UK Niche Insurance: Market Dynamics, Affinities and Partnerships

Series Prospectus
## Prospectus contents

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Which titles are included in the series?

Finaccord’s *UK Niche Insurance: Market Dynamics, Affinities and Partnerships* series produced in 2019 and 2020 is composed of the following 12 titles about niche insurance types in the UK:

- UK Bicycle Insurance: Market Dynamics, Affinities and Partnerships
- UK Boat, Yacht and Pleasure Craft Insurance: Market Dynamics, Affinities and Partnerships
- UK Caravan and Park Home Insurance: Market Dynamics, Affinities and Partnerships
- UK Classic Car Insurance: Market Dynamics, Affinities and Partnerships
- UK Excess Protection Insurance and Waivers: Market Dynamics, Affinities and Partnerships
- UK Extended Warranties for Cars: Market Dynamics, Affinities and Partnerships
- UK GAP Insurance: Market Dynamics, Affinities and Partnerships
- UK Jewellery and Watch Insurance: Market Dynamics, Affinities and Partnerships
- UK Landlord Property Insurance: Market Dynamics, Affinities and Partnerships
- UK Non-Standard and Listed Property Insurance: Market Dynamics, Affinities and Partnerships
- UK Tenants’ Contents Insurance: Market Dynamics, Affinities and Partnerships
- UK Van Insurance: Market Dynamics, Affinities and Partnerships

Separate tables of contents are available for each of these studies on the relevant pages of the Finaccord website with this single marketing prospectus covering the entire series.

*In addition, older reports (not yet subject to an update) from the original series in 2015 cover the following insurance types:* business (life) protection; holiday and second home; landlord rent guarantee; motor cycle; personal event and wedding; pet and personal equine; short-term motor; student contents; and tax investigation.
What is the research and rationale for it?

*UK Niche Insurance: Market Dynamics, Affinities and Partnerships* is a series of 12 studies from Finaccord published over the course of 2019 and 2020 investigating niche insurance products in the UK. Key features of each study include: an outline of market drivers and the value of the market over a five-year period (either 2014 to 2018 for studies published in 2019 or 2015 to 2019 for those issued in 2020); quantification and commentary concerning the segmentation of policies in force by distribution channels used to buy them (in 2018 or 2019); estimates for underwriter market shares (in 2018 or 2019); comprehensive listing of affinity and partnership marketing relationships visible at the time of the research; and forecasts for the value of the market (up to 2022 or 2023).

Finaccord has produced this series for three main reasons. First, it generally deals with product markets about which little published research existed at the time of publication in spite of their often substantial value. Secondly, affinity and partnership marketing, in its many guises, has been growing in recent years as a means of distributing both personal and commercial insurance products. The comprehensive listing of affinity and partnership marketing relationships given in each of these reports indicates that these are also often significant (next to brokers, direct purchase from underwriters and aggregators) in the case of these insurance products.

Finally, deployment of new technologies is impacting many of these sectors in respect of both the underlying markets (e.g. sales channels for bicycles, cars and vans) and the associated insurance concepts (i.e. insurtech).
What methodology has been used?

Research processes and sources used to create the 12 studies in this series are as follows:

• primary interviews with leading brokers, underwriters and affinity / corporate partners active in each product market;

• in-house data drawn from other Finaccord reports (e.g. from its dealer surveys used for investigating consumer automotive financial services in the UK in the case of extended warranties for cars and GAP insurance);

• comprehensive analysis of secondary information from a diverse range of data sources including UK government departments and financial regulators, relevant lifestyle organisations and trade associations, specialist publications and published disclosures by the competitors themselves.
What is the structure of each report?

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

1. **Introduction** - offering rationale for the report, a detailed description of the methodology and associated definitions.

2. **Market Analysis** - composed of seven distinct sections that focus on the following areas:

   - the evolution of the underlying market drivers over a five-year period;
   - the size and (where relevant) segmentation of the insurance markets over the same five-year period in terms of gross written premiums and policies sold;
   - the distribution channels (e.g. aggregator, broker, direct and other including affinity / corporate partner) and most significant specific distributors;
   - a comprehensive listing of the affinity and corporate partnerships in evidence at the time of the research;
   - estimated market shares of underwriters of the insurance type, expressed as a likely minimum and maximum range (e.g. 5.0% to 7.5%);
   - observations concerning insurtech and general innovation in the sector;
   - forecasts for the value and (where relevant) segmentation of the insurance markets up to 2022 or 2023 in terms of gross written premiums.
How can the research be used?

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

• gain access to data and commentary about 12 niche insurance markets in the UK about most of which little research otherwise exists in the public domain and many of which are growing more rapidly than mainstream forms of insurance such as household, life, motor, travel etc.

