

Home Assistance Metrics:

Consumer Approaches to Home Emergency Insurance in Selected Global Markets

Series Prospectus

October 2019

Prospectus contents

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What is the research?

Finaccord's *Home Assistance Metrics* series of reports offers detailed insights into the behaviour of consumers in the context of home emergency insurance and assistance (including home protection / repair plans and warranties). It is based on a survey of over 13,000 consumers in Australia, Brazil, Canada, China, France, Germany, Italy, Spain, the UK and the US carried out in the third quarter of 2019

Comprising both analytical reports and convenient data files in Excel format, the research quantifies the proportion of consumers who hold home emergency cover, segmented by gender, age, annual household income, home ownership status and employment status, and according to whether they have acquired regular home insurance or not. It also investigates the types of policy that they acquire (e.g. insurance, warranties or repair plans for air conditioning units, electrical emergencies or faults, problems related to gas boilers or furnaces, problems related to plumbing or water supply, or more comprehensive policies covering two or more of these elements), and the distribution channels and interfaces that they use to take out such cover. Distribution channels include packaging with regular home insurance or banking products plus (for stand-alone policies) direct sales by insurance or assistance companies (including tied agents, where relevant), sales through electricity, gas or water companies, sales through product / system manufacturers, and sales via insurance aggregators or brokers / independent agents; distribution interfaces include face-to-face, online, inbound phone, outbound phone and postal sales.

Finally, the reports analyse frequency of calls for assistance using home emergency cover split not only by gender, age and annual household income but also between stand-alone and packaged cover, thereby highlighting importance differences in the propensity to use home assistance policies by customer group.

Which titles are available?

The *Home Assistance Metrics* series is composed of 11 separate publications:

- an overview study, providing comparative analyses of the metrics gathered across all ten countries, as well as the detailed results for each individual country;
- ten country-specific titles, which are subsets of the overview, each providing the detailed results of the survey into consumer behaviour in a single country.

The titles of these reports are as follows:

[Home Assistance Metrics: Consumer Approaches to Home Emergency Insurance in Selected Global Markets](#)

[Home Assistance Metrics: Consumer Approaches to Home Emergency Insurance in Australia](#)

[Home Assistance Metrics: Consumer Approaches to Home Emergency Insurance in Brazil](#)

[Home Assistance Metrics: Consumer Approaches to Home Emergency Insurance in Canada](#)

[Home Assistance Metrics: Consumer Approaches to Home Emergency Insurance in China](#)

[Home Assistance Metrics: Consumer Approaches to Home Emergency Insurance in France](#)

[Home Assistance Metrics: Consumer Approaches to Home Emergency Insurance in Germany](#)

[Home Assistance Metrics: Consumer Approaches to Home Emergency Insurance in Italy](#)

[Home Assistance Metrics: Consumer Approaches to Home Emergency Insurance in Spain](#)

[Home Assistance Metrics: Consumer Approaches to Home Emergency Insurance in the UK](#)

[Home Assistance Metrics: Consumer Approaches to Home Emergency Insurance in the USA](#)

What is the rationale?

Finaccord has developed its *Home Assistance Metrics* series of reports in order to fill the gap for detailed and reliable data regarding consumer behaviour in the under-researched market for home emergency insurance and assistance across the ten countries in scope. Prior to publication of the original series, there had been no published information providing insights into consumer approaches to home emergency cover on an international basis, in spite of the fact that a growing proportion of households have actually acquired this type of cover in one form or another.

