

Creditor Insurance in Northern and Central Europe, 2008

Report Prospectus

September 2008

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Prospectus contents

	Page
What is the research?	3
What methodology has been used?	4
How do lending institutions surveyed break down?	5
What is the report structure?	6
What are the key features of the research?	7
How can the research be used?	8
Who can use the research?	9
What are some of the key findings?	10-13
What is the cost and format?	14
How can the research be purchased?	15

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What is the research?

Finaccord's report titled *Creditor Insurance in Northern and Central Europe* offers updated and detailed insights into the market for creditor insurance, sometimes also referred to as payment protection insurance or loan-related insurance, in ten countries. Often categorised as a niche market, creditor insurance was worth around €9.40 billion in gross written premiums in the region in 2007, including coverage for life and permanent disability as well as the temporary disability and unemployment elements. Moreover, with sustainable growth likely in many markets and with profit margins relatively high, creditor insurance remains an attractive business for both lending institutions and underwriters to cultivate.

Drawing on the results of a survey of over 530 lending institutions in ten countries (Austria, Czech Republic, Denmark, Germany, Hungary, Norway, Poland, Slovakia, Sweden and Switzerland), the report analyses the provision of creditor insurance by lending institutions, variances in provision by underlying lending product, operating models for provision of creditor insurance and partnership configurations. The PartnerBASE™ database that accompanies the report details each of the c. 770 creditor insurance marketing initiatives traced by Finaccord. Together, the report and database will provide you with the definitive guide to current and future opportunities in creditor insurance in Northern and Central Europe.

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What methodology has been used?

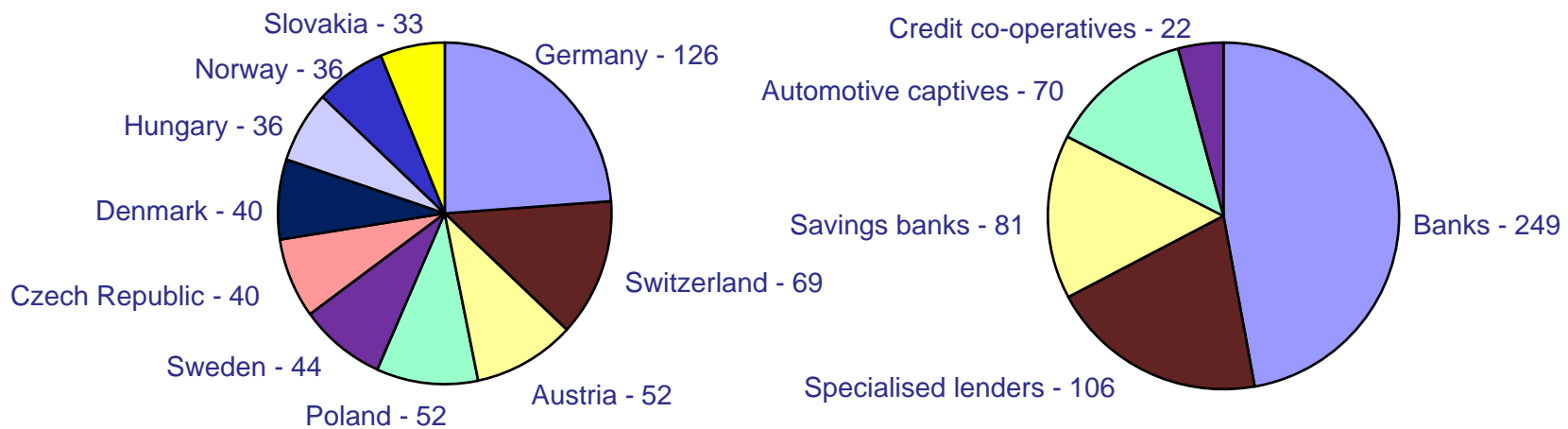
Finaccord's survey of the provision of creditor insurance by lending institutions in Northern and Central Europe was carried out in a 12-week period between June and August 2008 and focused on all significant lenders in each country. The research embraces the following information:

- whether creditor insurance is marketed to borrowers;
- if so, in association with which underlying lending products?
- if so, which risks are covered?
- if so, how... partnership with a single provider, partnership with multiple providers, partnership with a broker, joint ventures, in-house captives, mixed approaches?
- if so, identity of partners for each product category

As such, and combined with additional secondary research into product and distribution innovation, this constitutes the most thorough and comprehensive research into the subject ever undertaken in Northern and Central Europe.

