

Insurance and Assistance linked to Payment Cards and Bank Accounts in Northern and Central Europe

Report Prospectus

March 2009

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What is the research?

Finaccord's report titled *Insurance and Assistance linked to Payment Cards and Bank Accounts in Northern and Central Europe* investigates the market for insurance and assistance policies linked to banking products in Northern and Central Europe. Composed of a series of niche covers designed to enhance the revenues derived by banks from their payment card and current account operations, Finaccord's research indicates this market in Northern and Central Europe to have been worth some €1.19 billion in 2008. Moreover, with insurance and assistance providers showing creativity in structuring new types of policy to cater for emerging customer segments, the sector seems to be destined for continuing growth.

Drawing on the results of an investigation covering some 330 banking institutions and other issuers and distributors of credit cards in ten countries in Northern and Central Europe (Austria, the Czech Republic, Denmark, Germany, Hungary, Norway, Poland, Slovakia, Sweden and Switzerland), the report analyses the provision of a variety of different types of insurance and assistance policy in the broad categories of card and cash protection, travel cover, creditor, accident and health cover, shopping cover and other miscellaneous policies. Moreover, the PartnerBASE™ database that accompanies the report details each of more than 4,250 insurance or assistance enhancements to the c. 2,300 payment cards and bank accounts analysed.

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What methodology has been used?

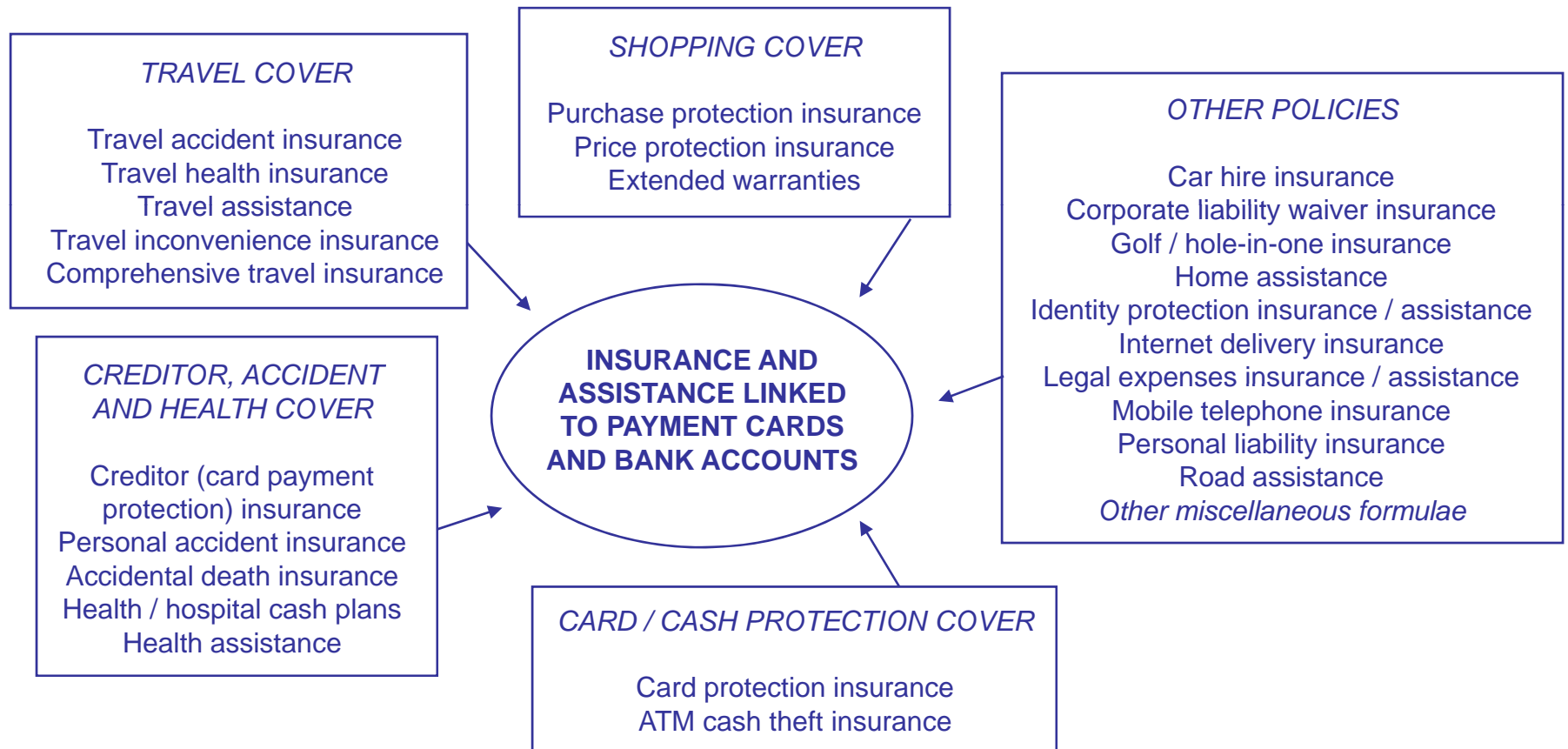
Finaccord's investigation into the provision of insurance and assistance linked to payment cards and bank accounts in Northern and Central Europe was carried out during a 10 week period between December 2008 and February 2009 and focused on all significant banking institutions serving consumers in each country. Among other data points, the research embraces the following information:

- whether insurance or assistance linked to payment cards and bank accounts has been organised;
- if so, in association with which underlying payment card and bank account products?
- if so, which types of insurance and assistance policy are offered?
- if so, how... through captive or joint venture underwriters, through a single, external underwriter, through a broker or through relationships with multiple partners?
- if so, what is the identity of the partner(s) used for each policy?

Moreover, in the light of the fact that the identities of partners used for insurance and assistance enhancements to payment cards and bank accounts are often not revealed in the public domain, with policies being offered instead on a 'white-labelled' basis in the name of the banking institution or other card issuer, Finaccord has undertaken comprehensive primary research to ensure that the partner(s) used for each policy are disclosed in over 95% of all relationships covered.

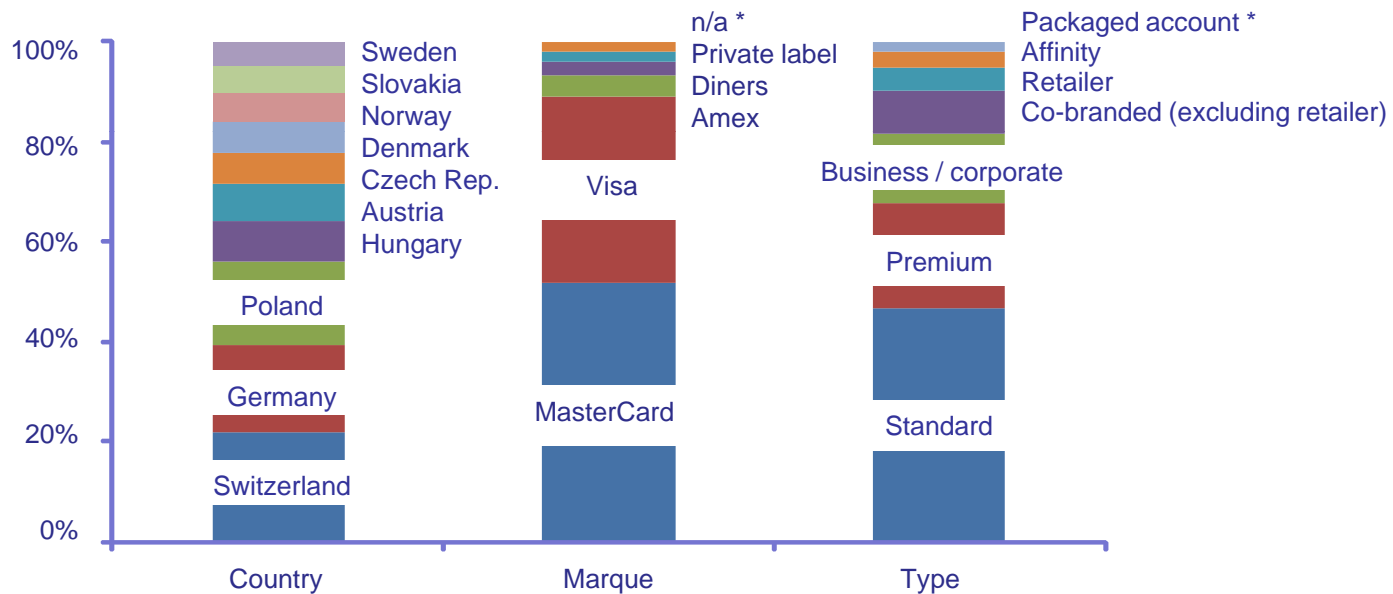
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What types of product does the report cover?



