b>
The value of mortgage-related creditor insurance is expected to increase most rapidly between 2011 and 2015 .....	3
The value of cover for death and permanent disability is likely to become more important within the regional market total.....	4
Summary table: gross written premiums for total creditor insurance in Southern and Western Europe, 2007, 2011 and 2015 (forecast) (data) .....	5
Weighted group share of bancassurance partnerships for all forms of creditor insurance, re-weighted by country and product market size, in Southern and Western Europe, 2011 .....	7
<b>1.0 INTRODUCTION .....</b>	<b>8</b>
Banks and other lending institutions contacted by Finaccord, segmented by country and type .....	10
<b>2.0 REGIONAL OVERVIEW .....</b>	<b>15</b>
Total consumer lending balances outstanding in Southern and Western Europe segmented by country, 2006-2010 .....	16
Total consumer lending balances outstanding in Southern and Western Europe segmented by country, 2006-2010 (data).....	17
Residential mortgage balances outstanding in Southern and Western Europe segmented by country, 2006-2010 .....	18
Residential mortgage balances outstanding in Southern and Western Europe segmented by country, 2006-2010 (data).....	19
Consumer non-mortgage balances outstanding in Southern and Western Europe segmented by country, 2006-2010 .....	20
Consumer non-mortgage balances outstanding in Southern and Western Europe segmented by country, 2006-2010 (data).....	21
Size versus growth in total consumer lending balances outstanding in Southern and Western Europe, 2006-2010 .....	22
Size versus growth in residential mortgage lending balances outstanding in Southern and Western Europe, 2006-2010 .....	23
Size versus growth in consumer non-mortgage lending balances outstanding in Southern and Western Europe, 2006-2010 .....	24
Total consumer lending balances outstanding per capita in Southern and Western Europe segmented by country, 2006-2010 .....	25
Total consumer lending balances outstanding per capita in Southern and Western Europe segmented by country, 2006-2010 (data) .....	26
Residential mortgage lending balances outstanding per capita in Southern and Western Europe segmented by country, 2006-2010 .....	27
Residential mortgage lending balances outstanding per capita in Southern and Western Europe segmented by country, 2006-2010 (data).....	28
Consumer non-mortgage lending balances outstanding per capita in Southern and Western Europe segmented by country, 2006-2010 .....	29
Consumer non-mortgage lending balances outstanding per capita in Southern and Western Europe segmented by country, 2006-2010 (data).....	30
Consumer non-mortgage balances outstanding as % of total consumer lending balances outstanding in Southern and Western Europe, 2006-2010.....	31
Consumer non-mortgage balances outstanding as % of total consumer lending balances outstanding in Southern and Western Europe, 2006-2010 (data).....	32
Total number of credit and other pay later cards issued in Southern and Western Europe, 2006-2010 .....	33
Credit and other pay later cards issued in Southern and Western Europe, 2006-2010 (data).....	34
Size versus growth in credit and other pay later cards issued in Southern and Western Europe, 2006-2010 .....	35

Total number of credit and other pay later cards issued per capita in Southern and Western Europe, 2006-2010 .....	36
Total number of credit and other pay later cards in issue per capita in Southern and Western Europe, 2006-2010 (data) .....	37
Provision rates for creditor insurance linked to mortgages in Southern and Western Europe, 2011 .....	38
Operating models (unweighted) used for creditor insurance linked to mortgages in Southern and Western Europe, 2011 .....	40
Operating models (unweighted) used for creditor insurance linked to mortgages in Southern and Western Europe, 2011 (data) .....	41
Operating models (weighted) used for creditor insurance linked to mortgages in Southern and Western Europe, 2011 .....	43
Operating models (weighted) used for creditor insurance linked to mortgages in Southern and Western Europe, 2011 (data) .....	44
Weighted group share of bancassurance partnerships for creditor insurance linked to mortgages, re-weighted by country market size, in Southern and Western Europe, 2011 .....	46