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How do lending institutions surveyed break down?



Finaccord's universe of lending institutions covers 528 respondents in total spread across ten countries in Northern and Central Europe, including mainstream retail banks, specialised lenders, savings banks, automotive captives and credit co-operatives. For a full list of the organizations contacted for the research and included in PartnerBASE™, please contact Finaccord.

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What is the report structure?

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

1. *Introduction*: offering rationale, description of methodology and some definitions.

2. *Regional Overview*: including an overview of both the creditor insurance market and underlying retail lending markets in Northern and Central Europe, comparing and contrasting the recent development of the mortgage, non-mortgage lending and credit card sectors in each country covered. Analysis of the creditor insurance market includes consideration of its size, whether broadly or narrowly defined, its segmentation by both country and underlying lending product, and likely growth rates.

3. *Austria*: an in-depth analysis of the market for creditor insurance in Austria including: introduction to the banking sector; analysis of the retail lending and credit card markets; investigation into provision of creditor insurance by lending institutions and risks typically covered; overview of operating models used for provision of creditor insurance; analysis of competitors and partnerships; size, segmentation and likely annual growth rate of gross premiums written for creditor insurance; future outlook.

4 - 12: *Czech Republic, Denmark, Germany, Hungary, Norway, Poland, Slovakia, Sweden and Switzerland (for all, contents as for Austria).*

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What are the key features of the research?

Key features of this report include:

- quantification of creditor insurance market size, segmentation and growth: how much is this market really worth and what is its future development potential?
- analysis of the many types of creditor insurance policy marketed in each country and how the risks covered vary from one distributor to another;
- consideration of operating models used for creditor insurance: how does the use of captive underwriters by lending institutions differ between countries?
- provider market shares by number of relationships: which providers of creditor insurance have been successful in establishing relationships with lending institutions and how does this vary by country?
- investigation into creditor insurance competitor strategy: which players are best-placed to take advantage of underwriting and / or administration opportunities?

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How can the research be used?

You may be able to use this report and the PartnerBASE™ that accompanies it in one or more of the following ways:

- appreciate the magnitude of the opportunity in creditor insurance in Northern and Central Europe: this is turning into an increasingly mainstream market;
- assess the extent to which the provision of temporary incapacity and unemployment modules within creditor insurance policies is gaining ground in Northern and Central Europe;
- identify partnership opportunities for creditor insurance and how these may differ between opportunities for administration and underwriting;
- understand the supply structure for creditor insurance in Northern and Central Europe and whether specialists are winning business by virtue of their focused approach;
- gain insight into the international presence of leading creditor insurance market participants including AIG, APRIL Financial Services, Cardif, Genworth Financial, Marsh and Uniqa.

