

# **Creditor and Lifestyle Protection Insurance**

**Worldwide analysis of creditor protection insurance linked to mortgages, point-of-sale automotive finance, other consumer finance and credit cards in 40 countries; additional coverage of bill protection insurance in 21 countries**

*Global series prospectus*

# Prospectus contents

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## What is the research?

Finaccord's series comprising three overview studies plus 40 country-specific reports offers updated and detailed insights into the market for creditor insurance, sometimes also referred to as payment protection insurance or loan-related insurance, on an international basis. Across the countries in scope, creditor insurance was worth around USD 70 billion in gross written premiums in 2016, including coverage for life, permanent disability and critical illness, as well as the temporary disability and unemployment elements. Moreover, for 20 of the European countries included in this series plus Canada, the most updates produced in 2017 and 2018 also include coverage of bill (lifestyle) protection insurance that can be linked to household energy, water or telecoms bills.

Drawing on the results of a survey of significant lending institutions across all territories (plus major utilities firms and telecoms companies in 20 of the European countries and Canada), the reports analyse the provision of creditor (and lifestyle protection) insurance by these organisations, how this availability rate varies across different lending product types (and household services), the operating models used (e.g. captive, JV and / or external underwriters), and the extent to which cover can be acquired through distribution channels other than these organisations (e.g. directly from insurers or via brokers). Moreover, the PartnerBASE™ dataset that accompanies the publication details each of the marketing initiatives for these types of insurance traced by Finaccord.

## Which countries are covered?

<b>Country</b>	<b>Most recent update</b>	<b>Country</b>	<b>Most recent update</b>	<b>Country</b>	<b>Most recent update</b>
Argentina	Jan-16	Greece	Jun-14	Poland	Jul-17
Austria	Oct-17	Hong Kong	Mar-15	Portugal	Jun-17
Belgium	Jul-17	India	Mar-15	Romania	Nov-17
Brazil	Jan-16	Indonesia	Mar-15	Russia	Nov-17
Canada	Jun-18	Ireland	Jun-14	Slovakia	Nov-17
Chile	Jan-16	Italy	Jun-17	South Africa	Jan-16
China	Mar-15	Japan	Mar-15	South Korea	Mar-15
Colombia	Jan-16	Malaysia	Mar-15	Spain	Jun-17
Czech Republic	Nov-17	Mexico	Nov-15	Sweden	Sep-17
Denmark	Sep-17	Netherlands	Nov-17	Switzerland	Oct-17
Finland	Aug-17	Norway	Sep-17	Thailand	Mar-15
France	Jun-17	Peru	Jan-16	Turkey	Nov-17
Germany	Jul-17	Philippines	Mar-15	UK	Nov-17
				Vietnam	Mar-15

## What methodology has been used?

Finaccord's surveys of the provision of creditor insurance by lending institutions across the 40 countries (plus bill protection cover in 20 of the European countries plus Canada) is focused on all significant actual and potential distributors in each territory. The research embraces the following information:

- whether creditor insurance is marketed to borrowers (and bill protection cover to households in 20 of the European countries plus Canada)?
- if so, in association with which underlying lending products (and household services in 20 of the European countries plus Canada)?
- if so, which risks are covered (e.g. death, permanent disability, critical illness, temporary incapacity and / or unemployment?)
- if so, how... through an external underwriter, multiple external underwriters, an external broker, a joint venture underwriter, a captive underwriter or a combination of these models?
- if so, who are the partners used for each product category?

As such, and combined with additional secondary research into evolution of underlying lending markets plus insurance product and distribution innovation, this constitutes the most thorough and comprehensive research into the subject available for the 40 countries in question.

## What is the structure of the reports?

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

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

*Market analysis:* an in-depth analysis of the market for creditor insurance in each country including: introduction to the banking sector; analysis of the consumer mortgage, consumer finance and credit card markets; investigation into availability of creditor insurance from lending institutions and risks typically covered (e.g. death, permanent disability, critical illness, temporary incapacity and / or unemployment); overview of operating models used for provision of creditor insurance; analysis of the weighted share of partnerships of underwriters; review of alternative distribution channels used for creditor insurance (e.g. direct sales, mortgage brokers, independent intermediaries); size, segmentation and growth rate of gross premiums written for creditor insurance with historic and forecast data spanning nine years (e.g. 2013 / 2017 / 2021 and 2012 / 2016 / 2020 for reports published in 2017 and 2018, respectively.).

