Global Retailer Insurance and Assistance

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New research published by Finaccord about the global market for insurance and assistance sold by retailers finds that across over 6,000 major retail brands surveyed worldwide, at least one insurance or assistance product is distributed by 281 (4.4%) of the retailers researched. These 281 brands are themselves drawn from 153 separate retailing groups and represent an increase on the figures from equivalent research published in 2010, when 232 retailers were found to be promoting insurance or assistance products.

Motor insurance and household insurance are the policy types promoted most commonly with a respective 170 and 167 retail brands found to offer these, both equivalent to 2.6% of the total number investigated. These are followed by life insurance (2.5%), accident insurance (2.4%), health insurance (2.0%), travel insurance (1.5%), pet insurance (1.1%) and other kinds of insurance (0.9%). Meanwhile, 50 retailers (0.8%) promote some type of assistance and 48 retailers (0.7%) market dental cover.

The research also measures the likelihood of specific retailer categories to have introduced insurance and assistance programs. Overall, at 12.5% of those researched worldwide, department store and variety retailers are the most likely to have done so, followed by supermarkets and hypermarkets at 10.5% and speciality retailers at 3.9%. By way of contrast, consumer electronics retailers are the least likely to be running an insurance or assistance scheme with a provision rate of 1.1%, followed closely by books and media stores with a provision rate of 1.4%.

When segmented by region, South Africa is shown to have had the highest activity rate for retailer insurance and assistance products at 10.8% of retail brands researched, followed by Latin America at 8.4%. When analysed by country (across 60 covered worldwide), activity rates are highest in the Latin American quartet of Chile, Peru, Mexico and Colombia at a respective 20.3%, 17.0%, 15.7% and 11.1% of major retailers investigated.

As might be expected, the global supply structure for selling insurance and assistance policies through retailers is extremely fragmented with no dominant insurer or group of insurers evident. However, the research identifies AXA as having an especially high degree of involvement in this arena. In alphabetical order, and while not a definitive list, retailers working with subsidiaries of AXA at the time of the research included Bodega AurrerÃ¡ in Mexico, Carrefour in Belgium, France and Indonesia, Coppel in Mexico, Eroski in Spain, John Lewis in the UK, Lojas Riachuelo in Brazil, Marks & Spencer in the UK, Sainsbury's in the UK, Tesco in the UK and Walmart in Mexico.

Said Edward Wilford, consultant at Finaccord: "Going forwards, the number of major retail brands worldwide selling insurance or assistance products, and their influence as distributors in their respective insurance markets, is likely to increase. Insurance providers are eager to improve their distribution efficiency by harnessing the potential of alternative channels. Retailers are looking to insurance and other financial services as a means of enhancing revenue growth and profit margins. Finally, customers in many countries are showing an increasing willingness to buy insurance from distributors, such as online and high-street retailers, other than those to which they were previously accustomed."