Provision rates for creditor insurance linked to consumer finance in Southern and Western Europe, 2011 .....	47
Operating models (unweighted) used for creditor insurance linked to consumer finance in Southern and Western Europe, 2011 .....	49
Operating models (unweighted) used for creditor insurance linked to consumer finance in Southern and Western Europe, 2011 (data) .....	50
Operating models (weighted) used for creditor insurance linked to consumer finance in Southern and Western Europe, 2011 .....	51
Operating models (weighted) used for creditor insurance linked to consumer finance in Southern and Western Europe, 2011 (data) .....	52
Weighted group share of bancassurance partnerships for creditor insurance linked to consumer finance, re-weighted by country market size, in Southern and Western Europe, 2011 .....	54
Provision rates for creditor insurance linked to credit cards in Southern and Western Europe, 2011 .....	55
Operating models (unweighted) used for creditor insurance linked to credit cards in Southern and Western Europe, 2011 .....	57
Operating models (unweighted) used for creditor insurance linked to credit cards in Southern and Western Europe, 2011 (data) .....	58
Operating models (weighted) used for creditor insurance linked to credit cards in Southern and Western Europe, 2011 .....	60
Operating models (weighted) used for creditor insurance linked to credit cards in Southern and Western Europe, 2011 (data) .....	61
Weighted group share of bancassurance partnerships for creditor insurance linked to credit cards, re-weighted by country market size, in Southern and Western Europe, 2011 .....	62
<b>3.0 BELGIUM .....</b>	<b>79</b>
Residential mortgage lending balances outstanding in Belgium (absolute and per capita), 2006-2010 ....	80
Consumer non-mortgage lending balances outstanding in Belgium (absolute and per capita), 2006-2010 .....	81
Credit and other pay later cards issued and per capita in Belgium, 2006-2010 .....	82
Key data points for the consumer lending market in Belgium, 2006-2010 .....	83
Provision of creditor insurance linked to mortgages in Belgium, 2011: provision rate, operating models and weighted provider share of partnerships .....	86
Provision of creditor insurance linked to consumer finance in Belgium, 2011: provision rate, operating models and weighted provider share of partnerships .....	89
Provision of creditor insurance linked to credit cards in Belgium, 2011: provision rate, operating models and weighted provider share of partnerships .....	91
Risk coverage of creditor insurance policies in Belgium, segmented by type of underlying product, 2011	92
Creditor insurance gross written premiums in Belgium, segmented by policy type, 2007, 2011 and 2015 (forecast) .....	94
Creditor insurance gross written premiums in Belgium, segmented by cover type, 2007, 2011 and 2015 (forecast) .....	95

Creditor insurance gross written premiums in Belgium, segmented by policy and cover type, 2007, 2011 and 2015 (forecast) (data) .....	96
<b>4.0 FRANCE.....</b>	<b>97</b>
Residential mortgage lending balances outstanding in France (absolute and per capita), 2006-2010 .....	98
Consumer non-mortgage lending balances outstanding in France (absolute and per capita), 2006-2010	99
Credit and other pay later cards issued and per capita in France, 2006-2010.....	100
Key data points for the consumer lending market in France, 2006-2010 .....	101
Provision of creditor insurance linked to mortgages in France, 2011: provision rate, operating models and weighted provider share of partnerships.....	104
Provision of creditor insurance linked to consumer finance in France, 2011: provision rate, operating models and weighted provider share of partnerships .....	107
Provision of creditor insurance linked to credit cards in France, 2011: provision rate, operating models and weighted provider share of partnerships.....	110
Risk coverage of creditor insurance policies in France, segmented by type of underlying product, 2011	111
Creditor insurance gross written premiums in France, segmented by policy type, 2007, 2011 and 2015 (forecast).....	114
Creditor insurance gross written premiums in France, segmented by cover type, 2007, 2011 and 2015 (forecast).....	115
