

Luxembourg Life Pulse Check 2019 – 3<sup>rd</sup> edition  
Extract

*European private banks' perceptions of the  
Luxembourg life insurance market  
November 2019*

Banking - Finance - Insurance



# Luxembourg life pulse check 2019

European private bank survey on Luxembourg life insurance

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Dear wealth management professionals,

Périclès Group and its Luxembourg office are proud to present the third edition of our survey on European private banks' perceptions of the Luxembourg life insurance market, *Luxembourg life pulse check*.

We surveyed banks and other distributors in the main countries for the Luxembourg life insurance business (France, Italy, Switzerland, Luxembourg etc.).

The following are some key conclusions.

A clear majority of those surveyed believe the Luxembourg life insurance market will continue to grow. The regulatory and economic environment in Luxembourg remains a key driver for maintaining the continued success of its life insurance industry. The FID continues to be a flagship product, differentiating Luxembourg from local insurance offers. However, the survey results highlight once again that the perceived quality of services is not improving, as well as the high expectations for increased operational efficiency.

There are differences of perception between the distribution countries. The detailed results often reveal more interesting conclusions than general observations. We therefore encourage you to review the survey results in detail.

Thank you for reading.

Sincerely,

Yohann Niddam  
Périclès Group - Luxembourg Office Managing Partner

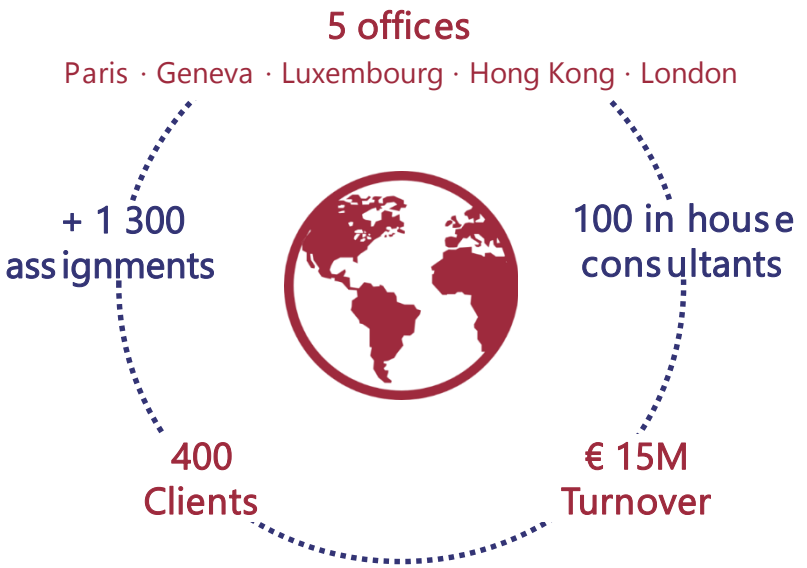


# Luxembourg life pulse check 2019

Périclès Group, an Independent Specialised Consulting Group

Providing Expert Solutions  
Banking – Finance  
Insurance – Employee Benefits

From Innovative Strategy  
to Successful Implementation



# Luxembourg life pulse check 2019

## Facts & figures

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- Facts & figures
  - Périclès Consulting Luxembourg has conducted a survey on European private banks' perception of the Luxembourg wealth management insurance market
  - The survey was conducted during the summer of 2019
  - 92 respondents in 9 European countries
  - Respondents are exclusively located in Europe and more precisely in: France, Italy, Switzerland, Luxembourg, Belgium, the United Kingdom, Spain, Portugal and Sweden
  - The majority of responses are from 4 main distribution hubs: France, Italy, Switzerland and Luxembourg. The number of responses from the other countries are not sufficient to present relevant averages
- Main objectives
  - The main objective of this survey is to serve as a barometer for the Luxembourg wealth insurance market and to help stakeholders fulfill brokers' needs.
  - This 2019 survey is the 3<sup>rd</sup> edition (previous editions: 2015, 2017)

**Périclès conducts approximately 30 surveys a year on different topics: wealth management, life insurance, asset management, employee benefits, banking, etc.**



# Luxembourg life pulse check 2019

Preliminary remarks

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This document corresponds to an extract from the Luxembourg Life Pulse Check 2019  
If you want to view the full survey result, please contact us at : [yniddam@pericles-group.com](mailto:yniddam@pericles-group.com)

## Results of the survey

1. Respondent analysis
2. Luxembourg life insurance market place
3. Luxembourg life insurance offer
4. Insurance Companies assessment

# Respondent analysis

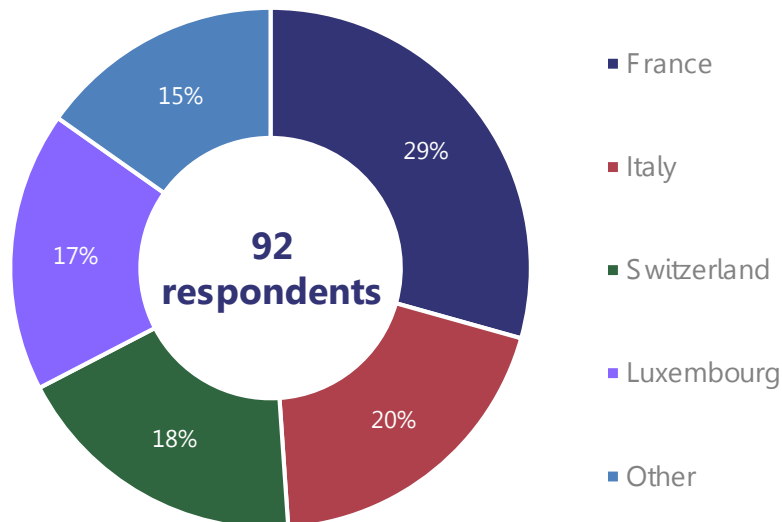
## Respondents by market

### Comments on our response database

Respondents were classified into 5 groups according to their distribution hubs. This graph does not show the fiscal residence of final clients, instead it shows the location of the distributors.

