

Travel Insurance and Assistance in Latin America

Report Prospectus

November 2016

Prospectus contents

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What is the research?

Finaccord's report titled *Travel Insurance and Assistance in Latin America* investigates the market for stand-alone travel insurance and assistance in six countries, namely, Argentina, Brazil, Chile, Colombia, Mexico and Peru. This market is estimated by Finaccord to have been worth almost USD 740 million in gross written premiums in 2015 and its value has proved to be resilient in spite of a challenging economic environment in some of the countries in scope. Moreover, the competitive and distribution dynamics of the market continue to evolve with new channels emerging and partnerships with major distributors subject to regular change.

For the research, Finaccord investigated the distribution partnerships of over 900 travel trade, transportation and financial organisations across the region; it also analysed systematically the involvement in travel insurance in each country of other key distributor categories including automotive clubs, direct sales, online aggregators and brokers, other online brands, and retailers.

The report, which represents an update and expansion to previous Finaccord studies on the subject is accompanied by an Excel PartnerBASE™ dataset that details the travel insurance partnerships of each of the travel trade, transportation and financial organisations covered, plus a convenient market data annexe, also in Excel format.

What methodology has been used?

Finaccord's investigation into the travel insurance and assistance market in Latin America draws on several sources. First, the size, segmentation and dynamics of the underlying travel market are analysed, developing standardised data for the number of overseas trips in each country between 2011 and 2015, split between holiday and business travel and (for one year) by destination.

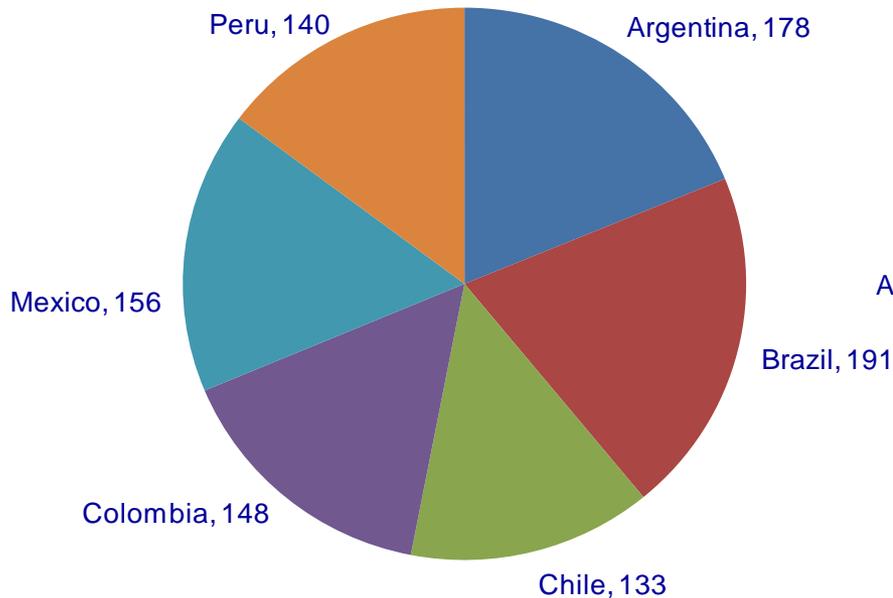
A further element is the extensive survey of the most important travel trade, transportation and financial organisations across this region. These were investigated during the third quarter of 2016 to find out the following information: if they distribute travel insurance and assistance policies; if so, what operating model is used (e.g. external underwriter, external broker, captive underwriter etc.); and if so, who their insurance partner(s) is / are.

These organisations include airlines, banks, coach / ferry / railway operators, insurance brands, online travel specialists plus specialised card providers and lenders, as well as mainstream travel agents and tour operators, thereby offering comprehensive coverage of these major distribution categories.

Finally, Finaccord combines the results of this survey with any public disclosures made by leading underwriters of travel cover in each country (or by national insurance trade associations or similar sources) in order to estimate the market shares of underwriters in 2015 with these data points expressed as a percentage range (e.g. 5.0% to 7.5%).

