

BANCASSURANCE, REASONS FOR A SUCCESS

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DISTRIBUTION CHANNELS MARKET SHARE IN FRANCE

2023

	Non Life	Life
Banks	19%	64%
Agents	26%	6%
Brokers	19%	13%
Direct	34%	13%
Other	2%	4%
Total	100%	100%

1980/1995 THE STARTING POINT

- At that time in France Life insurance is underdevelopped.
- Banks create a “new” insurance product.
- This new insurance product looks like a banking product.

WHAT IS THIS “NEW PRODUCT”?

- A “diferred capital with counter insurance of the premiums”.
- The promised capital is built up with regular or single premiums.
- The promised capital is paid after 10,15, 20 years or more.
- Premiums may be invested in more or less sophisticated financial products.
- If the insured dies during the insurance period, the already paid premiums are paid back to a beneficiary.
- No risk for the customer.

THE BANCASSURANCE REVOLUTION

FFA

	Turn over Life insurance	Banks market share
1985	11,2€ billion €	31%
1995	64,3 billion €	56%
2020	141 billion €	62%
2022	145,4 billion €	64%

PRODUCT BENEFITS

- Easy to understand for the customers.
- Easy to sell for the bank salespersons.
- Very transparent : cost indicated in the proposal.
- May be single premium or regular premium.
- Wide range of financial sophistication.

THE TURNING POINT TO NON-LIFE INSURANCE

- An exception : ACM since 1977
- 1995 entrance of Crédit Agricole in motor insurance.
- A success but many banks are still reluctant.
- 2000/2010 most of Banks make the leap and sell motor and home owner policies.
- Until now, no entry in the commercial lines.

THE REASONS FOR BANKS' SUCCESS.

- Density of the bank network : 34 000 bank branches./13 000 agents and 3500 brokers.
- Multiple relations between the customers and the bank.
- Above all the “French bancassurance model”
 - The insurance company is a bank subsidiary.
 - The insurance company is fully integrated in bank’s strategy.
 - Commissions are paid to the bank.
 - Benefits of the insurance company go to the bank.
 - Products design in cooperation bank/insurance company
- Banks have 2 equally strong legs : bank and insurance.

THE STRENGTHS AND BENEFITS OF THE FRENCH MODEL

- Benefits for the bank:
 - The commissions.
 - The dividends paid to the bank by its subsidiary.
 - The profits made out of mathematical provisions management.
- Danger for the bank:
 - Canibalisation of bank deposits.
- In the French model possible conflicts are settled beforehand as the bank is the owner of the insurance company.

TWO MARKETS APPLYING THE FRENCH MODEL

Italy	Spain
Banks 56,8%	Banks 65,5%
Salesmen 15 %	Salesmen NC
Agents 15,1%	Agents 16,5%
Direct sales 11,5 %	Direct sales 9,5%
Brokers 1,6 %	Brokers 8,5%
Total 100 %	Total 100%

In Spain la Caixa, BBVA, Sabadell
In Italy Intesa, BNL, Montepaschi

BANK AGENCY IN PARIS



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CREDIT LYONNAIS LOGO