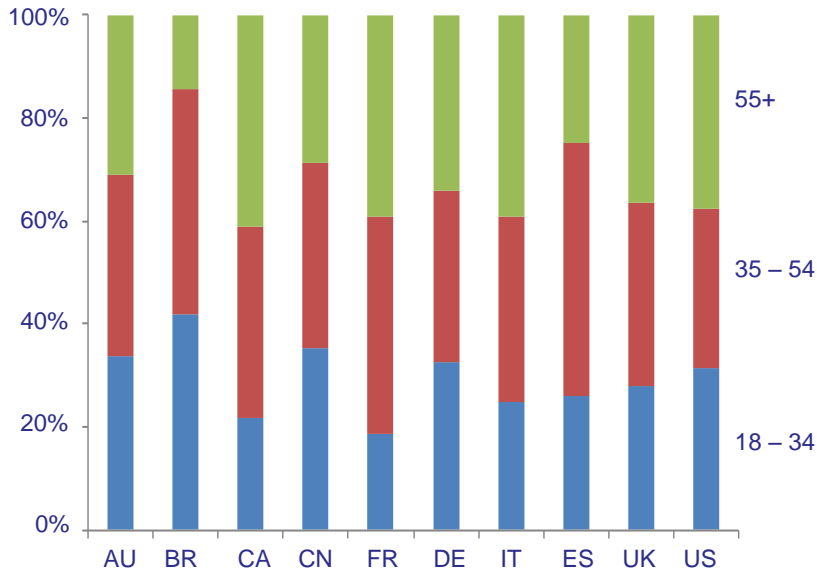
Another equally important motivation for publishing this series is that home emergency insurance and assistance, like many other forms of non-life insurance, continues to experience significant changes to the way in which it is sold. Online sales are growing in importance and affinity partners, such as electricity, gas and water companies, can be well-suited to distributing this type of policy.

Moreover, because it is a comparatively new type of product and because policies can cover different risks, the data in these studies concerning the frequency with which customers actually use their policies to summon help is also valuable; indeed, the results indicate that policyholder age is a key determinant of propensity to call for assistance, as is type of cover held. Finally, this latest series extends the previous research to new areas such as home emergency cover bought for holiday and buy-to-let properties plus ownership rates for smart home sensors.

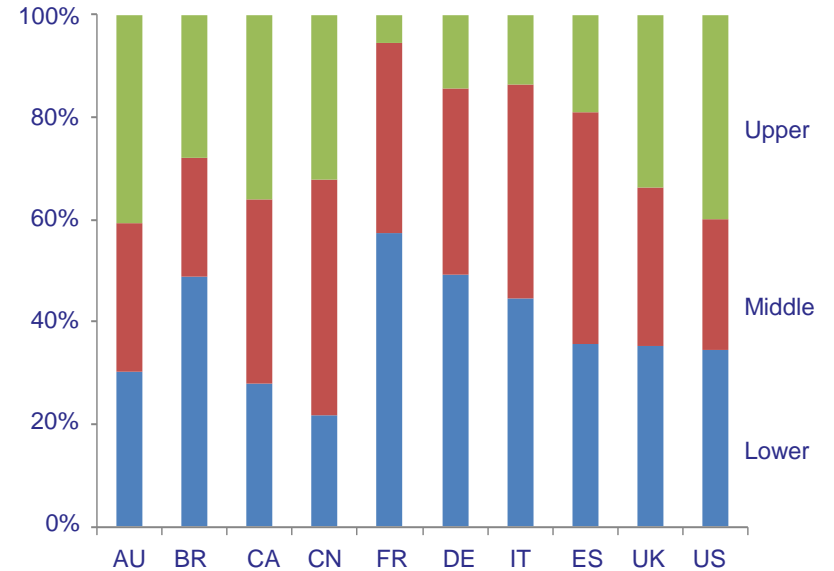
How does the consumer sample break down?

The research for this study, which covers over 13,000 consumers across ten countries, was carried out during the third quarter of 2019. A breakdown of each country's eventual sample by age and annual household income is presented below.

SEGMENTATION BY AGE



SEGMENTATION BY ANNUAL HOUSEHOLD INCOME



What is the report structure (for the overview)?

0. *Executive Summary*: providing a concise evaluation of the report's key findings.

1. *Introduction*: describing the rationale for the research.