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How do payment cards and bank accounts covered break down?



Note 1 - MasterCard products include Maestro
 Note 2 - Packaged accounts cannot be segmented by marque
 Source: PartnerBASE

Finaccord's universe of payment cards and bank accounts covers over 2,200 banking products including all major affinity, co-branded and private label cards as well as business and premium cards and packaged accounts.

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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 insurance and assistance enhancements to payment cards and bank accounts in Northern and Central Europe including a detailed calculation of the approximate value of the market in 2008 split by both country and individual policy type as well as a quantification of the number of payment cards and bank accounts carrying each type of policy. In addition, this chapter analyses comparative penetration rates for all distinct forms of insurance and assistance enhancement in each country.

3. *Austria*: an in-depth analysis of the market for insurance and assistance linked to payment cards and bank accounts in Austria including: introduction to the banking sector; quantification and segmentation of the payment card market; overview of insurance and assistance covers offered in conjunction with payment cards and bank accounts; and a detailed commentary concerning the operating models and partner market shares for the provision of insurance and assistance linked to payment cards and bank accounts in Austria.

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

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What are the key features of the research?

Key features of this report include:

- quantification of the market size and segmentation for insurance and assistance linked to payment cards and bank accounts: how much is the market really worth across the countries considered?
- analysis of the many types of insurance and assistance policy marketed in each country and how the risks covered vary from one country and distributor to another;
- consideration of the role of centralised payment card issuing entities in each country and the degree to which individual banking institutions are concluding their own agreements for card-related insurance and assistance over and above the basic levels of cover already provided;
- provider market shares by number of relationships: which providers of insurance and assistance policies have been successful in establishing relationships with banking institutions and other card issuers and how does this vary by country?
- availability of an accompanying PartnerBASE database that details each of more than 4,250 insurance or assistance enhancements to the c. 2,300 payment cards and bank accounts analysed.

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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 insurance and assistance linked to payment cards and bank accounts in Northern and Central Europe: in aggregate, this is a significant market;
- gain access to a single comprehensive source of information that provides both the detail and analysis surrounding over 4,250 individual insurance or assistance enhancements;
- identify opportunities to develop new forms of insurance or assistance linked to payment cards and bank accounts in line with the marketing strategies of banking institutions and other card issuing entities in Northern and Central Europe;
- understand the supply structure for insurance and assistance enhancements and how the market segments between international specialists, local providers and captive underwriters;
- gain insight into the international presence of leading protagonists in this sector including ACE, AIG, AXA Assistance, BNP Paribas Assurance, CPP, Europ Assistance and Genworth Financial.

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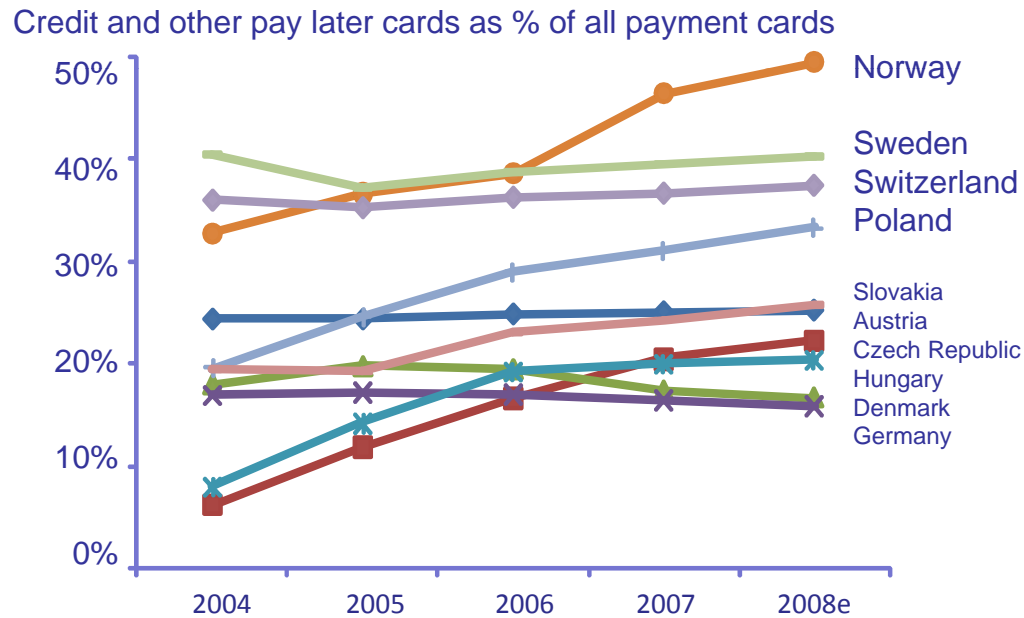
Who can use the research?