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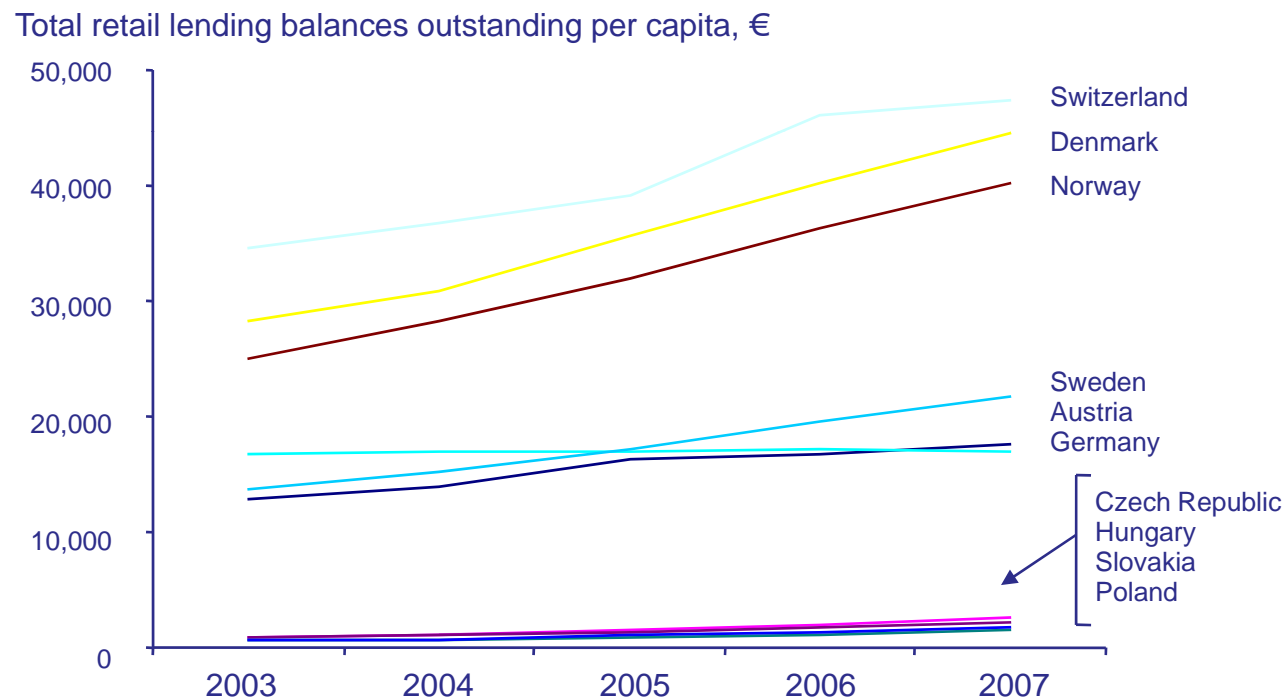
Who can use the research?

1. *Insurers*: this research is a unique guide to one of the most rapidly developing lines of personal insurance in Northern and Central Europe - be fully appraised of what growth in creditor insurance markets could mean for your organisation;
2. *Providers of third party administration services*: due to its specialised characteristics, insurers frequently outsource the administrative processes associated with creditor insurance, thereby creating opportunities for third party providers;
3. *Lending institutions*: how does your organisation's ability to cross-sell creditor insurance to individual borrowers compare with its peer group in Northern and Central Europe? Could it use its captive insurer to underwrite third party creditor risks?
4. *Management consultancies*: are you helping an insurance company with its bancassurance strategy or evaluating how it can develop its business into creditor insurance? Understand the current status of creditor insurance in Northern and Central Europe, saving time and effort on researching the subject yourself.

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What are some of the key findings?

1. Retail lending markets in Northern and Central Europe segment into three main categories in terms of balances per capita