2. *Consumer Overview*: this chapter provides a comparative analysis of the ten countries, illustrating: the proportion of respondents who, at the time of the research, held any type of home emergency insurance policy; how these policies segmented between different types of cover; how the gender, age and annual household income of respondents affected the uptake of home emergency insurance; how other factors such as home ownership status, acquisition of regular home insurance, regularity of appliance servicing and ownership of smart home sensors affected the uptake of home emergency insurance; take-up rates for home emergency cover among owners of holiday homes and buy-to-let properties; quantification of the relative importance of the possible distribution channels, namely cover included with regular home insurance and cover included with payment cards or bank accounts plus (for stand-alone policies) insurance and assistance companies (direct sales), electricity or gas companies, water companies and various other channels; quantification of the relative importance of the possible distribution interfaces, namely face-to-face, online (segmented between use of laptop / desktop computers, tablets and mobile phones), inbound phone, outbound phone and post; the proportion of policyholders who used their policy to call for assistance during the 12 months prior to the survey; the overall ratio of calls to policies; how the type of policy held plus gender, age and annual household income of policyholders affected call frequency.

3. *Australia*: this individual country chapter provides further analysis and discussion of the elements outlined above, along with some additional analyses (for example, the cross-tabulation of distribution channels and interfaces used for buying this type of cover).

4 - 12: *Brazil, Canada, China, France, Germany, Italy, Spain, the UK and the US* (all contents as for *Australia*).

13: *Appendix*: offering an outline of the methodology used, plus a full transcript of the online questionnaire.

What are the key features of the research?

Key features of the reports in this series include:

- unique analyses showing penetration rates for home emergency cover in each country, and how these percentages vary according to the socio-demographic profile of the respondent;
- accurate data describing the percentage of respondents acquiring comprehensive policies that cover several risks, and those with more limited policies that cover only specific risks (e.g. emergencies related to gas boilers or furnaces, or water- or plumbing-related incidents);
- robust statistics illustrating the ways in which home emergency and assistance policies are acquired in each country, including the key split between cover bundled with regular home insurance or banking products and stand-alone policies;
- reliable information concerning the importance of online and offline sales for stand-alone cover, including a unique split of online sales by type of device used (i.e. laptop or desktop computers, tablets or mobile phones);
- valuable insights into the regularity with which consumers service appliances such as gas boilers / furnaces and whether they have acquired different types of smart home sensor or not.

How can the research be used?

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

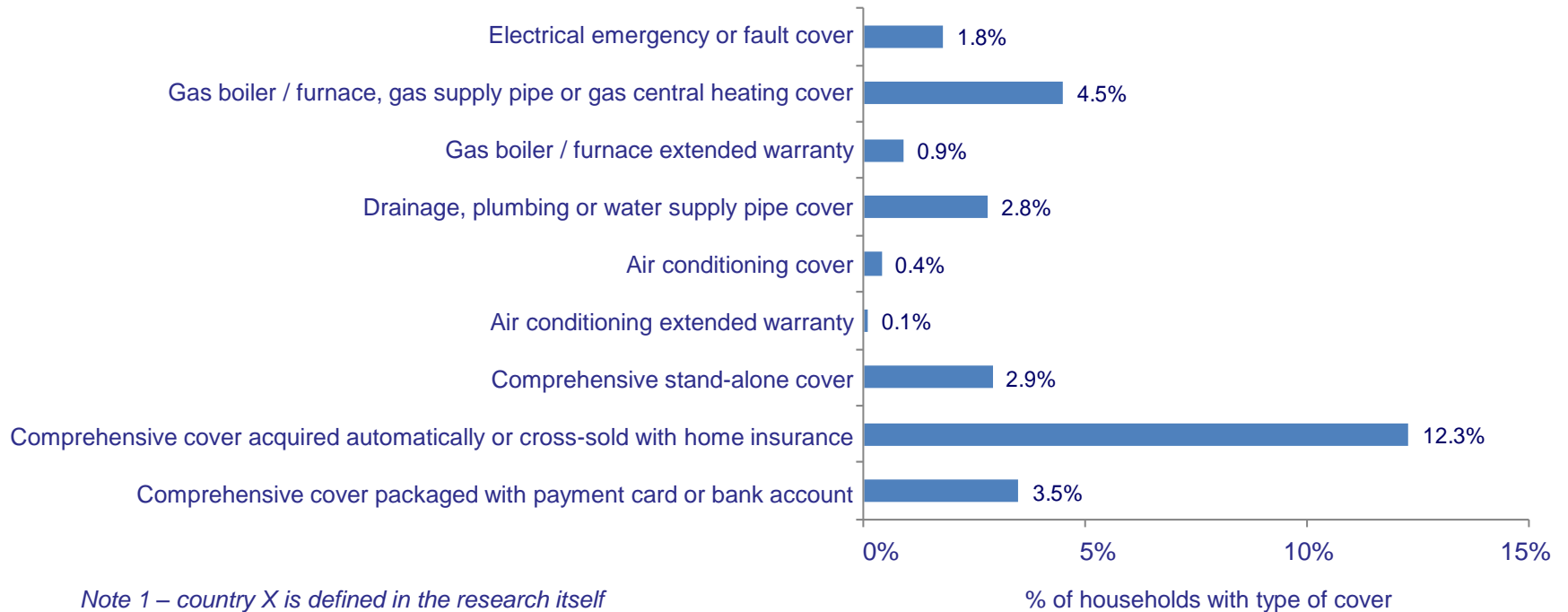
- to benchmark your organisation's performance in home emergency insurance and assistance: given current uptake in each country, could your company be selling more of this type of cover?
- to understand the different types of home emergency cover that consumers are buying and the latent sales potential as defined by the proportion of consumers that have not yet acquired such cover but that express an interest in doing so;
- to evaluate the opportunities for distributing home emergency cover through affinity and corporate partners: to what extent will consumers buy through these means?
- to assess the apparent willingness of consumers to purchase this form of cover online: given the breakdown of online sales by device type, what is the scope for marketing more effectively to this audience?
- to identify the customer segments that are most likely to acquire home emergency cover and those that use their policies most often to call for assistance: should these latter groups be charged more for their cover than less demanding customers?