In addition, for 20 of the European countries included in this series plus Canada, the market analysis within the updated studies published in 2017 also includes coverage of bill (lifestyle) protection insurance that can be linked to household energy, water or telecoms bills with similar data to that outlined above also provided for this type of cover.

## What are the key features of the research?

Key features of the reports in this series include:

- quantification of the value and growth of premiums for these types of insurance with a historic and forecast timeline spanning nine years: how much is this market likely to be worth in each country and what is its future development potential?
- segmentation of this market both by underlying product type (differentiating between mortgages, point-of-sale automotive finance, other consumer finance, credit card loans and, for 20 of the European countries plus Canada, bill protection) and by type of cover (differentiating between cover for death / permanent disability / critical illness and temporary incapacity / unemployment);
- consideration of the operating models used for these insurance types: how advanced is the use of captive and joint venture underwriters by lending institutions in each country?
- calculation of weighted provider share of partnerships: Finaccord's unique quantitative analysis helps to identify which underwriters hold the distribution relationships that offer the most potential for creditor insurance (and, for 20 of the European countries plus Canada, bill protection insurance);
- investigation into alternative distribution channels for selling these types of insurance: to what extent are other types of intermediary active in this arena and do insurers market these sorts of cover directly to consumers?

## How can the research be used?

You may be able to use the reports in this series, plus the PartnerBASE™ datasets and market data files that accompany them, in one or more of the following ways:

- appreciate the magnitude of the opportunity for these insurance types in each country and how this breaks down between policies cross-sold in conjunction with mortgages, point-of-sale automotive finance, other consumer finance and credit cards (plus household bills in 20 of the European countries plus Canada);
- identify partnership opportunities for creditor (and lifestyle protection) insurance and prioritise these according to their potential as defined by the size of distributors' retail customer base;
- understand the supply structure for these types of insurance in each country and whether specialists are winning business by virtue of their focused approach;
- assess the extent to which the provision of temporary incapacity and unemployment modules within creditor (and lifestyle protection) insurance policies is commonplace in different countries;
- gain insight into the presence of leading protagonists in this arena including AIA, Allianz, AXA Partners, BNP Paribas Cardif, Chubb, CNP, Crédit Agricole Assurances, Generali, MetLife and Société Générale Insurance.

# How can the PartnerBASE™ be used?

Select country

Choose product type

Identify insurance providers

Organisation	Country	Category	Product type	Product offered?	Operating model	Partner(s)
IberCaja	Spain	Bank	<del>Bill payment protection</del>	No	External underwriter	Caser
IberCaja	Spain	Bank	Creditor insurance - consumer finance	Yes		
IberCaja	Spain	Bank	Creditor insurance - credit cards	No		
IberCaja	Spain	Bank	Creditor insurance - mortgages	Yes	External underwriter	Caser
Iberdrola	Spain	Telecoms / utilities firm	Bill payment protection	Yes	External underwriter	MetLife
Iberdrola	Spain	Telecoms / utilities firm	Creditor insurance - consumer finance	n/a		
Iberdrola	Spain	Telecoms / utilities firm	Creditor insurance - credit cards	n/a		
Iberdrola	Spain	Telecoms / utilities firm	Creditor insurance - mortgages	n/a		

Look up specific organisations

Choose operating model

*Note - The PartnerBASE™ also includes fields showing the approximate number of retail customers of each organisation, its UHC (where part of a major group) and the UHCs that own or co-own (in the case of joint ventures) the partners used for each product type.*