1. *Insurance providers:* this research is a unique guide to an important strategic issue in personal lines insurance - be fully appraised of what growth in the market for insurance and assistance linked to bank accounts and payment cards could mean for your organisation;
2. *Assistance companies:* as banking organisations become more adept at marketing to specific consumer groups, opportunities will arise for developing new assistance concepts to be promoted in conjunction with payment cards and bank accounts;
3. *Banking institutions and other card issuers:* the comprehensive insights contained in this report will help you to evaluate both the insurance and assistance concepts packaged automatically with your own payment cards and bank accounts and your strategy for enhancing core revenues through cross-selling optional policies;
4. *Management consultancies:* are you helping an insurance or assistance company with its bancassurance strategy? Understand the current status of insurance and assistance linked to payment cards and bank accounts 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. In most countries in Northern and Central Europe, credit and other pay later cards are increasing over time as a percentage of all payment cards in circulation



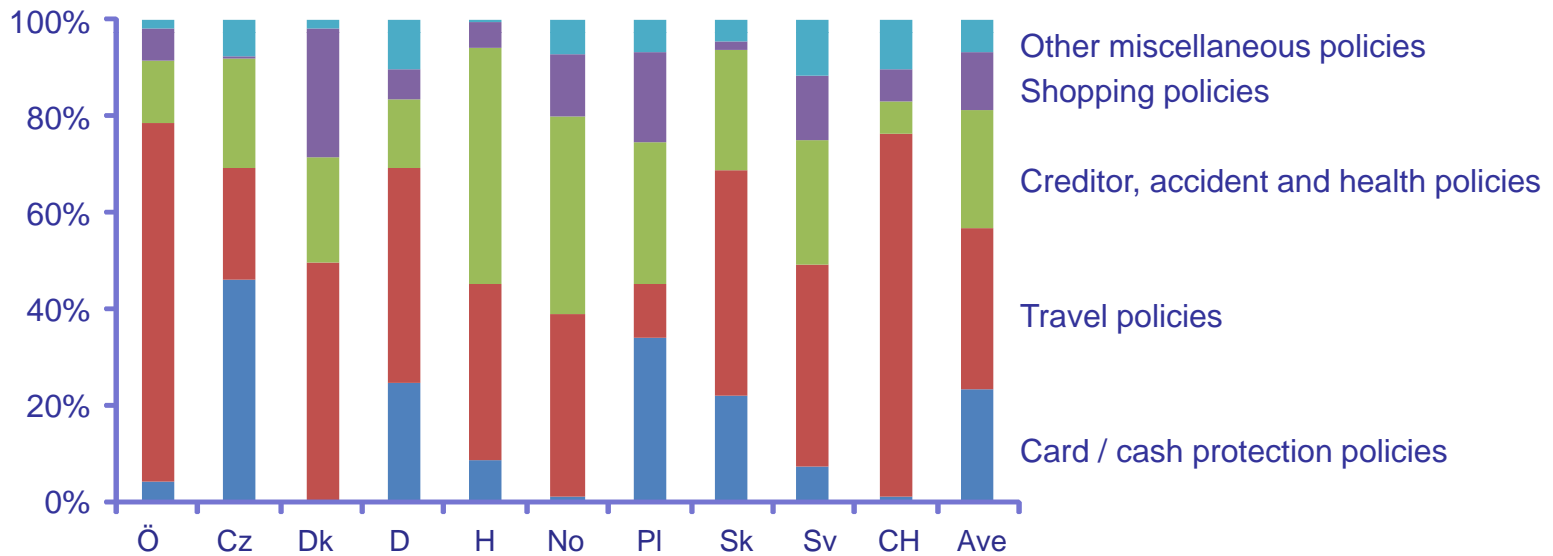
Source: Finaccord analysis of European Central Bank and other industry data

