

Road Assistance in Major Global Markets

**Series prospectus for an overview
plus ten country-specific reports**

**AUSTRALIA, BRAZIL, CANADA, CHINA, INDIA, JAPAN,
MEXICO, SOUTH AFRICA, SOUTH KOREA, USA**

January 2015

Prospectus contents

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What is the research?

Finaccord's research about road assistance in major global markets, composed of an overview study covering all ten countries plus ten individual country-specific reports, is about the market for this type of assistance – sometimes referred to as breakdown recovery insurance – acquired by individual consumers in Australia, Brazil, Canada, China, India, Japan, Mexico, South Africa, South Korea and the USA.

With revenues valued at USD 9.76 billion from 794.9 million contracts in force across the ten countries in 2014, this type of cover is distributed in several different ways, including via direct sales by automotive clubs and other providers, motor (auto) insurance policies, automotive manufacturer factory warranties, and extended warranties and prepaid service contracts.

The research is based on a primary survey of close to 900 actual and potential distributors of road assistance in these categories. For each of these organisations, it establishes whether they offer road assistance in any format or not and, if they do, the partner assistance firms with which they work if they do not report managing the service themselves.

Together, the reports, PartnerBASE™ datasets and market data files provide a uniquely comprehensive analysis of road assistance in the ten major global markets in question.

What is the rationale?

There are several reasons for producing these reports and their associated PartnerBASE™ datasets and market data files about road assistance for consumers in major global markets. First, these are the most comprehensive studies of the subject ever published across the ten countries in question in spite of the fact that the combined market was worth almost USD 10 billion in 2014. Secondly, it is a sector characterised by diverse distribution systems which differ considerably from one country to another, thereby meaning that it is not straightforward to quantify and segment.

Thirdly, there are numerous competitors in the market. These range from long-established national automotive clubs and international assistance companies owned by major insurance groups to smaller road assistance providers that are usually focused on a single country and to local assistance firms to which breakdown recovery services are often outsourced. Because of this unusual supply structure, the market shares of leading competitors in road assistance has not been quantified in a published format prior to this report.

What methodology has been used?

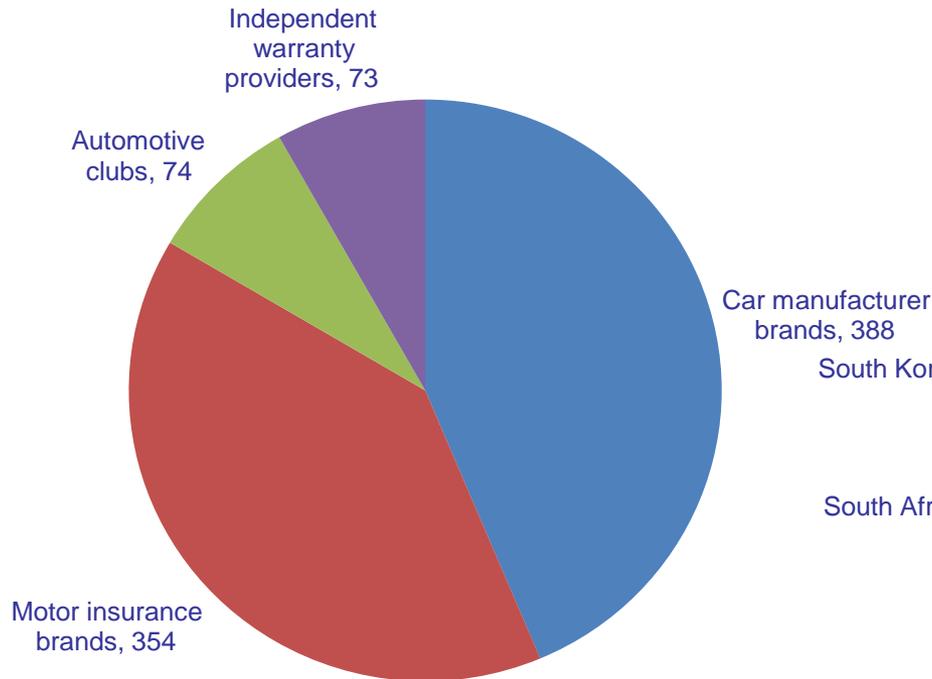
This report is based on an extensive program of primary and secondary research conducted between September and November 2014; splits of the organisations investigated by type and country are given in the two pie charts overleaf.