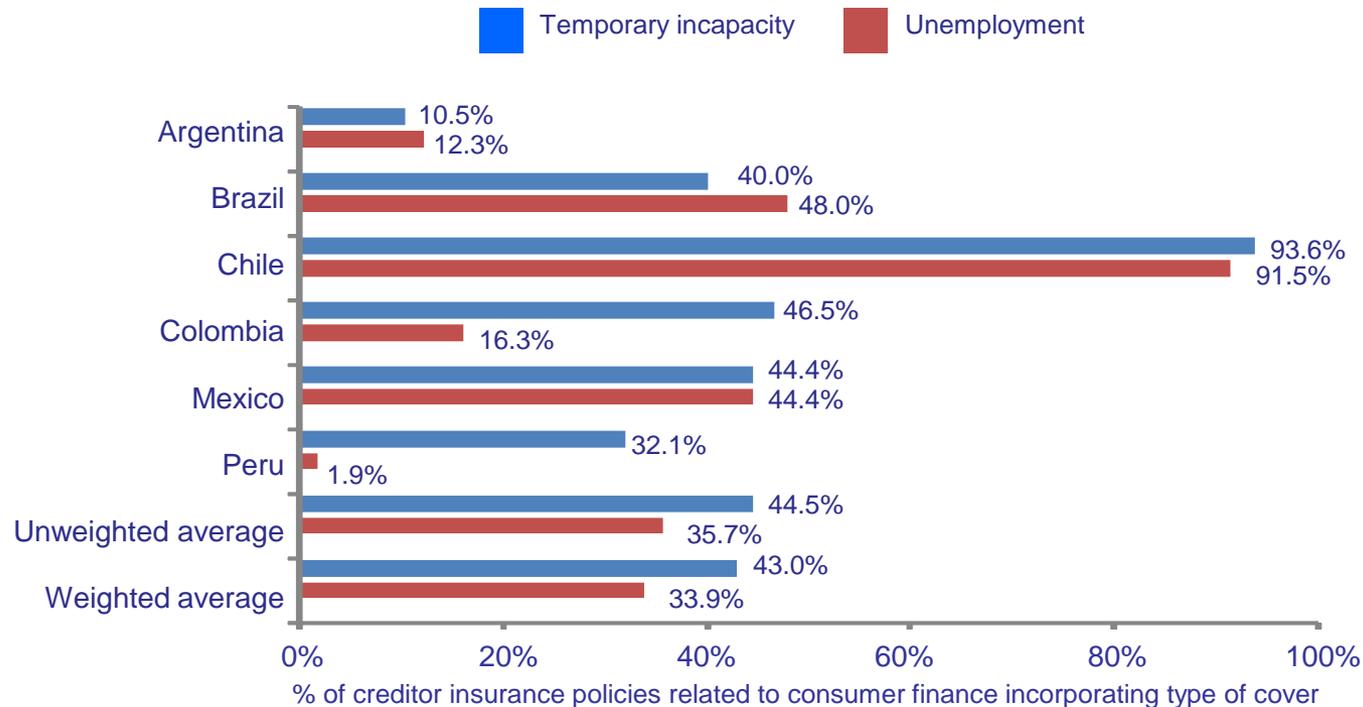
**Source: Finaccord Creditor Insurance PartnerBASE™**

## Who can use the research?

1. *Insurance providers:* this research is a unique guide to a valuable segment of the personal insurance market in each country - be fully appraised of what developments in creditor and lifestyle protection insurance markets could mean for your organisation;
2. *Providers of third-party administration services:* due to its specialised characteristics, insurers sometimes outsource the administrative processes associated with these insurance types, thereby creating opportunities for third-party providers;
3. *Banks and other lending institutions:* how does your organisation's ability to cross-sell creditor insurance to individual borrowers compare with its peer group and could you use a captive insurer to underwrite third-party creditor risks?
4. *Regulatory and trade bodies:* appreciate market and competitor dynamics across multiple countries from an authoritative, comprehensive and transparent information source about this subject for which reliable data is otherwise hard to find;
5. *Management consultancies:* are you helping an insurance company with its bancassurance strategy or evaluating how it can develop in creditor or lifestyle protection insurance? Understand the current status of these types of insurance, saving time and effort on researching the subject yourself.

# What are some of the key findings?

**1. In Latin America, fully-fledged creditor insurance policies covering one or both of temporary incapacity and unemployment are most widespread in Chile but are least apparent in Argentina**

