

# PRESS RELEASE

Thursday 23<sup>rd</sup> October 2008

## **Pet Metrics: Consumer Approaches to Pet Insurance in Europe**

***In comparison to the UK, pet insurance remains an under-developed concept in France, Germany, Italy and Spain***

### *Introduction*

The information contained in the following press release is drawn from Finaccord's recently completed market research study titled *Pet Metrics: Consumer Approaches to Pet Insurance in Europe*. Based on a survey of over 5,000 consumers in France, Germany, Italy, Spain and the UK carried out in July and August 2008, the research provides data describing the extent to which owners of cats, dogs and other animals take out pet insurance and clarifying the proportion of uninsured pet owners who value the benefits of the insurance but have simply not got round to acquiring cover.

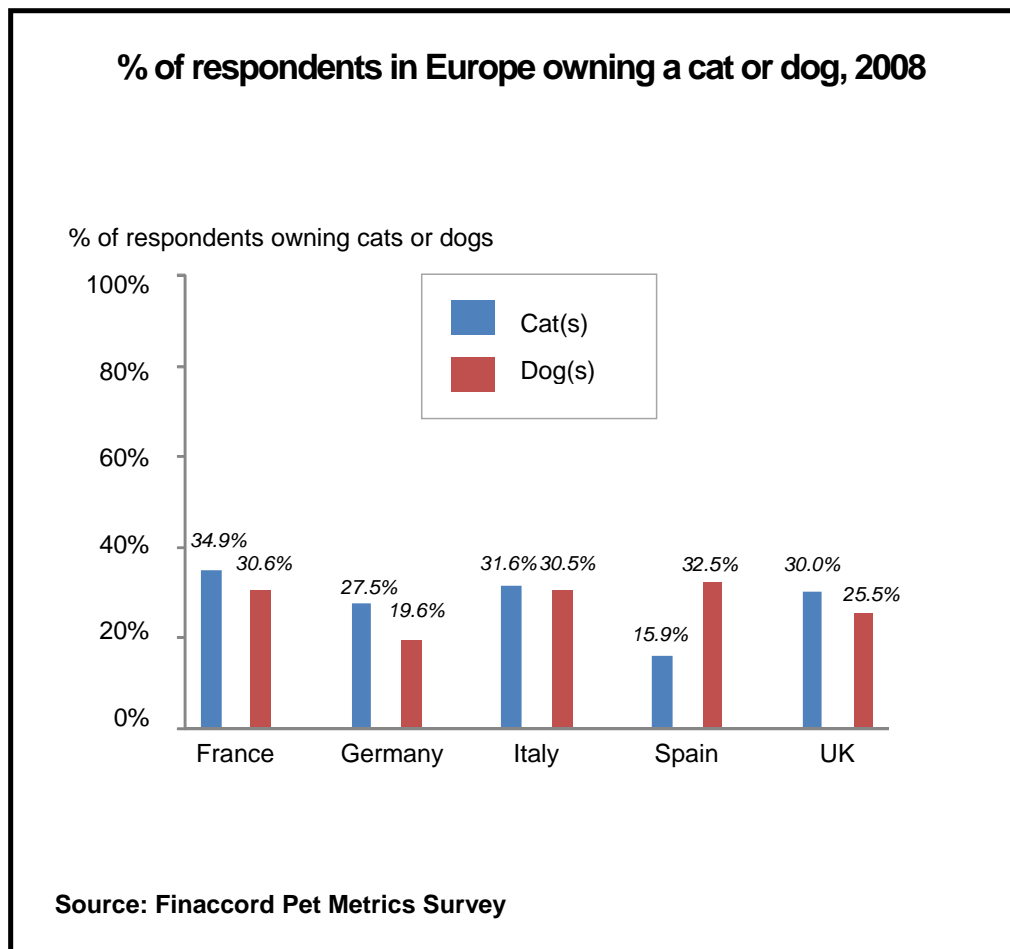
In addition to calculating the percentage of pet owners that buys pet insurance in each country, the investigation also analyses the types of policy that they buy (i.e. stand-alone policies or cover packaged within household insurance or personal liability insurance), whether they hold cover for liabilities associated with pet ownership only or also for other risks, including veterinary expenses, which distribution channel and interface they use to take out stand-alone pet insurance and whether they buy cover within a week or a month of acquiring their pet or at a later stage.

Finally, the report measures the degree to which pet owners are satisfied with their insurance, whether they find it expensive and if they are likely to discontinue it the next time that it comes up for renewal.

## Ownership rates for cats and dogs

*Only in Spain do dog ownership rates exceed ownership rates for cats*

Within the sample of over 5,000 respondents across the five countries, pet ownership levels are actually quite similar. Cat ownership peaks at 34.9% in France while dog ownership reaches a high point of 32.5% in Spain while the corresponding low points are 15.9% for cat ownership in Spain and 19.6% for dog ownership in Germany. Indeed, Spain is the only country in which the ownership rate for dogs is higher than that for cats. As for the UK, around 30.0% of consumers own a cat falling to 25.5% in the case of dogs.



