

Commercial Non-Life Insurance Brokers in Southern and Western Europe

Report Prospectus

April 2009

Expertise in financial services

Prospectus contents

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What is the research?

Finaccord's report titled *Commercial Non-Life Insurance Brokers in Southern and Western Europe* investigates the impact and position of brokers in the distribution of non-life insurance for businesses in Southern and Western Europe. Brokers are the most important single distribution channel for this industry in the region, and Finaccord's research indicates that fees and commissions earned by brokers from commercial non-life insurance in Southern and Western Europe are worth about €8.0 billion a year. Moreover, brokers are increasing their share of this market, often at the expense of tied agents, and are expected to emerge from the recession even stronger than before.

This report first provides unique data for the size, segmentation and growth of the commercial non-life insurance market itself in eight countries in Southern and Western Europe (Belgium, France, Ireland, Italy, the Netherlands, Portugal, Spain and the UK). It then quantifies the share of this market that is intermediated by brokers and ranks the leading brokers in each country according to their revenues from commercial non-life insurance, excluding income from other activities. This analysis is based on an investigation covering some 400 brokers across the region, making it by far the most detailed and comprehensive study of this market ever published.

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What methodology has been used?

Finaccord's investigation into commercial non-life insurance brokers in Southern and Western Europe was carried out between November 2008 and March 2009. The core of this research was an analysis of leading brokers in each country that combined telephone interviews with senior executives with published information and company accounts. Reliable statistics concerning the market share of brokers do not exist in most countries, and in no cases whatsoever are revenues from commercial non-life insurance shown separately from personal lines, life insurance and pensions, and employee benefits. Therefore, this study provides genuinely unique data to answer the following questions:

- How large is the commercial non-life insurance market in each country?
- What are the key regulatory issues in each country?
- What proportion of business is handled by brokers?
- Who are the leading brokers in each market, by revenues and employee numbers?
 - *The report ranks the top 10 to 30 commercial non-life brokers per country, depending on the size of the broker industry in each case.*
- What are their main strengths and areas of specialization of these leading brokers?
- How concentrated or fragmented are commercial non-life insurance broking markets?
- How can commercial non-life insurance broking markets be expected to develop up to 2012?

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What types of product does the report cover?

BROKERS	<i>Unique focus on this market</i>			
AGENTS				
BANKS				
DIRECT SALES				
	COMMERCIAL NON-LIFE INSURANCE	EMPLOYEE BENEFITS	INDIVIDUAL LIFE INSURANCE	PERSONAL NON-LIFE INSURANCE
	Motor Property Liability MAT Legal expenses Other (e.g. credit)	Group accident and health Group life Occupational pensions	Term life Critical illness Long-term savings Pensions	Motor Property Liability Accident and health

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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*: comprising an overview of the market for commercial non-life insurance brokers in Southern and Western Europe including estimates for the size, segmentation and growth rate of the commercial non-life insurance market itself, the share of this market that is distributed by brokers, the market concentration of the commercial non-life broking industry both in overall terms and for Aon, Marsh and Willis specifically, and the outlook to 2012.

3. *Belgium*: an in-depth analysis of the market for commercial non-life insurance broking in Belgium including: key regulatory developments; quantification and segmentation of commercial non-life insurance; brokers' share of this market and quantification of broker fees and commissions from commercial lines; analysis of broker market concentration; ranking of the leading commercial non-life insurance brokers in Belgium by revenues, with additional information concerning ownership, international alliances and business specialities; forecasts for commercial non-life insurance premiums, brokers' market share and brokers' revenues up to 2012.

4 - 10: *France, Ireland, Italy, the Netherlands, Portugal, Spain and the UK (structure as for Belgium)*.

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What are the key features of the research?

Key features of this report include:

- analysis of market size, segmentation and trends for commercial non-life insurance premiums: how much is the underlying insurance market worth in this region?
- quantification of the share of commercial non-life insurance premiums distributed by brokers, the revenues they earn from commercial lines, and the importance of this industry to brokers;
- identification of the top 10 to 30 brokers in each country specifically for commercial non-life insurance business, with estimates for the revenue they generate from this sector alone and their total employee numbers;
- detailed information on the structure of the broker market, including market concentration for the top 3 and top 10 brokers, the position of Aon, Marsh and Willis, and the role of networks or alliances;
- commentary on key issues in each country, especially for regulatory developments and for the prospects for commercial non-life insurance broking up to 2012.

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How can the research be used?

