

New Market Research

EUROPEAN NON-LIFE BANCASSURANCE REVIEW 2007



In all European markets, the distribution of non-life insurance remains dominated by agents and brokers, with, in some countries, such as the United Kingdom, Germany and Belgium, an increasing part coming through direct distribution. However, there is a trend towards the development of non-life bancassurance, with some bancassurers achieving impressive growth.

In 2005, bancassurance outperformed non-life insurance market growth in most European countries and as a result, the market share of non-life bancassurance increased in all countries under review. This trend continued in 2006.



Scope of the Report

After the success of our annual reports on European Life Bancassurance and of our first edition of the European Non-Life Bancassurance Review, this report is the second edition of Milliman European Non-Life Bancassurance Review. In this report, based on an extensive research of the non-life activity of the main European retail banks, we analyse the latest trends and developments in non-life

bancassurance, the successful business models implemented, the banks' competitive advantages in the non-life insurance market and the key success factors for a further development of bancassurance in the non-life market.

For each country covered in the report – the United Kingdom, Germany, France, Spain, Italy and Belgium - we provide an overview of the non-life bancassurance market and an analysis of the strategy of the main non-life bancassurance players. The report also includes an analysis of the main non-life bancassurers in Portugal.

Prepared by Milliman's experienced European insurance consulting team, the report provides essential information on key features and trends in European non-life bancassurance.

Key Findings

- In recent years, bancassurance outperformed non-life market growth in most European countries and as a result, the market share of non-life bancassurance increased in all countries under review.
- Bancassurers strengthened their position in the home insurance market which is the core non-life bancassurance market in most European countries and disclosed ambitious development plans in the motor insurance business, especially in France and in Spain.
- As for life bancassurance, banks have implemented a variety of models for non-life insurance, from fully integrated ones to distribution partnerships only. The analysis of the business models implemented by leading players across Europe shows that fully owned subsidiaries and joint-ventures are the dominant business models.
- The key competitive advantages of banks in the non-life market include their large branch networks and relatively loyal customer bases which allow efficient cross-selling and marketing processes.
- However, these competitive advantages are not always sufficient to develop in more complex markets such as motor, health or long-term care insurance. To further develop in the non-life insurance market bancassurers will have to segment their product offering better, implement more efficient underwriting, and improve the training and support delivered to bank advisers.
- In the United Kingdom, bancassurers' market share strongly increased in the distribution of personal lines. All main banking groups are involved in the non-life insurance market but they generally have multi-channel multi-brand strategies and sometimes tend to favour direct distribution or corporate partnerships over distribution through banking networks.
- In Germany, bancassurers' market share in personal lines has gradually increased over recent years. There is an increasing acceptance of newer distribution channels, with brokers, banks and the Internet usually shown as having the greatest growth potential.
- In France, bancassurers strengthened their position in the home and motor insurance markets and disclosed ambitious development plans for the coming years.
- In Spain, bancassurers' market share has steadily developed over the last six years. Bancassurance maintains a strong position in the home insurance market and is seen to have a high growth potential in the motor insurance market.
- In Italy, bancassurance plays a more marginal but increasing role in the distribution of non-life insurance products. A number of new ventures have been set up in 2005 and 2006 and this, combined with the strong bancassurance culture in Italy, should drive the development of this distribution channel.

- In Belgium, bank and insurance activities are closely integrated in large financial conglomerates. The distribution of non-life insurance products remains dominated by brokers and agents. However, bancassurers are increasing their market shares in some individual business lines.
- In Portugal, in an almost flat market, the leading bancassurers registered double digit growth rates.

Why You Need This Report

This report provides a unique in-depth analysis of European non-life bancassurance, based on an extensive research of the non-life activity of Europe's largest retail banks. It analyses the latest trends and key success factors in non-life bancassurance and how bancassurers can further develop in more complex markets such as motor insurance, health insurance or long-term care.

The report also provides detailed information on the non-life bancassurance markets in the United Kingdom, Germany, France, Spain, Italy, Belgium as well as an overview of Portugal, including an analysis of the leading bancassurers.

Report Contents

Our report analyses the non-life bancassurance markets in Europe focusing on four areas:

- What are the latest trends and developments?
- What are the successful business models?
- What are banks' key competitive advantages in the non-life insurance market?
- How can bancassurers further develop in the non-life insurance market?

We also provide an analysis on the non-life bancassurance markets in the United Kingdom, Germany, France, Spain, Italy and Belgium. For each country, the report provides:

- Non-life insurance market statistics;
- Non-life bancassurance market statistics;
- Ranking of the main non-life bancassurers;
- Case studies of leading non-life bancassurers.

Cost

The price of the report is € 750 (excluding VAT).

Target Audience

Europe-wide, bancassurance is the most significant distribution channel for the life and pensions industry and is a growing channel for non-life insurance. Whether you are an active player in it, analyse it, compete with it, or simply want to understand its dynamics, this report is essential for you and your business.

To order the report or to obtain further details please contact your local Milliman consultant or:

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Unit-Linked Product Trends and Opportunities in Europe, including a special feature on variable annuities

Published November 2006 – Cost: € 750

Life and Pensions Opportunities in Central and Eastern Europe–

Published: June 2006 – Cost €: 4,800

European Life Bancassurance Review 2006 –

Published: April 2006 – Cost: € 650

Market Profile: Individual Life and Pensions in Spain –

Published April 2006 – Cost: € 750

** Note prices shown are exclusive of VAT*

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