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

2. The risk emphases of insurance and assistance enhancements vary from country to country

% segmentation of covers by broad category of policy

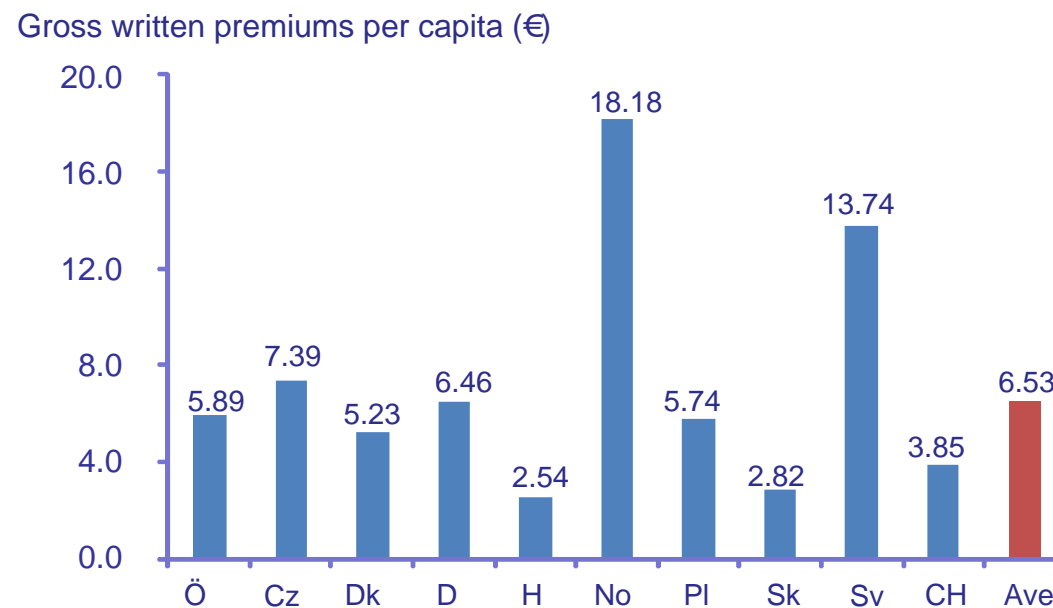


Source: Finaccord PartnerBASE

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

3. At almost €20 per capita in Norway, premiums for insurance and assistance linked to payment cards and bank accounts remain well ahead of other countries in Northern and Central Europe



Source: Finaccord

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

4. Key findings from the executive summary include:

- the average number of insurance or assistance covers per banking product analysed is 1.86 for all ten countries across the region although the Polish market is by far the most heavily insured according to this definition, with an average of 4.34, whereas the Swiss market is the least insured, with only 0.86 covers per banking product;
- comprehensive travel insurance is the most widely packaged form of insurance or assistance - 18.3% of banking products analysed offer this type of insurance with card protection insurance (17.0%) and card payment protection insurance (10.4%) being the next most popular formulae;
- consumers are developing a growing awareness of the value inherent in banking propositions with an apt insurance or assistance architecture that mean that they gain access to niche forms of protection policy that would be expensive to purchase on a stand-alone basis;
- the market for insurance and assistance linked to payment cards and bank accounts in Northern and Central Europe is probably growing at an average annual rate in the 10%-15% bracket in terms of gross premiums written.

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What is the cost and format?

Insurance and Assistance linked to Payment Cards and Bank Accounts 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 selected other related European studies are as follows:

REPORT	COST *	FORMAT
Insurance and Assistance linked to Bank Accounts and Payment Cards in Northern and Central Europe	£2,495	c. 190 pages
Insurance and Assistance linked to Bank Accounts and Payment Cards in Southern and Western Europe	£2,495	c. 175 pages
Creditor Insurance in Northern and Central Europe	£2,495	c. 185 pages
Creditor Insurance in Southern and Western Europe	£2,495	c. 170 pages
Extended Warranties and Insurance for Non-Mobile Consumer Products in Europe	£2,495	c. 165 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_br.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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