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

- quantify the size and dynamism of the broker market for commercial non-life insurance in Southern and Western Europe;
- compare eight countries in a single comprehensive source of information that uses a uniform methodology to size the underlying commercial non-life insurance market and to quantify brokers' share of distribution;
- assess a range of potential business opportunities: from selecting the territory that offers the best prospect for expansion, to targets for acquisition, to niche product development and ideas for distribution partnerships;
- understand the competitive landscape in each country through its market concentration, the importance of international brokers, and the presence or absence of bank-owned brokers;
- identify the leading brokers in each country or across Southern and Western Europe as a whole, with coverage of competitors such as Aon, Gras Savoye, Jardine Lloyd Thompson, Marsh, Vanbreda and Willis.

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Who can use the research?

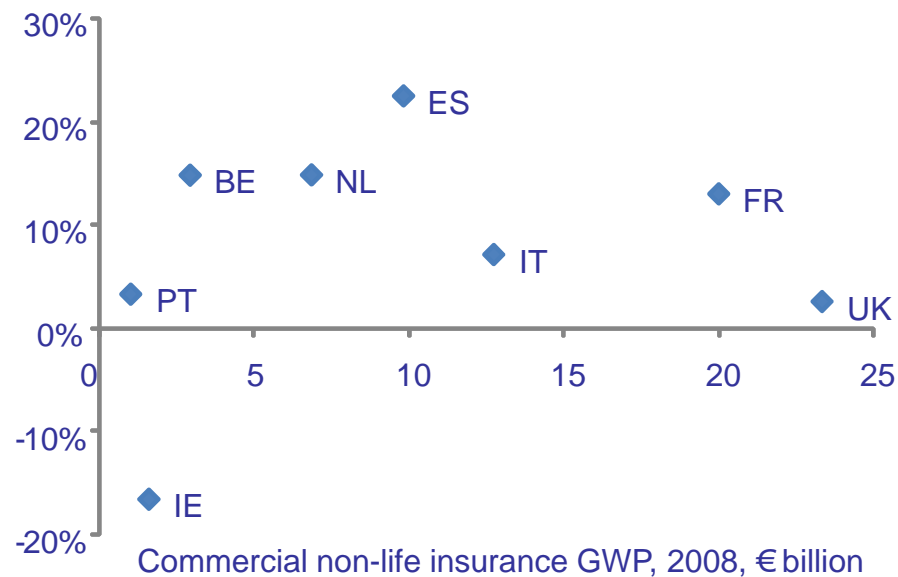
1. *Insurers*: this report provides a unique analysis of the importance of brokers specifically for commercial non-life insurance, country by country. It will help you to judge if you have the right distribution strategy for your business in each geography, and to identify if you are acquiring an appropriate volume of business with each of the leading brokers;
2. *Banks*: bank distribution is the main threat to the broker channel in several countries. This report offers a clear view of the importance of this channel and whether bank-owned brokers are currently significant, to guide decisions on whether to compete with brokers, to form distribution partnerships with them, or even to acquire them;
3. *Brokers*: this report enables you to quantify your market share specifically for commercial non-life insurance, which cannot be done using any other published sources. Moreover, its coverage of eight countries in the region helps you to plan international expansion or potential acquisitions, and to identify your main competitors.
4. *Management consultancies*: are you helping an insurance broker or underwriter with its future strategy in commercial non-life insurance? Understand the current status of commercial non-life insurance broking in Europe, saving time and effort on researching the subject yourself.

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What are some of the key findings?

1. More than a third of the total growth in commercial non-life premiums in Southern and Western Europe between 2004 and 2008 came from France alone.

Growth in commercial non-life insurance GWP, 2004 to 2008, %

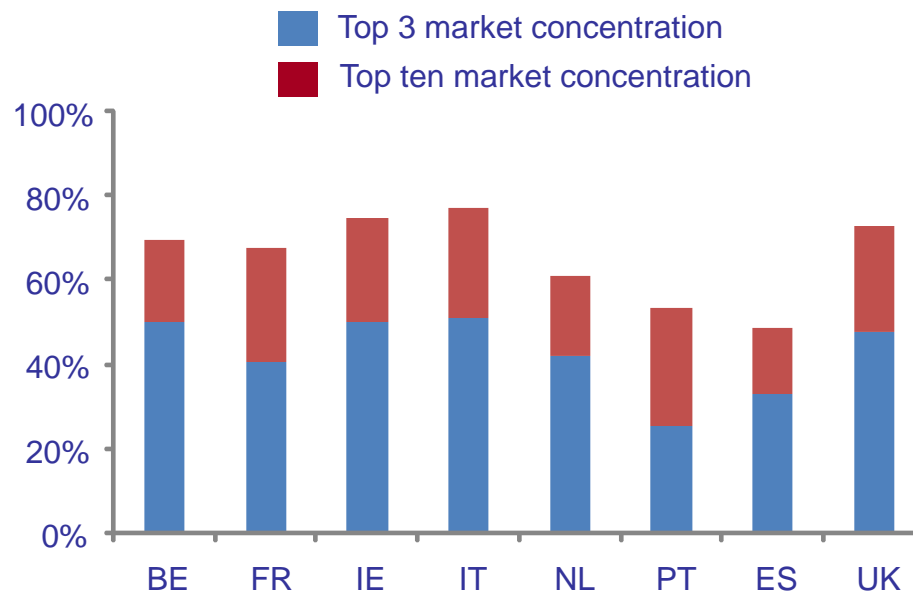


Source: Finaccord analysis of CEA and national bodies' premium data

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

2. The ten largest brokers control more than 70% of the broker channel in Ireland, Italy and the UK, compared to less than half of the channel in Spain.