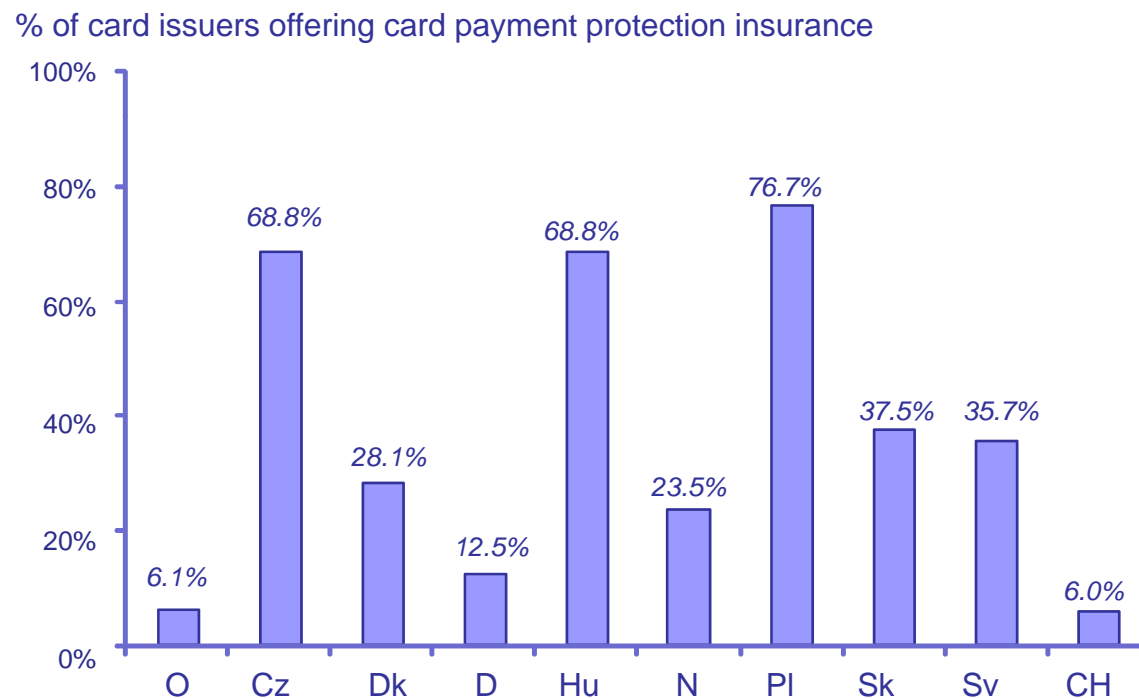


Source: Finaccord

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

2. Schemes for credit card payment protection insurance are most widespread among card issuers in the Czech Republic, Hungary and Poland