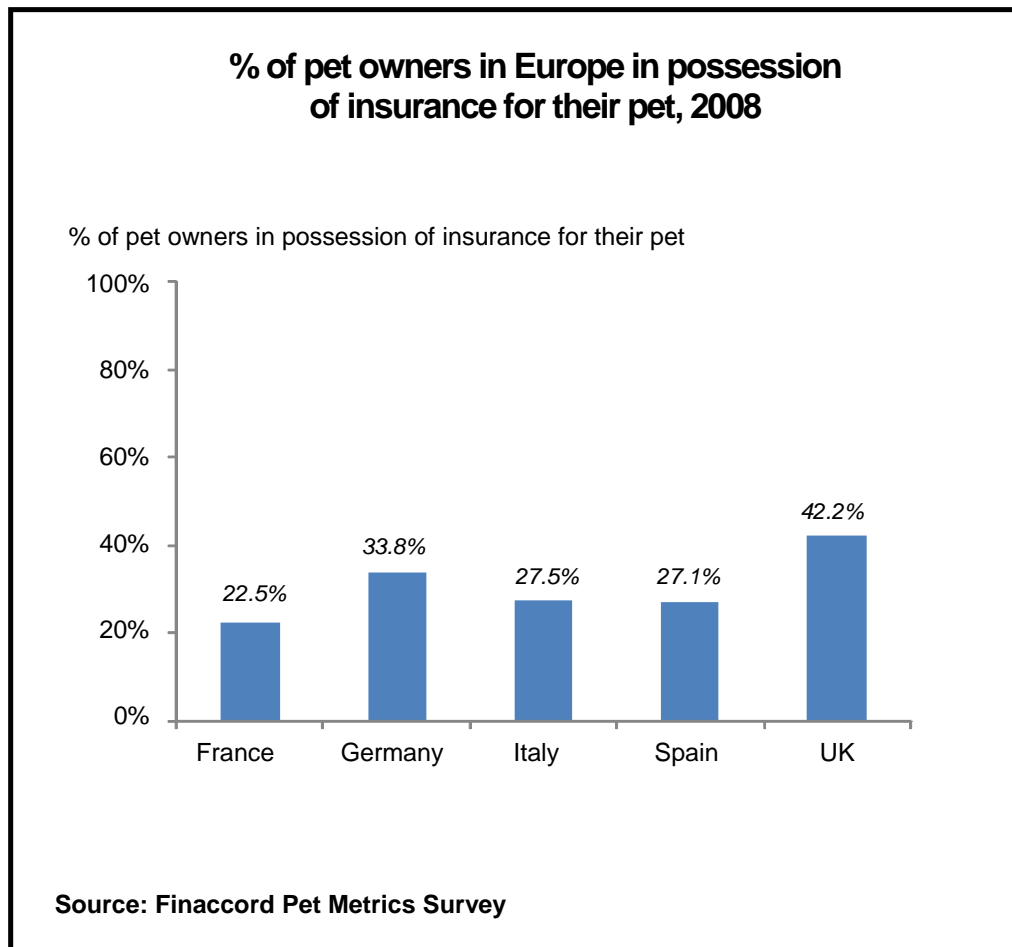
## Penetration rates for pet insurance among pet owners

*Pet owners in the UK are most likely to acquire insurance for their pet*

According to the research, at 42.2%, pet owners in the UK are most likely to have acquired insurance for their pet followed by their counterparts in Germany (33.8%), Italy (27.5%) and Spain (27.1%) with France bringing up the rear at 22.5%. However, to a considerable extent, these figures overstate the degree to which pet owners in the four continental European territories are likely to commit significant expenditure to pet insurance.

Indeed, in these countries, a substantial proportion of these insured pet owners actually benefit from cover for pet-related risks of one sort or another embedded in other types of insurance, notably household insurance and personal liability insurance. Moreover, while pet insurance in the UK is oriented primarily to providing cover for veterinary expenses, protection in the event of liability is the focus of most pet insurance policies in Europe.

As such, Finaccord estimates that the UK accounts for slightly over two thirds of the value of the market for stand-alone pet insurance in these five countries which it estimates to have been worth approximately €652.9 million in gross premiums written in 2007.



Commented Alan Leach, Director of Finaccord:

*"In recent years, pet insurance has been one of the marketing-led success stories for consumer insurance in the UK with a significant proportion of pet owners having been persuaded to acquire fairly comprehensive insurance for their cats, dogs and other animals. However, the market for stand-alone pet insurance appears comparatively under-developed in France, Germany, Italy and Spain. This begs the question whether it is under-developed because pet owners remain unconvinced with regards to the benefits of pet insurance or because the marketing effort of insurance providers and distributors, including banks and supermarkets, has been insufficient. Indeed, if these four countries could develop in the same way as the UK then the market size for pet insurance across all five countries would rise by over three times from around €652.9 million to over €2.1 billion."*

*Pet Metrics: Consumer Approaches to Pet Insurance in Europe* was published in October 2008 and is available from Finaccord at a cost of £1,995. Separate reports drawn from the same research program focused on consumer approaches to pet insurance in each of France, Germany, Italy, Spain and the UK are available at a cost of £595.

#### *About Finaccord*

Finaccord is a market research, publishing and consulting company specialising in financial services. It provides its clients with insight into and information about major issues in financial services in the UK, Europe and further afield, with a particular focus on marketing and distribution topics such as affinity marketing, bancassurance and strategic alliances. It bases its published information, research projects and consultancy assignments on robust data and knowledge rather than supposition and theory. By virtue of its international network of consultants, it is able to deliver information quickly and accurately across a range of countries worldwide.

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