How do organisations surveyed break down?

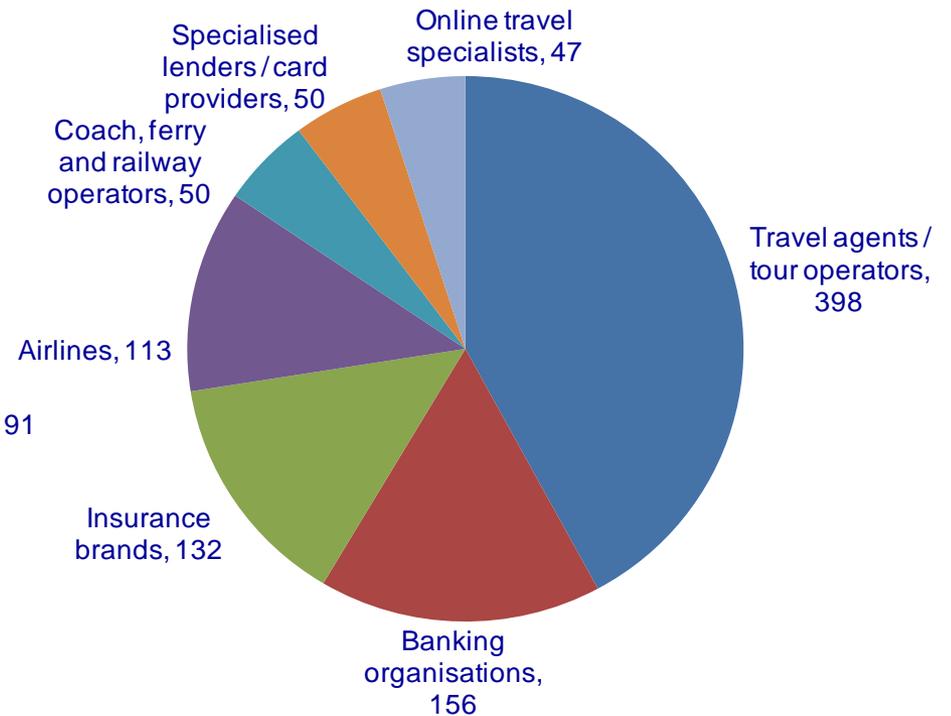
Segmentation by country



Note – airlines are counted for each country in which they operate

Source: Finaccord analysis

Segmentation by type of firm



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 travel insurance and assistance in Latin America including: data spanning 2011 to 2015 for the underlying travel market with segmentations by destination and by type of trip, and for the size of the market for stand-alone travel insurance and assistance in terms of premiums and policies, with a segmentation between single-trip and annual cover; analysis of the supply structure for travel insurance and assistance including market share estimates; and forecasts for market drivers, values and volumes to 2019.

3. *Argentina*: an in-depth study of the market for travel cover in Argentina including: data spanning 2011 to 2015 for the underlying travel sector and for the value and volume of the stand-alone travel insurance and assistance market with similar segmentations to those in the overview chapter; analyses of the share of distribution relationships of travel insurance providers split between travel trade, transportation and financial organisations; a review of other direct and affinity distribution channels; market share estimates for the leading ten underwriters; and forecasts to 2019.

4 - 8: *Brazil, Chile, Colombia, Mexico, Peru* (structure as for Argentina).

What are the key features of the research?

Key features of this report include:

- quantification of the market size and segmentation for travel insurance and assistance across six countries: how much is the market worth and where is it forecast to grow most quickly?
- segmentation of travel insurance policies between single-trip and annual policies: to what extent are annual policies on the rise and what are the obstacles to their growth?
- competitor share of partnerships by number of relationships: which providers of travel insurance and assistance policies have the most relationships with travel trade and transportation entities, which have been most successful with financial organisations and how does this vary by country?
- estimated market shares of the leading travel insurance underwriters in each country and across Latin America as a whole expressed as a percentage range (e.g. 5.0% to 7.5%): what is the ranking of the market leaders across the six countries combined?
- availability of an accompanying PartnerBASE™ dataset that includes every travel insurance partnership traced by Finaccord across over 900 key distributors, plus a market data annexe, both in Excel format.