In order to establish the size, segmentation and probable future growth of the market in each country, Finaccord has constructed a model that incorporates the number of road assistance policies in force in each country split by distribution channel. This also takes into consideration the average price of a road assistance policy according to whether it is sold on a retail or wholesale basis, and incorporates results from Finaccord's parallel research into consumer automotive financial services in each country.

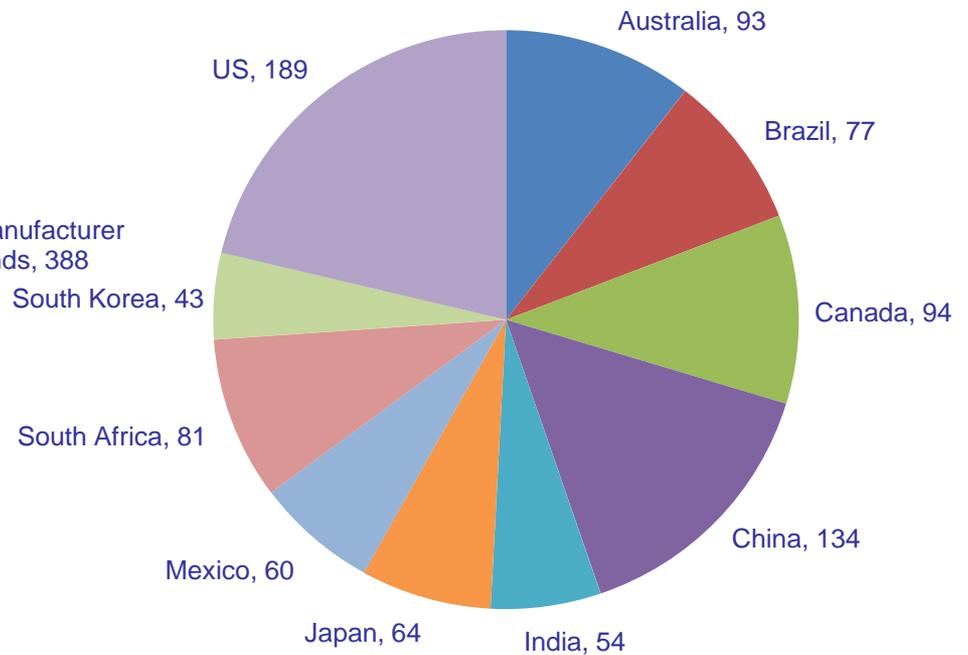
Moreover, the likely market shares of leading providers of road assistance in each country are calculated through a combination of public domain sources (e.g. the number of members of automotive clubs) and analysis based on the number and importance of partnerships held by providers of road assistance with the main distribution channels, namely motor insurance brands, car manufacturer brands and independent warranty providers.

How do organisations surveyed break down?

BY TYPE



BY COUNTRY



What is the structure of the overview report?

Executive Summary: provides a concise evaluation of the report's principal findings.

Introduction: discusses rationale, research methodology, sample breakdown and definitions.

Major Market Overview: this chapter begins by presenting the penetration rates for road assistance across the main categories of distributor considered, namely automotive clubs, motor insurance brands, car manufacturer brands and independent warranty providers. It then compares the operating models used to provide road assistance by these distributors and, across all ten countries, it compares the value of the market for road assistance in 2014 segmented by distribution channel. In addition, it shows the level of market concentration in each country according to the share of partnerships held by the top four competitors, and identifies the leading international competitors across all ten countries combined measured both by their share of distribution partnerships and by their estimated revenues from road assistance. Finally, it provides forecasts for the value of the market up to 2018.