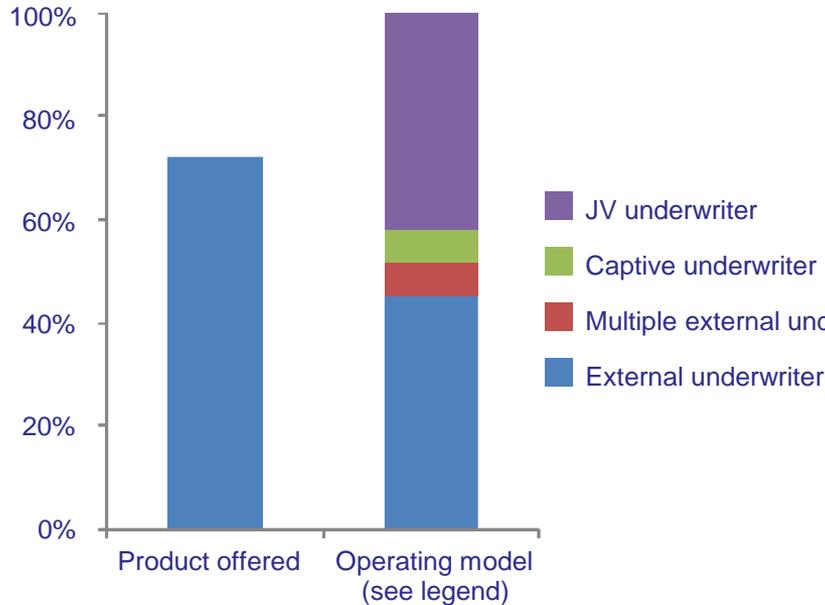


Source: Finaccord analysis

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

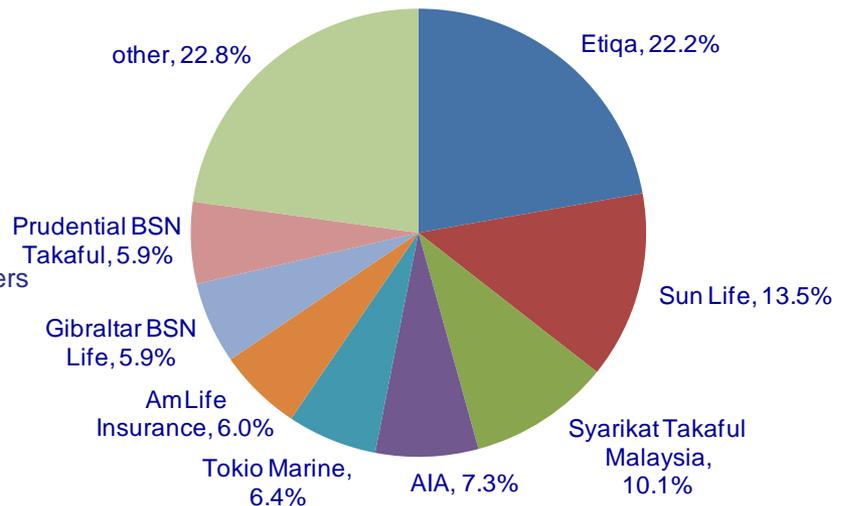
## 2. Eight underwriters are likely to account for over three quarters of the value of creditor insurance related to consumer finance in Malaysia

**CREDITOR INSURANCE RELATED TO CONSUMER FINANCE IN MALAYSIA: BANK PROVISION RATE AND OPERATING MODELS**



Source: Finaccord Creditor Insurance PartnerBASE™

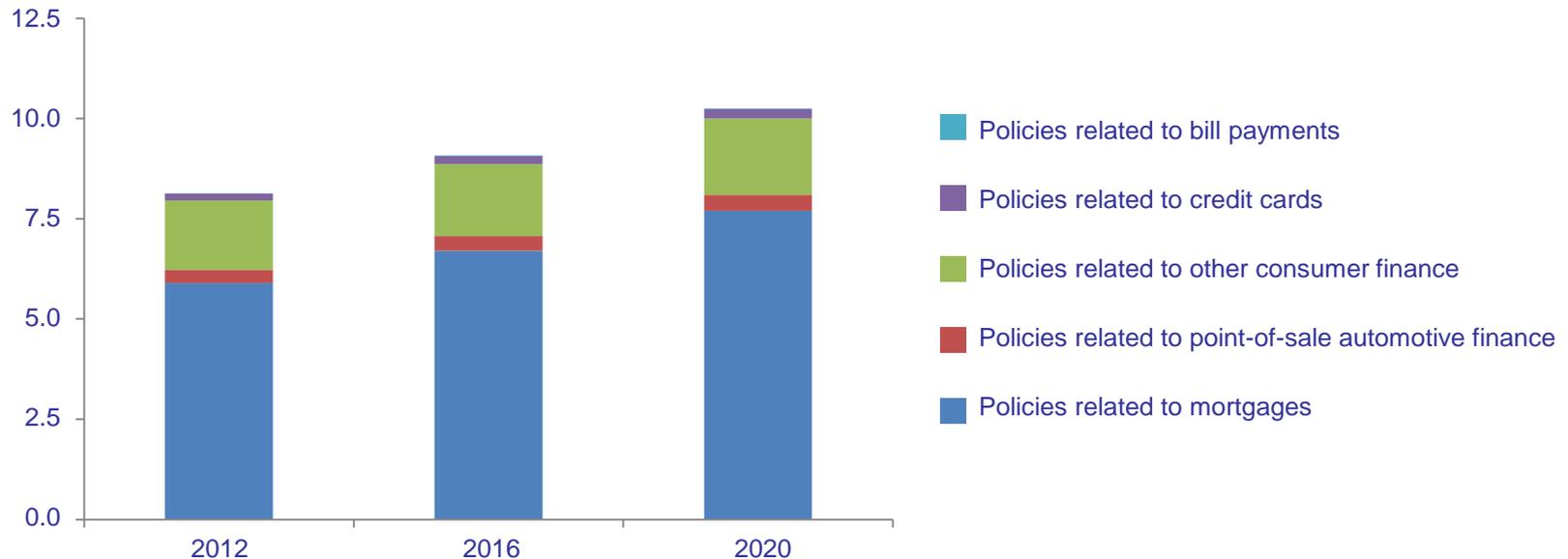
**CREDITOR INSURANCE RELATED TO CONSUMER FINANCE IN MALAYSIA: WEIGHTED PROVIDER SHARES OF BANCASSURANCE PARTNERSHIPS**