Creditor insurance gross written premiums in France, segmented by policy and cover type, 2007, 2011 and 2015 (forecast) (data) .....	116
<b>5.0 IRELAND.....</b>	<b>117</b>
Residential mortgage lending balances outstanding in Ireland (absolute and per capita), 2006-2010.....	119
Consumer non-mortgage lending balances outstanding in Ireland (absolute and per capita), 2006-2010 .....	120
Credit and other pay later cards issued and per capita in Ireland, 2006-2010 .....	121
Key data points for the consumer lending market in Ireland, 2006-2010 .....	122
Provision of creditor insurance linked to mortgages in Ireland, 2011: provision rate, operating models and weighted provider share of partnerships.....	124
Provision of creditor insurance linked to consumer finance in Ireland, 2011: provision rate, operating models and weighted provider share of partnerships .....	126
Provision of creditor insurance linked to credit cards in Ireland, 2011: provision rate, operating models and weighted provider share of partnerships.....	128
Risk coverage of creditor insurance policies in Ireland, segmented by type of underlying product, 2011	129
Creditor insurance gross written premiums in Ireland, segmented by policy type, 2007, 2011 and 2015 (forecast).....	131
Creditor insurance gross written premiums in Ireland, segmented by cover type, 2007, 2011 and 2015 (forecast).....	132
Creditor insurance gross written premiums in Ireland, segmented by policy and cover type, 2007, 2011 and 2015 (forecast) (data) .....	133
<b>6.0 ITALY.....</b>	<b>134</b>
Residential mortgage lending balances outstanding in Italy (absolute and per capita), 2006-2010 .....	137
Consumer non-mortgage lending balances outstanding in Italy (absolute and per capita), 2006-2010...	138
Credit and other pay later cards issued and per capita in Italy, 2006-2010.....	139
Key data points for the consumer lending market in Italy, 2006-2010 .....	140
Provision of creditor insurance linked to mortgages in Italy, 2011: provision rate, operating models and weighted provider share of partnerships.....	144
Provision of creditor insurance linked to consumer finance in Italy, 2011: provision rate, operating models and weighted provider share of partnerships .....	147
Provision of creditor insurance linked to credit cards in Italy, 2011: provision rate, operating models and weighted provider share of partnerships.....	149
Risk coverage of creditor insurance policies in Italy, segmented by type of underlying product, 2011 ....	150
Creditor insurance gross written premiums in Italy, segmented by policy type, 2007, 2011 and 2015 (forecast).....	152

Creditor insurance gross written premiums in Italy, segmented by cover type, 2007, 2011 and 2015 (forecast).....	153
Creditor insurance gross written premiums in Italy, segmented by policy and cover type, 2007, 2011 and 2015 (forecast) (data).....	154
<b>7.0 NETHERLANDS.....</b>	<b>155</b>
Residential mortgage lending balances outstanding in the Netherlands (absolute and per capita), 2006-2010 .....	157
Consumer non-mortgage lending balances outstanding in the Netherlands (absolute and per capita), 2006-2010 .....	158
Credit and other pay later cards issued and per capita in the Netherlands, 2006-2010.....	159
Key data points for the consumer lending market in the Netherlands, 2006-2010 .....	160
Provision of creditor insurance linked to mortgages in the Netherlands, 2011: provision rate, operating models and weighted provider share of partnerships .....	162
Provision of creditor insurance linked to consumer finance in the Netherlands, 2011: provision rate, operating models and weighted provider share of partnerships.....	164
Provision of creditor insurance linked to credit cards in the Netherlands, 2011: provision rate, operating models and weighted provider share of partnerships .....	166
Risk coverage of creditor insurance policies in the Netherlands, segmented by type of underlying product, 2011 .....	167
Creditor insurance gross written premiums in the Netherlands, segmented by policy type, 2007, 2011 and 2015 (forecast) .....	169
Creditor insurance gross written premiums in the Netherlands, segmented by cover type, 2007, 2011 and 2015 (forecast) .....	170