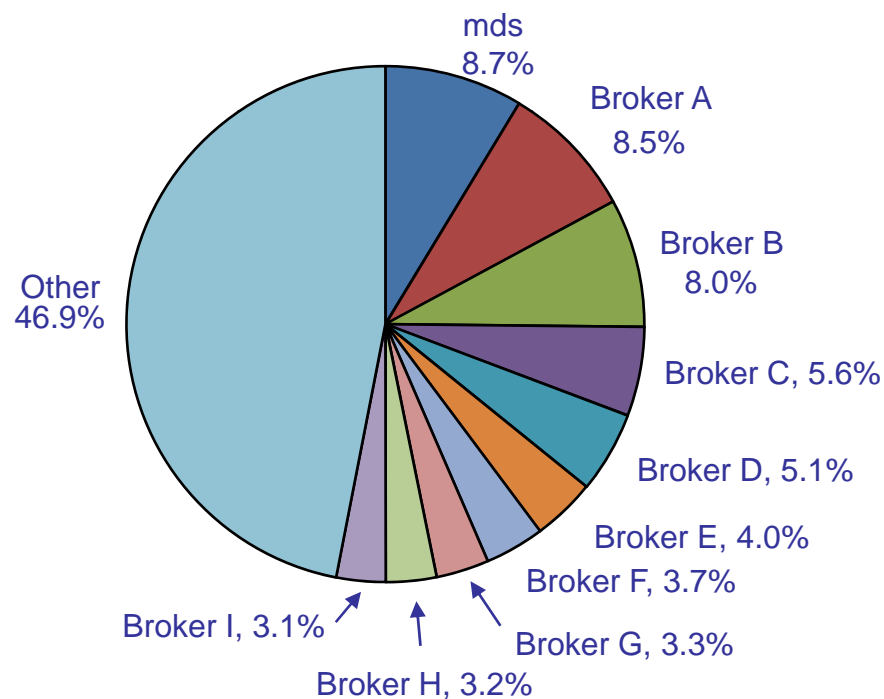


Source: Finaccord analysis

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

3. mds is the largest commercial non-life insurance broker in Portugal, with an estimated 8.7% of the market. The next nine brokers hold 44% of the market between them.



Source: Finaccord commercial non-life insurance survey

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

4. Key findings from the executive summary include:

- the total value for commercial non-life insurance in Southern and Western Europe is estimated by Finaccord at €78.3 billion in gross written premiums for 2008, with most of the growth between 2004 and 2008 coming from Belgium, France, the Netherlands, and Spain;
- brokers are easily the most important distribution channel in Southern and Western Europe, handling an estimated 76% of the region's commercial non-life insurance premiums, which gave them revenues of €8 billion for 2008;
- regulatory reforms in Spain and Portugal may disadvantage independent brokers in favour of bank-owned brokers and tied intermediaries respectively, while legislative changes in Italy will help brokers to expand in personal non-life insurance;
- because little growth is forecast in Southern and Western Europe for either commercial non-life insurance premium volumes or for brokers' share of the commercial lines market up to 2012, a high level of merger and acquisition activity is expected to take place within the broker market itself.

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What is the cost and format?

Commercial Non-Life Insurance Brokers in Southern and Western Europe is available as a standard *Adobe Acrobat* PDF document and / or hard copy. Costs for this research set and other potentially relevant studies are as follows:

REPORT	COST *	FORMAT
Commercial Non-Life Insurance Brokers in Southern and Western Europe	£2,495	c. 130 pages
Commercial Non-Life Insurance Brokers in Northern and Central Europe	£2,495	c. 140 pages
Extended Warranties and Insurance for Non-Mobile Consumer Products in Europe	£2,495	c. 165 pages
Mobile Telephone Insurance in Europe	£2,495	c. 140 pages
Small Business Metrics: Insurance for Small Businesses in Germany	€3,595	c. 350 pages
Small Business Metrics: Insurance for Small Businesses in the UK	£2,495	c. 330 pages

VAT at the prevailing rate 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 £30 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 - www.finaccord.com/uk/order_eu_cib.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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