How can the research be used?

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

- compare the size of stand-alone travel insurance and assistance markets across Latin America, their growth rates (since 2011) and their future prospects (to 2019);
- through the analysis of underwriter market shares in each country, understand the supply structure for travel insurance and assistance, the operating models in use, the level of market concentration and the relative importance of national versus international companies;
- appreciate the potential for establishing distribution relationships across a broad range of partner categories and view what the different competitors are doing in this context;
- gain access to a comprehensive source of information that covers distribution through over 900 actual and potential distributors including airlines, banks, coach / ferry / railway operators, insurance brands and specialised lenders, plus both traditional and online travel trade entities;
- use the unique statistics contained in the market data annexes to develop your own analyses and presentations on this subject.

How can the PartnerBASE™ be used?

TRAVEL INSURANCE AND ASSISTANCE

Organisation	Category	Country	Offered?	Operating model	Immediate partner(s) / brand(s)	UHC(s)
Over Turismo Internacional	Travel trade	Colombia	Yes	External underwriter	Assist-Card / STARR International	STARR, STARR
Pacifico Seguros	Financial	Peru	Yes	Internal	Pacifico Seguros	Credicorp
Pakki	Travel trade	Mexico	Yes	External underwriter	Travel Ace Assistance	Grupo IMAS
Palanisa	Travel trade	Chile	Yes	External underwriter	Travel Ace Assistance	Grupo IMAS
Paracas Tours	Travel trade	Peru	Yes	External underwriter	MAPFRE Asistencia	MAPFRE
Paradise Turismo	Travel trade	Brazil	Yes	External underwriter	APRIL / QBE	APRIL Group, QBE

Search by organisation (points to Organisation column)
Select country (points to Country column)
Identify ultimate holding companies (points to UHC(s) column)
Filter by category (points to Category column)
See operating model (points to Operating model column)
View partners (points to Immediate partner(s) / brand(s) column)

What does the market data annexe deliver?

Variable (and units)	2011	2012	2013	2014	2015	CAGR 2011 to 2015 (nominal)	CAGR 2011 to 2015 (real)	2019	CAGR 2015 to 2019 (nominal)	CAGR 2015 to 2019 (real)
GDP (USD billion)	148	160	172	181	192	6.8%		242	5.9%	
Holiday trips (million)	1.77	1.91	1.97	2.04	2.18	5.3%		2.44	2.9%	
Business trips (million)	0.36	0.39	0.39	0.40	0.42	3.5%		0.43	1.0%	
Total trips (million)	2.13	2.30	2.36	2.44	2.59	5.0%		2.87	2.6%	
Number of single-trip policies (000s)	125	146	161	177	195	11.9%		269	8.4%	
Number of annual policies (000s)	5	5	6	6	7	11.0%		9	7.5%	
Total number of policies (000s)	129	151	167	183	202	11.9%		278	8.3%	
Total GWP (USD million)	10.5	12.3	13.7	15.5	17.8	14.1%	11.5%	26.0	10.0%	7.8%