Creditor insurance gross written premiums in the Netherlands, segmented by policy and cover type, 2007, 2011 and 2015 (forecast) (data).....	171
<b>8.0 PORTUGAL .....</b>	<b>172</b>
Residential mortgage lending balances outstanding in Portugal (absolute and per capita), 2006-2010 ..	173
Consumer non-mortgage lending balances outstanding in Portugal (absolute and per capita), 2006-2010 .....	174
Credit and other pay later cards issued and per capita in Portugal, 2006-2010.....	175
Key data points for the consumer lending market in Portugal, 2006-2010.....	176
Provision of creditor insurance linked to mortgages in Portugal, 2011: provision rate, operating models and weighted provider share of partnerships .....	179
Provision of creditor insurance linked to consumer finance in Portugal, 2011: provision rate, operating models and weighted provider share of partnerships .....	181
Provision of creditor insurance linked to credit cards in Portugal, 2011: provision rate, operating models and weighted provider share of partnerships .....	183
Risk coverage of creditor insurance policies in Portugal, segmented by type of underlying product, 2011 .....	184
Creditor insurance gross written premiums in Portugal, segmented by policy type, 2007, 2011 and 2015 (forecast).....	186
Creditor insurance gross written premiums in Portugal, segmented by cover type, 2007, 2011 and 2015 (forecast).....	187
Creditor insurance gross written premiums in Portugal, segmented by policy and cover type, 2007, 2011 and 2015 (forecast) (data) .....	188
<b>9.0 SPAIN .....</b>	<b>189</b>
Residential mortgage lending balances outstanding in Spain (absolute and per capita), 2006-2010 .....	191
Consumer non-mortgage lending balances outstanding in Spain (absolute and per capita), 2006-2010	192
Credit and other pay later cards issued and per capita in Spain, 2006-2010.....	193
Key data points for the consumer lending market in Spain, 2006-2010 .....	194
Provision of creditor insurance linked to mortgages in Spain, 2011: provision rate, operating models and weighted provider share of partnerships.....	197
Provision of creditor insurance linked to consumer finance in Spain, 2011: provision rate, operating models and weighted provider share of partnerships .....	200

## CREDITOR INSURANCE IN SOUTHERN AND WESTERN EUROPE

Provision of creditor insurance linked to credit cards in Spain, 2011: provision rate, operating models and weighted provider share of partnerships.....	202
Risk coverage of creditor insurance policies in Spain, segmented by type of underlying product, 2011..	203
Creditor insurance gross written premiums in Spain, segmented by policy type, 2007, 2011 and 2015 (forecast).....	205
Creditor insurance gross written premiums in Spain, segmented by cover type, 2007, 2011 and 2015 (forecast).....	206
Creditor insurance gross written premiums in Spain, segmented by policy and cover type, 2007, 2011 and 2015 (forecast) (data).....	207
<b>10.0 UNITED KINGDOM.....</b>	<b>208</b>
Residential mortgage lending balances outstanding in the UK (absolute and per capita), 2006-2010 ....	211
Consumer non-mortgage lending balances outstanding in the UK (absolute and per capita), 2006-2010 .....	212
Credit and other pay later cards issued and per capita in the UK, 2006-2010 .....	213
Key data points for the consumer lending market in the UK, 2006-2010 .....	214
Provision of creditor insurance linked to mortgages in the UK, 2011: provision rate, operating models and weighted provider share of partnerships.....	217
Provision of creditor insurance linked to consumer finance in the UK, 2011: provision rate, operating models and weighted provider share of partnerships .....	219
Provision of creditor insurance linked to credit cards in the UK, 2011: provision rate, operating models and weighted provider share of partnerships.....	221
Risk coverage of creditor insurance policies in the UK, segmented by type of underlying product, 2011	223
Creditor insurance gross written premiums in the UK, segmented by policy type, 2007, 2011 and 2015 (forecast).....	226
Creditor insurance gross written premiums in the UK, segmented by cover type, 2007, 2011 and 2015 (forecast).....	227
Creditor insurance gross written premiums in the UK, segmented by policy and cover type, 2007, 2011 and 2015 (forecast) (data) .....	228