

# UK Home Emergency Insurance 2010

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## Abstracts

### Introduction

The report is an invaluable guide to the UK home emergency insurance market, providing insight into competitor strategies and performance as well as overall market growth and trends. It examines distribution, including the major role of utilities, identifies the key providers and provides unique market sizing data.

### Scope

- \* Market size and segmentation data.
- \* The latest market developments and advertising statistics for home emergency insurance by competitor.
- \* A discussion of the main factors affecting the home emergency insurance market in the future

### Highlights

Time-series analysis of policy number data from British Gas and HomeServe suggests that the home service/emergency insurance market has been through the "growth" phase of the product lifecycle and is now in the "maturity" phase.

British Gas, one of the biggest advertisers for home emergency products, has launched its "look after your world" series of TV advertisements, which includes promoting its boiler repair service.

### Reasons to Purchase

- \* Understand size and segmentation of this market in terms of policy numbers.
- \* Help in planning your entry into the UK home emergency market.
- \* Gain insight into the distribution profile of this sector.

## Contents

### OVERVIEW

Catalyst

Summary

Executive Summary

Home emergency is a mass market sector with utilities playing a key role

Home emergency and home care is a mass market product

Utilities have a competitive advantage

British Gas will be a top 10 insurer

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Market Context

Introduction

Home service is a substitute for home emergency insurance

Home emergency insurance covers a number of areas including heating systems, blocked drains and electrics failure

Home service products offer annual servicing as well as covering emergencies

Utility companies have a competitive advantage

Home emergency insurance and home service products are a good fit for utility providers

Home insurance providers also play a role in the sale of home emergency insurance

There are 17 million contracts in force

Datamonitor estimates that there are 17 million home service contracts and home emergency insurance policies in-force

The market is maturing

The recession has made some consumers reluctant to buy extra add-ons

Customer Focus

Introduction

Home emergency presents good value to consumers

Home emergency insurance offers good value to consumers

Raising consumer awareness remains a challenge for home insurance providers

Maintenance contracts have attracted criticism from consumer media groups such as Which?

Utility companies can target their service products at a captive customer base

Central heating cover is the most common form of home emergency insurance sold by energy companies

Homeserve partners with water companies and is particularly strong on water-related propositions

Companies advertise by direct mail

Direct mail is always the most popular for home emergency insurance advertising

Homeserve spends by far the most on advertising

Homeserve spent ?13m on advertising its home emergency cover

British Gas has reduced its marketing budget and is focusing on press and TV advertisements

Shield spend ?0.8m to advertise home emergency market by direct mail

E.ON started advertising its home emergency product in 2009

British Gas launched a new advertising campaign for home repair in November 2009

### Competitive Dynamics

#### Introduction

Most home insurance providers partner with HomeServe and Inter Partner Assistance

Few home insurance providers underwrite their own home emergency policies

The existence of home service providers has made it relatively easy for insurers to enter this market

Utilities dominate the standalone market

Inter Partner Assistance underwrites most policies

AXA Assistance recorded ?43.4m in turnover from its UK home assistance business

Homeserve manages repairs and claims for a large number of insurance providers

Homeserve's operating income has more than doubled since 2005

Homeserve aims to achieve higher profitability by transferring its focus to its UK membership business

Homeserve offers a wide range of home service products, from insurance to one-off repair

Homeserve sells insurance through its affiliates

Homeserve is exploring new opportunities to grow its business in 2010

Homeserve provides services directly to consumers through its website

Repair services also form an integral part of Homeserve's business

British Gas aims to be a top 10 insurer

British Gas is the UK's leading energy and home services provider

British Gas is aiming to grow through a higher conversion ratio from its one-off repair service

British Gas is in a strong position and is aiming to become a top-10 UK insurer by 2011

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#### Introduction

There are opportunities to grow the market

The rental sector represents a huge opportunity for competitors to grow their market

share

The market is maturing

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Earned premium

Gross premium

Net premium

Written premium

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Bancassurers

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