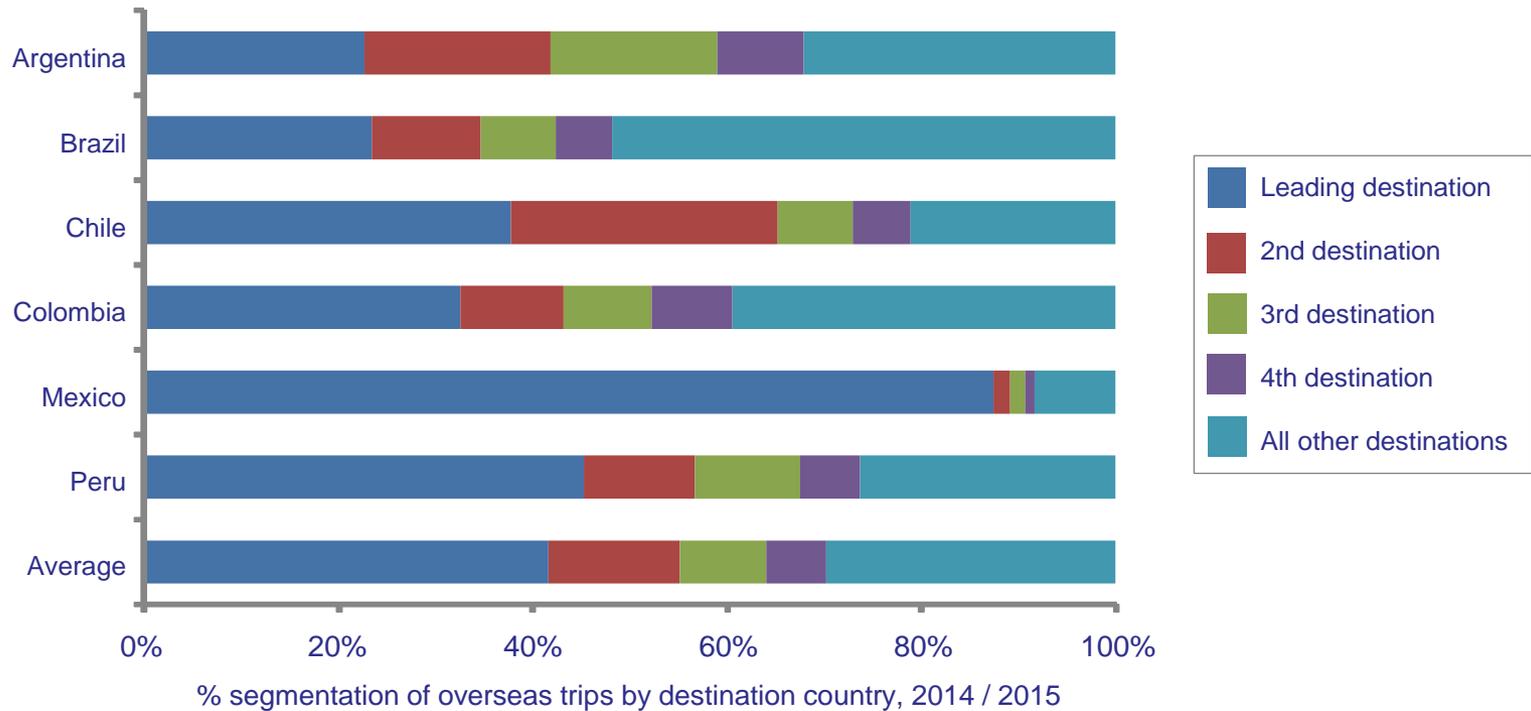
For each country, the market data annexe provides data similar to that shown above plus GDP and total GWP in local currency and related information such as population and national GDP. This annexe can be used as a convenient source of data already in Excel format which means that there is no need for users to re-enter data from the PDF report into their own Excel worksheets.

Who can use the research?

1. *Specialist travel insurance and assistance companies:* this study is a comprehensive source of information about Latin America, giving detailed and up-to-date information for six countries;
2. *Multi-line insurers:* although specialist providers dominate travel trade distribution, there are opportunities for other insurers to gain market share by using other channels, and this report provides guidance about these possibilities;
3. *Travel companies and other existing or potential travel insurance intermediaries:* sales of travel insurance are shifting away from traditional travel agents and tour operators - this report helps you plan how to respond to this and to consider what might be the channels of the future;
4. *Banking institutions and other card issuers:* evaluate the attractiveness of offering travel insurance as a stand-alone product or as an enhancement to payment cards or bank accounts;
5. *Management consultancies:* are you helping a travel company, assistance firm or insurer with its future plans for the travel insurance and assistance market in Latin America? Save time researching the subject yourselves by accessing this publication.

What are some of the key findings?