Australia, Brazil, Canada etc.: the structure is similar to that outlined above but with analysis and commentary specific to the country in question. Commentary is also provided about the importance of other distribution channels including direct sales, cover bundled with payment cards and bank accounts, and online aggregators and brokers.

What are the key features of the research?

Key features of these reports include:

- quantification of the market size for road assistance in each of the ten countries: how much is each market worth, how does it break down between the main distribution channels and how is it likely to develop up to 2018?
- computation of the market share by revenues of leading providers of road assistance in each of the ten countries, thereby illustrating the extent to which challenger assistance firms are eroding the dominance of long-established, incumbent providers;
- availability of an accompanying PartnerBASE™ dataset that logs partnerships for road assistance identified by Finaccord across automotive clubs, motor insurance brands, car manufacturer brands and independent warranty providers in each country;
- review of other distribution systems used for selling road assistance including direct sales, cover bundled with payment cards and bank accounts, and online aggregators and brokers – to what extent do these offer a credible means for challenger assistance firms to gain market share?

How can the research be used?

You may be able to use this research plus the accompanying PartnerBASE™ datasets and market data annexes in one or more of the following ways:

- to compare the size, segmentation and future prospects of the market for road assistance for individual consumers across ten major global markets;
- to appreciate the competitive structure of these markets and the number of challenger assistance firms that are seeking to dislodge the market leaders;
- to gain access to a single comprehensive source of information detailing partnerships between providers and distributors of road assistance;
- to understand the presence and impact in each country of international assistance firms such as Allianz Global Assistance, AXA Assistance and MAPFRE Asistencia, traditional automotive clubs such as those belonging to AAA and CAA, plus the relative positions of other competitors focused on this area including Cross Country Group and Innovation Group.

How can the PartnerBASE™ be used?

Select country

Choose operating model

Distributor name	Country	Category	ROAD ASSISTANCE		Partner(s)
			Offered?	Operating model	
1st For Women / Auto & General	Australia	Motor insurance brands	Yes	Single external provider	Ultra Tune
AAMI / AAI	Australia	Motor insurance brands	Yes	Single external provider	International SOS
AANT	Australia	Automotive clubs	Yes	Internal	AANT
ADI Australian Dealer Insurance	Australia	Independent warranty providers	Yes	Captive provider	National Roadservice Australia
AI Insurance / Hollard	Australia	Motor insurance brands	Yes	Single external provider	Australia Wide Assist

