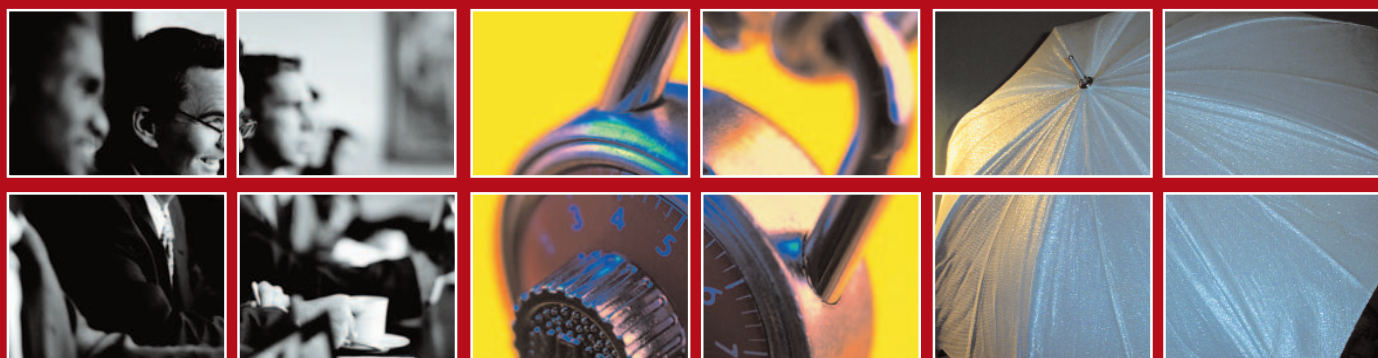


**NEW
RESEARCH**

Bancassurance: The Lessons of Global Experience in Banking and Insurance Collaboration

By Steven I Davis, Managing Director, Davis International Banking Consultants



A practical survey, rich in case studies, interviews and original research, evaluating global best practice in selling insurance products to a retail banking client base

Offering incisive analysis for the retail finance and insurance industries, the report helps you:

- Evaluate which model – integrated, joint venture, distribution alliance – is the most effective for reaching traditional markets
- Understand what are the business critical issues in selling to wealthy clients
- Learn what are the cultural differences that exist between the insurance and banking industries
- Discover what are the prospects in emerging markets, including China and India
- Review the key business drivers, including geography, product, channel, profitability and regulation
- Implement bancassurance programmes and be inspired by fresh ideas to improve your existing strategy





Bancassurance: The Lessons of Global Experience in Banking and Insurance Collaboration

In the consolidating world of financial services, the concept of bancassurance has assumed a central role in the strategy of a growing number of financial institutions. Bank distribution is a natural choice for mass-market clients looking for simple, low-cost products made available from a trusted financial institution.

Banking and insurance firms have discovered that the sale of insurance products to a retail banking client base is not as straightforward as originally hoped. And as the client becomes more demanding in terms of product choice and experience-based advice, the broker or financial adviser channel has become increasingly competitive.

In Europe, the wave of bancassurance deals before the stock market peak of 2000 has left a number of transactions which have since been undone or regretted. In the US, despite early indications that bancassurance might achieve market penetration levels in life insurance comparable to the one-third it has in Europe, US banks struggle to achieve a market share of 1-2% and essentially offer a third-party insurance product to complete their financial product ranges. In the meantime, a distinctive business model has emerged in India and China.

Overall, financial institutions have had to accept that there is no one way to create success. Each market requires a different approach.

For an insurer without a related bank distribution network, the challenge is to find a major bank prepared to offer access to its retail client base on acceptable terms, and hopefully on an exclusive basis, which permits alignment at the marketing level and in the back office. In Europe, insurers like Aviva and Fortis have been able to knit mutually satisfactory, long-term alliances which have so far stood the test of time. But this has been achieved only at the expense of allocating skilled specialist personnel, investing heavily in marketing and information technology (IT) systems, and being flexible enough to adapt to changing circumstances.

Overshadowing even the most successful such joint ventures is the threat of break-up, either because of external events such as a merger or at the behest of the bank that wishes to provide its own products or change insurance provider. This is a particular issue in markets India and China, where banks have been reluctant to offer exclusive access to their client bases and could take advantage of the insurer's

reliance on their client base. In retrospect, given the lack of durability of joint ventures in other businesses, the record of bancassurance alliances has been exceptionally good to date, with few publicised breakups of major alliances.

Nonetheless, bancassurance remains a dynamic distribution channel, with banks forecasting growth rates of 50% by the start of the next decade.

At the core of this study is a series of in-depth interviews, conducted in 2006-2007, with some of the leading industry players. These offer insight into all aspects of the business, in particular successful strategies and tactics, and give practical recommendations about the initiatives that would best serve banks and insurance firms in their quest to meet consumers' financial services needs.

A global perspective is applied throughout, with extensive coverage of acknowledged industry leaders.

Benefit from 12 detailed, up-to-date case studies of the following:

- Allianz
- Aviva
- Citigroup
- CNP Assurances
- Fortis
- Hartford Financial Services Group
- HBOS
- ING Group
- KBC
- Maybank
- UniCredit
- Wells Fargo

In addition the following have been interviewed for this report:

Bancassurers:

- AXA
- Bank of China
- BBVA
- ING Group
- Nordea
- Santander Hispano Americano (SCH)
- Svenska Handelsbanken

Consultants and others

- Financial Services Authority (FSA)
- Novantas
- Kenneth Kehler Associates
- Council on Financial Competition
- Mercer Oliver Wyman
- Renaissance Fund Advisors
- Deutsche Vermögensberatung (DVAG)

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Who should read this report? And what would they gain?

Heads of banking:

- An understanding of industry best practice
- Knowledge of the most effective business model
- Advice on improving insurance distribution

Head of insurance firms:

- Creating and improving a bancassurance model
- Insights into future strategy

Banking sector analysts who need information that they can use to understand growth potential in retail financial services

Consultants in banking and insurance:

- Lessons can be learned from others' experiences and taken to clients
- Comparative data that can be used to keep up to date with industry best practice?

Business school academics and MBA students who are looking for a reliable source of information on current banking sector practice

Plus anyone in financial services who wants to know more about the opportunities, challenges and possible pitfalls of bancassurance as a strategy for growth

ORDER TODAY →

Bancassurance: The Lessons of Global Experience in Banking and Insurance Collaboration

About the Author



Steven I Davis has spent his career in the banking and financial services sector as a senior executive, strategy consultant, author, analyst and teacher. He is a graduate (magna cum laude) of Amherst College and of the Harvard Business School.

His 20-year career in international banking began at JPMorgan, where he managed a Paris-based research and M&A unit. For Bankers Trust Company, he ran a venture capital subsidiary in New York, and later the bank's European businesses from a London headquarters. Subsequently he set up and managed for six years the London-based merchant banking subsidiary of First International Bancshares of Dallas, Texas.

Since establishing Davis International Banking Consultants (DIBC) in 1980, he has managed several hundred strategy assignments for commercial and investment banks, global fund managers, insurers and other financial institutions. In 1993, he headed a DIBC team which advised the Norwegian Ministry of Finance on the restructuring of the country's banking sector during the Nordic banking crisis. In addition, he and his colleagues have prepared over 60 research reports on the financial sector for publication by investment banks and other clients.

Steven Davis is also the author of seven books on the banking sector (published by Macmillan in London).

Other research reports from VRL KnowledgeBank

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