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

**3. Dominated in value terms by mortgage-related policies, the market for creditor insurance in France has continued to grow at a steady pace in recent years and is forecast to carry on doing so**

Gross premiums written (EUR billion)



Source: Finaccord Creditor and Lifestyle Protection Insurance in Europe Model

## What are the prices?

Reports in this series are available as standard PDF documents. The PartnerBASE™ datasets and market data files that accompany them at no further charge are in Excel format. Prices for these reports are as follows:

<b>CREDITOR (AND LIFESTYLE PROTECTION) INSURANCE IN...</b>					
Argentina	USD 895	Greece	USD 895	Portugal	USD 1,195
Asia-Pacific Region	USD 4,195	Hong Kong	USD 895	Romania	USD 1,195
Austria	USD 1,195	India	USD 895	Russia	USD 1,395
Belgium	USD 1,195	Indonesia	USD 895	Slovakia	USD 1,195
Brazil	USD 895	Italy	USD 1,395	South Africa	USD 895
Canada	USD 1,395	Japan	USD 895	South Korea	USD 895
Chile	USD 895	Latin America	USD 2,795	Spain	USD 1,395
China	USD 895	Malaysia	USD 895	Sweden	USD 1,195
Colombia	USD 895	Mexico	USD 895	Switzerland	USD 1,195
Czech Republic	USD 1,195	Netherlands	USD 1,195	Thailand	USD 895
Denmark	USD 1,195	Norway	USD 1,195	Turkey	USD 1,195
Europe	USD 8,395	Peru	USD 895	UK	USD 895
France	USD 1,395	Philippines	USD 895	Vietnam	USD 895
Germany	USD 1,395	Poland	USD 1,195		

*For Singapore-based clients, GST at the prevailing rate will be added to the basic price.*

*Costs quoted are for a single site user licence only.*

*For a corporate user licence, please see the next slide for further details.*

*Invoices can be paid in EUR or GBP, at the prevailing exchange rate, if preferred.*

## **Does Finaccord have any consumer research on this subject?**

Yes, we do. The reports listed below are based exclusively on consumer research commissioned by Finaccord and covering a representative sample of respondents in each country covered. These will be helpful for understanding other metrics such as consumers' usage of distribution channels and claims frequency, as well as take-up rates. Again, a separate series prospectus and set of tables of contents are available for these which can be downloaded either from the relevant pages of the Finaccord website or by contacting Finaccord directly.

Creditor Metrics: Consumer Approaches to Loan and Bill Protection Insurance in Selected Global Markets	USD 4,195
Creditor Metrics: Consumer Approaches to Loan and Bill Protection Insurance in Australia	USD 1,195
Creditor Metrics: Consumer Approaches to Loan and Bill Protection Insurance in Canada	USD 1,195
Creditor Metrics: Consumer Approaches to Loan and Bill Protection Insurance in France	USD 1,195
Creditor Metrics: Consumer Approaches to Loan and Bill Protection Insurance in Germany	USD 1,195
Creditor Metrics: Consumer Approaches to Loan and Bill Protection Insurance in Italy	USD 1,195
Creditor Metrics: Consumer Approaches to Loan and Bill Protection Insurance in Spain	USD 1,195
Creditor Metrics: Consumer Approaches to Loan and Bill Protection Insurance in the USA	USD 1,195

## 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](mailto:order@finaccord.com), clearly stating the product(s) required, associated price(s) and billing details for eventual invoice or card payment receipt.