Look up specific distributors

Filter by category of distributor

Identify assistance providers

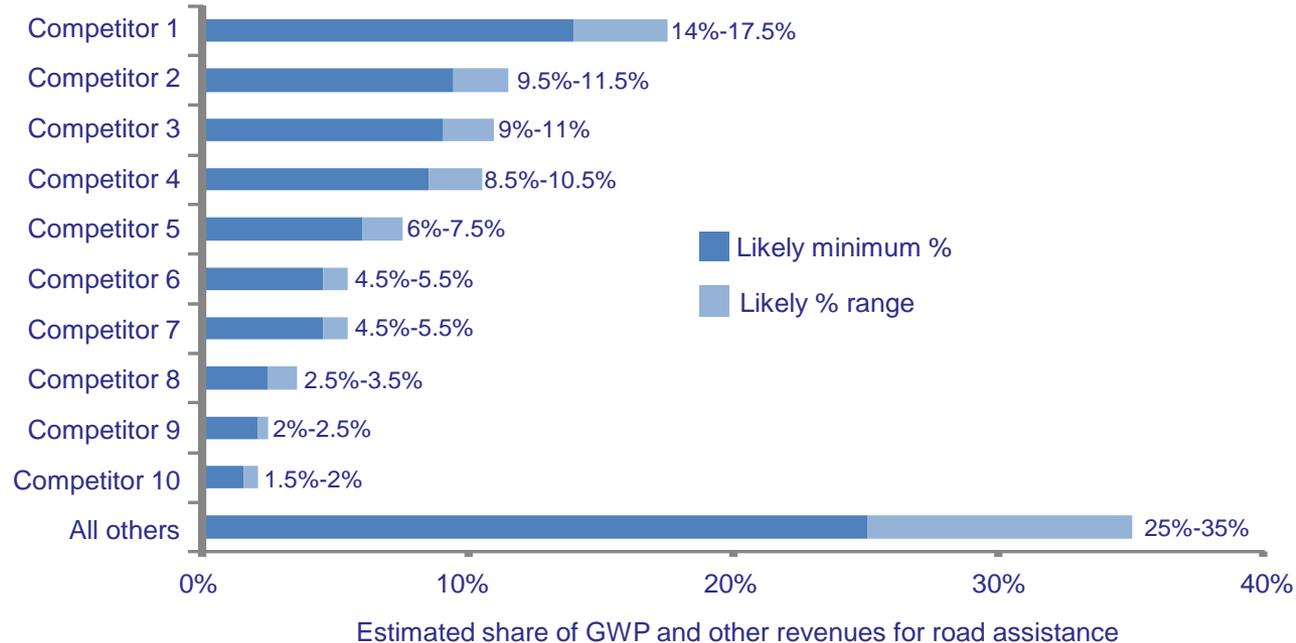
Source: Finaccord PartnerBASE for Road Assistance

Who can use the research?

1. *Assistance firms and automotive clubs:* tailor your company's strategy armed with the most in-depth research yet published about road assistance markets in Australia, Brazil, Canada, China, India, Japan, Mexico, South Africa, South Korea and the USA;
2. *Insurance companies:* sales of road assistance to consumers via motor (auto) insurance account for between 8.1% to 94.0% of the total market value depending upon the country in question – could your company take a greater slice of this market?
3. *Automotive manufacturers:* most manufacturer brands include road assistance automatically with the factory warranties provided to buyers of new cars – however, the share of this distribution channel is less than 10% in all countries investigated other than four;
4. *Management consultancies:* are you helping a client firm to understand its own strategy with respect to road assistance in major global markets? These studies will provide you with rapid insight into the subject, saving time and effort on researching the subject yourself.

What are some of the key findings?

1. As evidenced by Finaccord’s analysis of estimated competitor shares, the US market for road assistance is fragmented which is partly because the AAA is composed of a series of independent automobile clubs