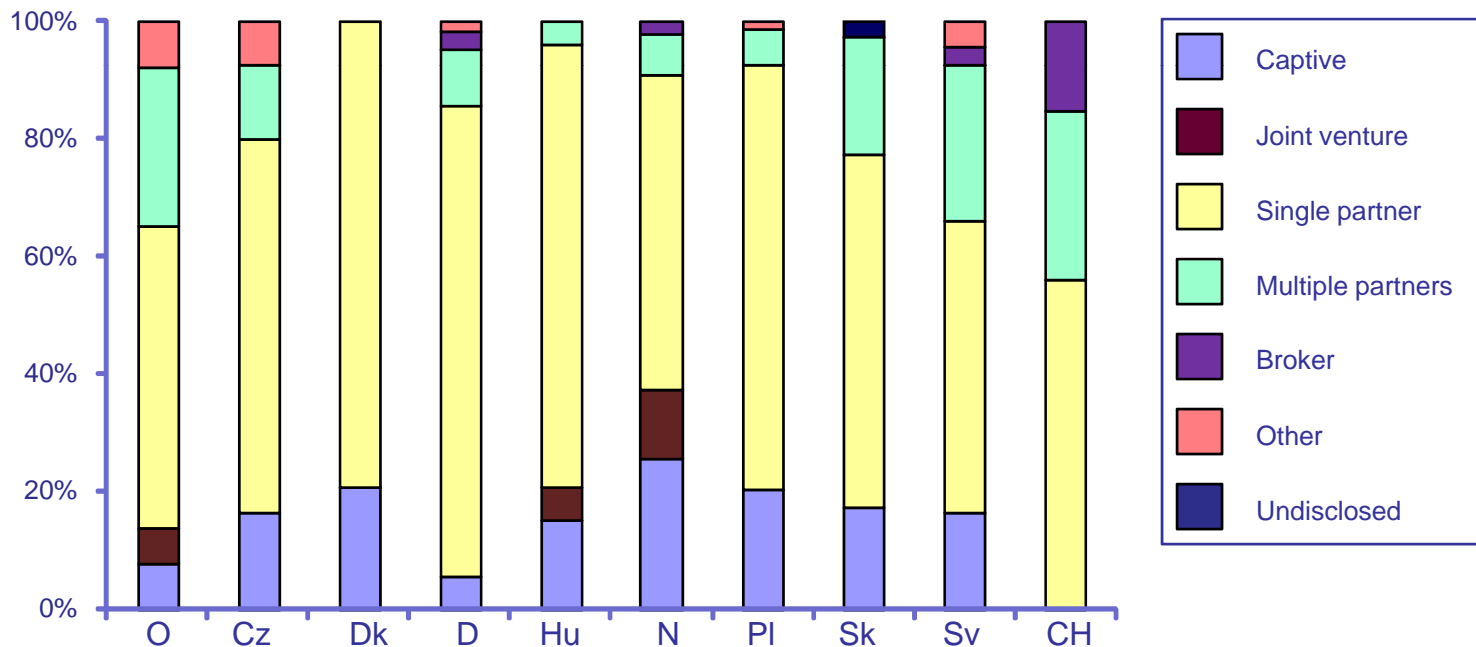
Source: Finaccord PartnerBASE

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

3. Captive underwriters of creditor insurance are active in all territories in Northern and Central Europe apart from Switzerland

% split of operating models used for creditor insurance



Source: Finaccord PartnerBASE

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

4. Key findings from the executive summary include:

- the value of creditor insurance across the Northern and Central European region is equivalent to approximately 4.7% of the value of total gross written premiums for life, accident and health insurance combined in the ten countries;
- gross premiums written for creditor insurance are likely to have been growing at average annual rates in excess of 10% in all territories researched with the exception of Austria, Switzerland and Germany and with a maximum in the range of 40% to 50% per annum in Hungary;
- new opportunities for distribution relationships will surely arise from continuing merger and acquisition activity among banks and other lending institutions, reconfigurations of general bancassurance strategy and the increasingly international nature of financial services institutions;
- however, as the region's creditor insurance markets become more mature, an increasing emphasis may need to be placed on product design and innovation as exemplified by the *MultiriskProtect* insurance policy introduced by Cardif in the German market with both single and regular premium options in the final quarter of 2007.

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What is the cost and format?

Creditor Insurance in Northern and Central Europe is available as a standard Adobe Acrobat PDF document and / or hard copy. The PartnerBASE™ that accompanies it at no further charge is in Microsoft Excel format. Costs for this research set and other recent pan-European research titles are as follows:

REPORT	COST *	FORMAT
Creditor Insurance in Northern and Central Europe, 2008	£2,495	c. 185 pages
Creditor Insurance in Southern and Western Europe, 2008	£2,495	c. 170 pages
Creditor Insurance in Eastern and South-Eastern Europe, 2007	£2,495	c. 185 pages
Automotive Financial Services in Northern and Central Europe, 2007	£2,495	c. 360 pages
Non-Life Bancassurance in Europe: Accident and Health Insurance, 2006	£1,995	c. 170 pages
Retailer Financial Services in Europe, 2007	£2,495	c. 265 pages

VAT at 17.5% will be added to the basic price except for where the request is for hard copy only.

Costs quoted are for a single site user license only.

For a corporate user license, an additional 10% of the basic cost is payable, inclusive of VAT.

Printing and postage costs of between £30 and £40 will be added for delivery of each hard copy.

Invoices can be paid in €, at the prevailing exchange rate, if preferred.

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How can the research be purchased?

Simple. Just go to the relevant area of the Finaccord web site - <http://www.finaccord.com/uk/order.htm> - and fill in the on-line order form, clearly indicating the report that you require, whether you also require a corporate user license, the billing name, address and e-mail address, and the purchase order number, if applicable.

Please allow one working day for the delivery of electronic copy and one working week for the arrival of hard copy.

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