Who can use the research?

1. *Insurance, assistance and warranty providers:* firms with an interest in home emergency cover in these countries will be able to arrive at a detailed understanding of the dynamics of this complex market, which can then be used for strategic planning and for negotiating new distribution partnerships;
2. *Electricity, gas and water companies:* major utilities firms will benefit from this research by appreciating the extent to which they can viably cross-sell home emergency insurance policies to their customers;
3. *Banks, payment card issuers and other consumer-facing organisations:* the results of the research suggest that there may be opportunities to develop affinity programs for home assistance through new channels. Does this represent a viable option for your company?
4. *Management consultancies:* are you helping an insurance, assistance or warranty firm or distributor of home emergency cover to improve its performance in this sector in Australia, Brazil, Canada, China, France, Germany, Italy, Spain, the UK or the US? If so, this research will provide you with unique insights into consumer behaviour in these markets.

What are some of the key findings?

1. In country X, although 22.2% of households have acquired some type of home emergency cover, their purchases are split across multiple types of cover



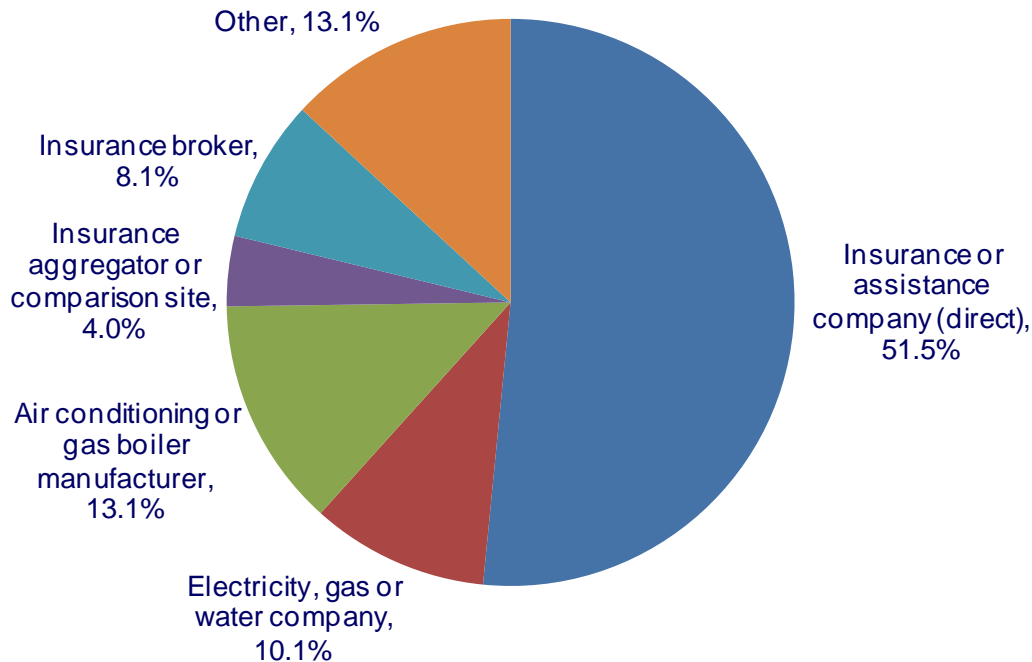
Note 1 – country X is defined in the research itself