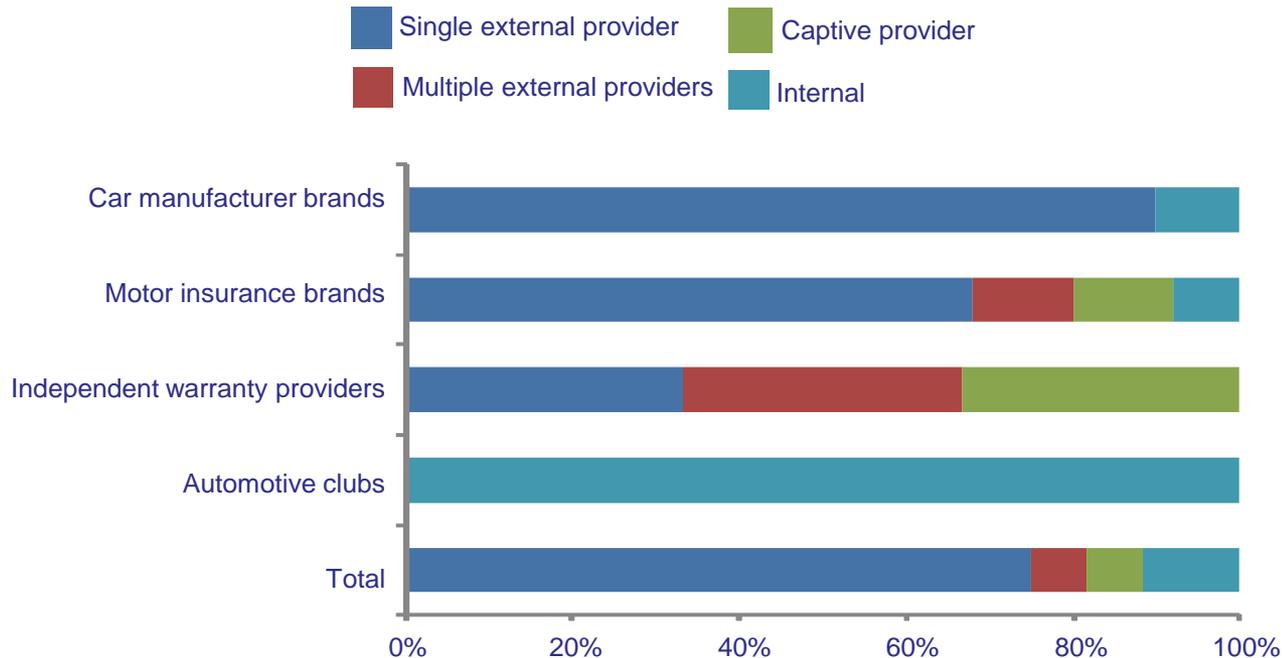


Note – the identities of competitors 1 to 10 are disclosed in the report / chapter about the US

Source: Finaccord PartnerBASE for Road Assistance

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

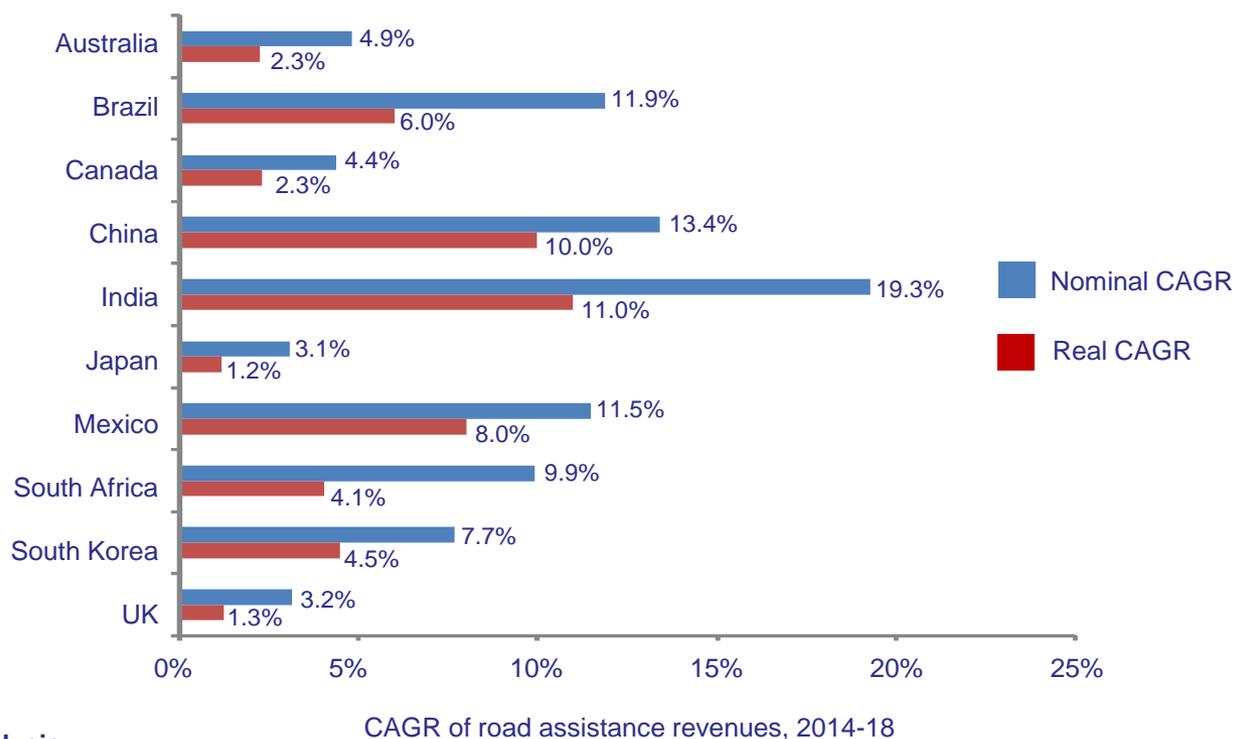
2. In Mexico, most initiatives for road assistance are organised by distributors in conjunction with a single external partner