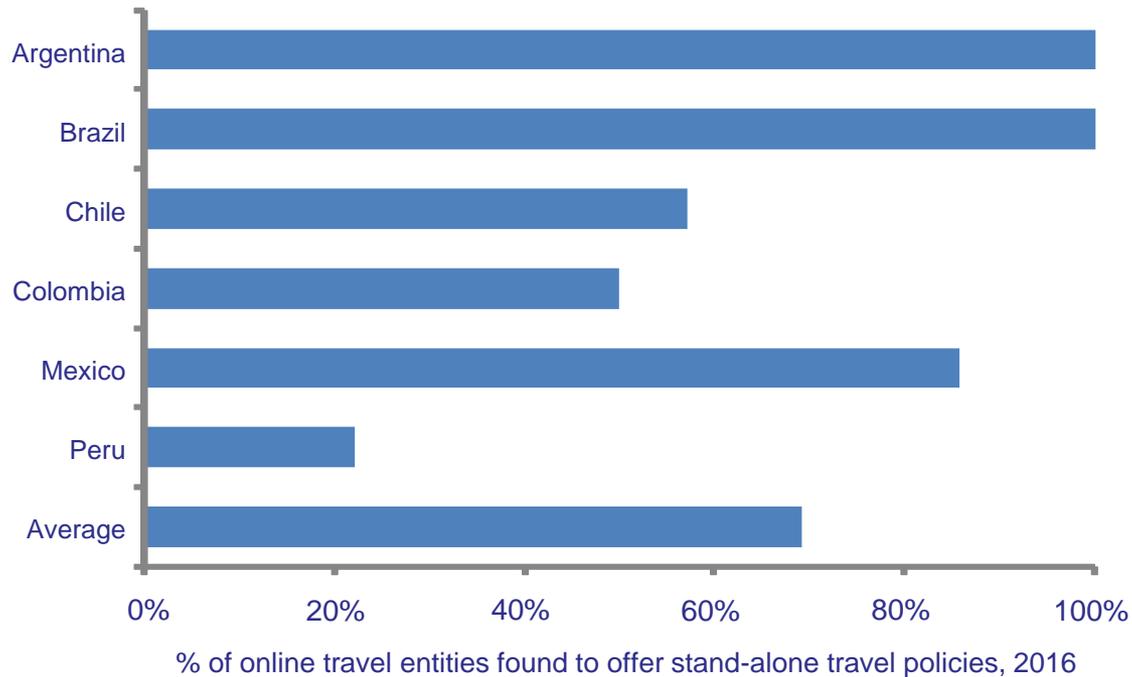
1. Brazilian travellers make overseas visits to the most varied range of countries while travellers from Mexico are most focused on a single destination