Note 2 – some households have acquired more than one type of cover

Source: Finaccord Home Assistance Metrics Survey

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

2. In Country Y, alternative channels combined are almost as important as direct sales by insurance and assistance companies for distributing stand-alone home emergency cover

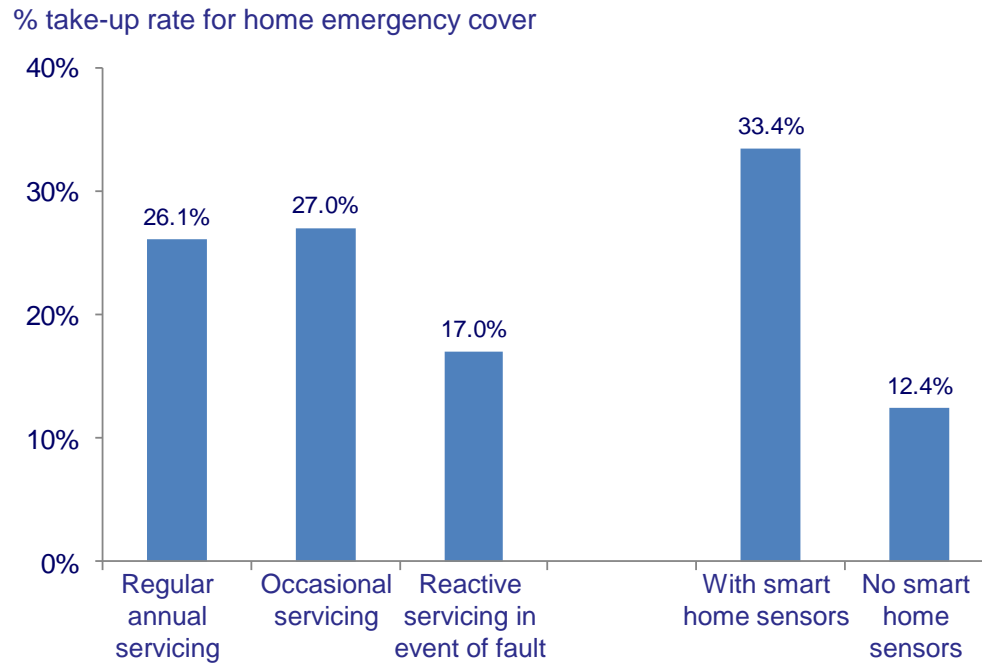


Note – country Y is defined in the research itself

Source: Finaccord Home Assistance Metrics Survey

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

3. Among other factors, and averaged across the ten countries in scope, regularity of gas boiler / furnace servicing and ownership of smart home sensors are some of the predictors of propensity to acquire home emergency cover



Source: Finaccord Home Assistance Metrics Survey

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

Key findings from executive summaries in this series include:

- across the ten countries researched, penetration rates among respondents for home emergency insurance and assistance are highest in Spain and China;
- averaged across the same ten countries, the type of insurance held most commonly is comprehensive cover packaged automatically or cross-sold with regular home insurance;
- in most countries, consumers with higher annual household incomes, living in properties owned outright or with a mortgage, and with at least one smart sensor in their property are most likely to have acquired home emergency cover;
- in all countries, respondents who own second properties (either as holiday homes or as private landlords) are much more likely than average to have acquired home emergency for those properties;
- propensity to use home emergency policies to call for assistance is generally higher among younger customers and peaks at well over 50% of insured respondents each year in China and the US.