• evaluate the magnitude of the underwriting and broking opportunity across niche lines as diverse as boat, yacht and pleasure craft insurance, GAP insurance, jewellery and watch insurance, non-standard and listed property insurance and van insurance;

• understand how they are distributed and the relative importance of affinity and corporate partnerships in comparison to aggregators, brokers and direct sales;

• view comprehensive listings of affinity and corporate partners that distribute each type of niche insurance plus the product providers that they work with in this context;

• appreciate how the market opportunity is likely to develop in future years and what the main factors are that will cause it to increase or diminish.
Who can use the research?

1. Affinity and corporate partners: often, particular types of affinity and corporate partner are especially well-suited to distributing particular insurance products (e.g. car dealers and manufacturers, car finance and leasing firms, and online media for car enthusiasts in the case of extended warranties for cars) and this research will provide them with guidance concerning the magnitude of the opportunity available to them;

2. Insurance aggregators and brokers: dedicated insurance intermediaries are dominant or significant as distributors for most of the 12 niche insurance types in scope in this series, and this research identifies the most important competitors in each;

3. Insurance underwriters: some of the niche insurance products offer growth rates and levels of underwriting profitability that are ahead of that available from mainstream insurance types, thereby providing an incentive for becoming involved in them;

4. Management consultancies: are you assisting an organisation in any of the preceding categories with its approach to any of these insurance types? This research will help you to evaluate the options in affinity and partnership marketing, saving time and effort on researching the subject yourself.
What are some of the key findings?

1) Brokers and aggregators dominate distribution of product X albeit affinity and corporate partners account for about 10% of distribution.
What are some of the key findings? (cont.)

2) Aviva and Markerstudy are likely to be the leading underwriters for product Y with competitors outside of the top six accounting for up to a quarter of the market.

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

3) Affinity and corporate partner schemes for bicycle insurance are spread across a broad range of provider categories

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<th>Organisation</th>
<th>Category</th>
<th>Offered?</th>
<th>Operating model</th>
<th>Partner(s)</th>
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<tr>
<td>Bikspoke (Loss Insurance Services)</td>
<td>Insurers – tied / multi-tied intermediaries</td>
<td>Yes</td>
<td>External underwriter via external broker</td>
<td>Ptarmigan / China Taiping</td>
</tr>
<tr>
<td>British Cycling</td>
<td>Sports organisations</td>
<td>Yes</td>
<td>External underwriter via external broker</td>
<td>Cycleguard (Thistle) / UK General / Great Lakes</td>
</tr>
<tr>
<td>Brompton</td>
<td>Bicycle manufacturers</td>
<td>Yes</td>
<td>External underwriter via external broker</td>
<td>Bikmo / Hiscox</td>
</tr>
<tr>
<td>Cambridge Cycling Campaign</td>
<td>Lifestyle organisations</td>
<td>Yes</td>
<td>External underwriter via external broker</td>
<td>CycleCover (Butterworth Spengler) / RSA</td>
</tr>
<tr>
<td>Chain Reaction Cycles (Wiggle)</td>
<td>Insurers - tied / multi-tied intermediaries</td>
<td>Yes</td>
<td>External underwriter via external broker</td>
<td>Sundays / Gator Bikesure / Red Sands</td>
</tr>
<tr>
<td>Cover4insurance (UK &amp; Ireland Insurance Services)</td>
<td>Insurers – tied / multi-tied intermediaries</td>
<td>Yes</td>
<td>External underwriter</td>
<td>Canopius (Lloyd's of London)</td>
</tr>
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What is the cost and format?

Reports in the *UK Niche Insurance: Market Dynamics, Affinities and Partnerships* series produced in 2019 and 2020 are available as standard PDF documents and cost USD 1,195 each.

* GST at the prevailing rate will be added to the basic price for Singapore-based buyers except for where the request is for hard copy only. Costs quoted are for a single office, single country licence only. For corporate user licence options, please see the next slide for further details. Invoices can be paid in EUR or GBP, at the prevailing exchange rate, if preferred.
How can the research be purchased?

Simple. Just go to the relevant area of the Finaccord website, create your account (if you do not have one already) and place your order online. Products paid for online by card will be delivered immediately by e-mail but please allow up to one working day for delivery by e-mail if you choose to pay on receipt of invoice.

With regards to the corporate user licence, you will be asked to choose one of the following options:
1. One office, one country: no supplement over and above basic cost of reports ordered
2. Multiple offices, one country: additional 20% over and above basic cost of reports ordered
3. Multiple offices, two to ten countries: additional 50% over and above basic cost of reports ordered
4. Global (unlimited offices in unlimited countries): additional 100% over and above basic cost of reports ordered

Alternatively, you can place an order by sending your request to order@finaccord.com, clearly stating the product(s) required, associated price(s) and billing details for eventual invoice or card payment receipt.