Source: Finaccord analysis

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

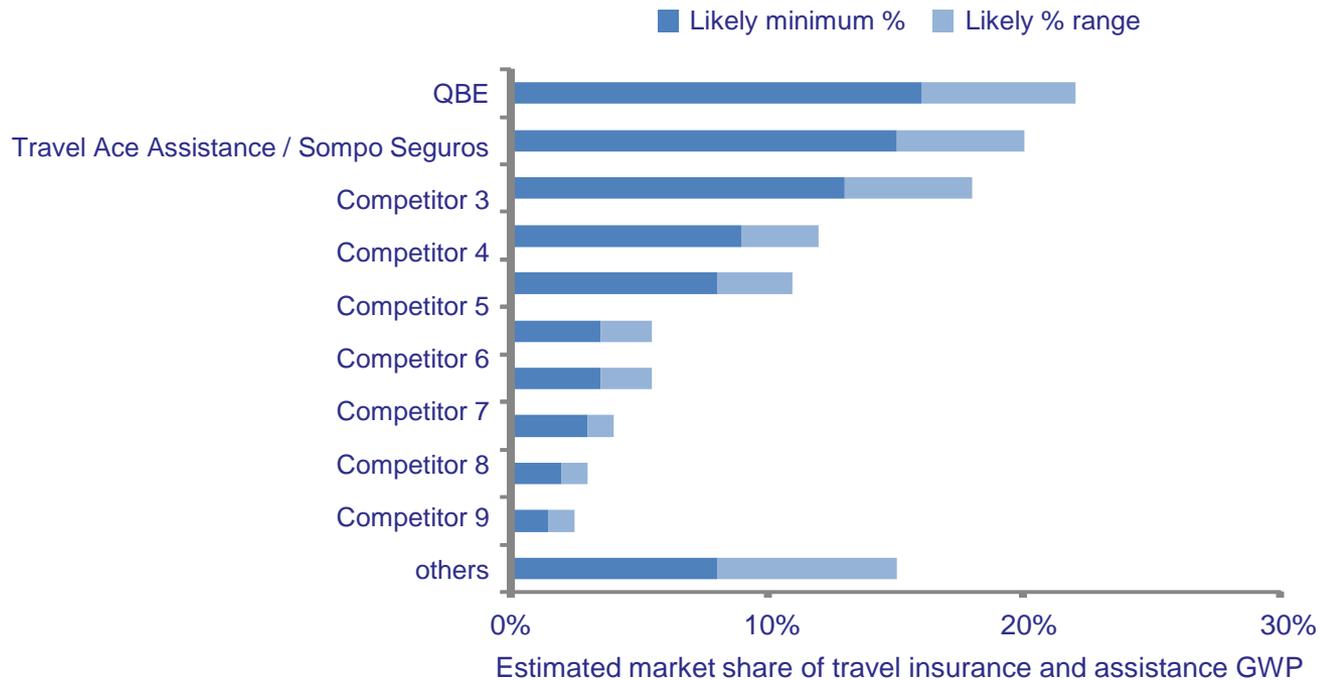
2. All online travel portals researched in Argentina and Brazil distribute travel cover but only a minority in Peru do so



Source: Finaccord PartnerBASE for Travel Insurance and Assistance in Latin America

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

3. QBE and the duo of Travel Ace Assistance and Somo Seguros are likely to vie for leadership in Brazil's travel insurance market



Source: Finaccord analysis

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

4. Key findings from the executive summary include:

- across the six countries combined, the number of foreign trips (lasting one night or more) rose from 36.4 million in 2011 to 46.2 million in 2015 – this equates to compound annual growth rate of 6.1% during this period;
- the number of travel policies sold in Colombia rose at a compound annual rate of 11.3% during the same period and other markets that made relatively strong progress by the same measure were Mexico and Chile, with equivalent respective rates of 7.3% and 6.2%;
- Assist-Card is the leading group in Latin America's market for stand-alone travel insurance and assistance, and it is likely to be followed by Grupo IMAS (the owners of the Travel Ace Assistance and Universal Assistance brands) and then, at a distance, by those of AXA, MAPFRE and APRIL Group;
- across the six countries, gross written premiums from stand-alone travel cover are forecast to increase at a slower real compound annual rate of 5.2% between 2015 by 2019 than they did between 2011 and 2015 for which the equivalent rate was 8.3%.

What is the cost and format?

Travel Insurance and Assistance in Latin America is available as a standard PDF document. The PartnerBASE™ and market data annexe that accompany it at no further charge are in Excel format. Costs for this research set and other multi-country or related titles on the same subject are as follows:

REPORT	PRICE *
Travel Insurance and Assistance in Latin America	USD 2,795
Global Airlines: Strategies in Travel Insurance and Co-Branded Cards	USD 1,395
Global Business and Corporate Travel Insurance and Assistance: A Worldwide Review	USD 4,195
International Health Insurance for Expatriates and Students: A Worldwide Review	USD 3,495
Travel Insurance and Assistance in the Asia-Pacific Region	USD 4,195
Travel Insurance and Assistance in Europe	USD 8,395
Travel Insurance and Assistance in the GCC Countries	USD 2,795
Travel Insurance and Assistance in South Africa	USD 1,195
Travel Metrics: Consumer Approaches to Travel Insurance and Assistance in Selected Global Markets	USD 8,395

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.

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.