Source: Finaccord PartnerBASE for Road Assistance

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

3. In real terms, all markets are expected to see some increase in value between 2014 and 2018, with India, China and Mexico advancing most rapidly



Source: Finaccord analysis

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

4. Key findings from the executive summary of the overview report include:

- almost 90% of the value of the market for road assistance acquired by consumers in the ten countries combined is attributable to direct sales and to packaging or cross-selling with motor insurance policies;
- the US is comfortably the largest market for road assistance among the ten analysed, followed at some distance by Japan, China, Australia and Canada, and with South Africa the smallest of those reviewed;
- across the ten countries, Allianz Global Assistance holds the most distribution partnerships for road assistance among the key distributor categories analysed, followed by Cross Country Group and assistance subsidiaries of MAPFRE;
- however, among actual and potential distributors of road assistance, there is considerable variation in the operating models employed by country with use of single, external partners most widespread in Australia and Mexico, but schemes managed on a purely internal basis most prevalent in South Korea and Japan.

What are the costs and format?

These reports about road assistance in major global markets, plus others about the same subject in different European countries, are available as standard PDF documents. The PartnerBASE™ datasets and market data annexes that accompany them at no further charge are in *Excel* format. Prices for these research sets and associated overview reports are as follows:

REPORT	COST *	REPORT	COST *
Road Assistance in Major Global Markets	GBP 2,995	Road Assistance in Italy	GBP 595
Road Assistance in Europe	GBP 2,995	Road Assistance in Japan	GBP 595
Road Assistance in Australia	GBP 595	Road Assistance in Mexico	GBP 595
Road Assistance in Austria	GBP 595	Road Assistance in the Netherlands	GBP 595
Road Assistance in Belgium	GBP 595	Road Assistance in Poland	GBP 595
Road Assistance in Brazil	GBP 595	Road Assistance in South Africa	GBP 595
Road Assistance in Canada	GBP 595	Road Assistance in South Korea	GBP 595
Road Assistance in China	GBP 595	Road Assistance in Spain	GBP 595
Road Assistance in France	GBP 595	Road Assistance in Switzerland	GBP 595
Road Assistance in Germany	GBP 595	Road Assistance in the UK	GBP 595
Road Assistance in India	GBP 595	Road Assistance in the USA	GBP 595

** VAT at the prevailing rate will be added to the basic price for UK-based buyers. Costs quoted are for a single office, single country licence only. For corporate user licence options, please see the next slide for further details. Invoices can be paid in EUR or USD, at the prevailing exchange rate, if preferred.*

How can the research be purchased?

Simple. Just go to the relevant area of the Finaccord web site available at www.finaccord.com/order_road_assistance.htm and fill in the online order form, clearly indicating:

- report required
- type of corporate user licence, if required *
- billing name
- address and e-mail address
- purchase order number, if applicable

Please allow up to one working day for the delivery of electronic copy by e-mail.

* For the **corporate user licence** please 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

VAT at the prevailing rate will be added to the price of any corporate user licence acquired by UK-based buyers.