As a reminder, for the Luxembourg life insurance market, premiums from French fiscal residents represent 37% of total premiums in 2018. Premiums from Italian fiscal residents represent 28% of total premiums in 2018.

Among the respondents classified as "other", we include private banks based in Belgium, the United Kingdom, Spain, Portugal and Sweden.



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# Luxembourg life insurance market place

What are Luxembourg's main advantages compared to your local area ?

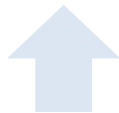
## Comments

- For the first time since 2015, "financial offer" is perceived as the main advantage of Luxembourg Life Insurance
- "Financial Offer" ranks among the top results for all distribution hubs
- French distributors choose Luxembourg policies for the "Customer mobility management" expertise
- Italian distributors value more the Economic Stability
- Swiss and Luxembourgish distributors value the "Triangle of security" more than others

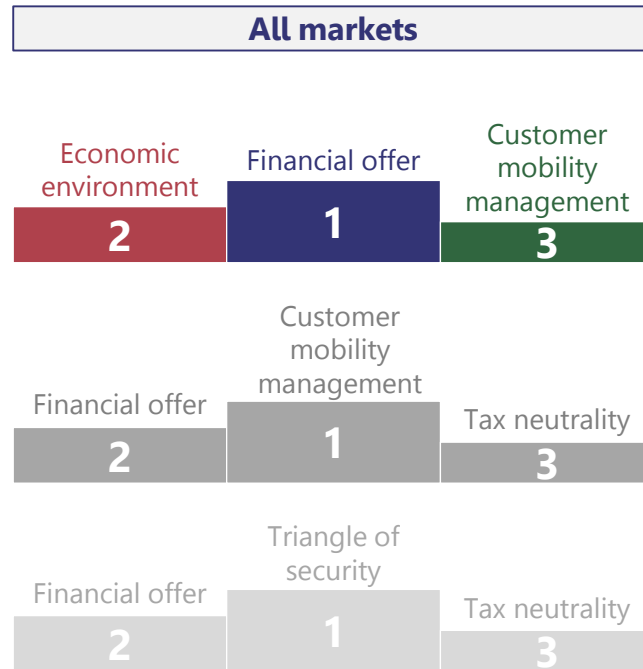
2019



2017



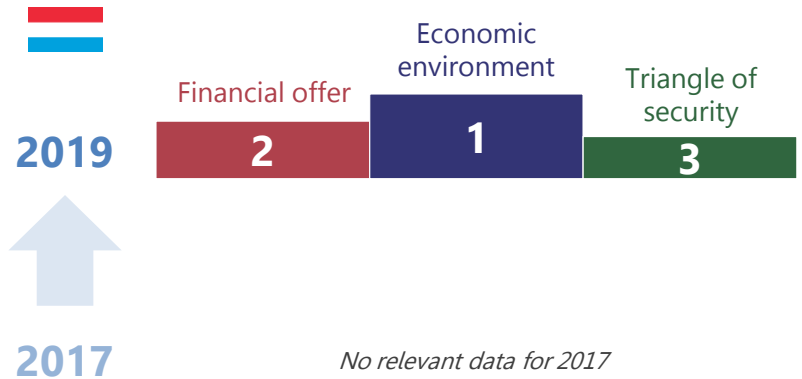
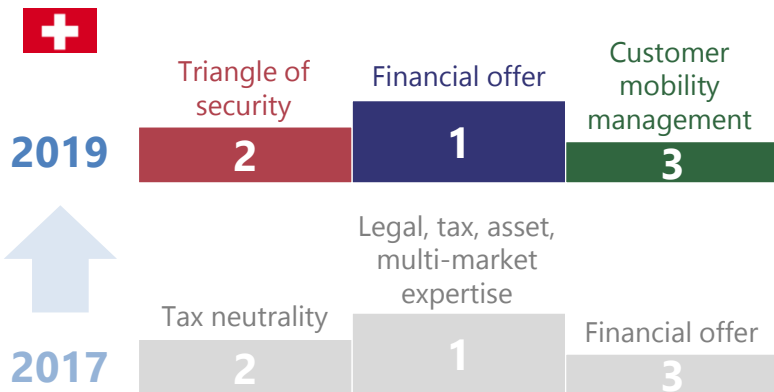
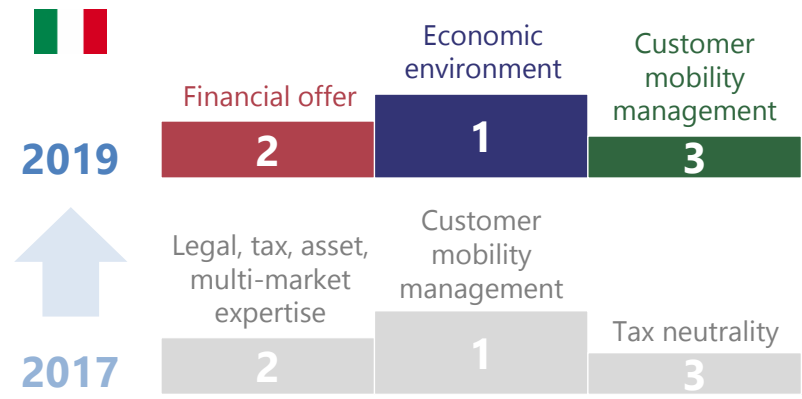
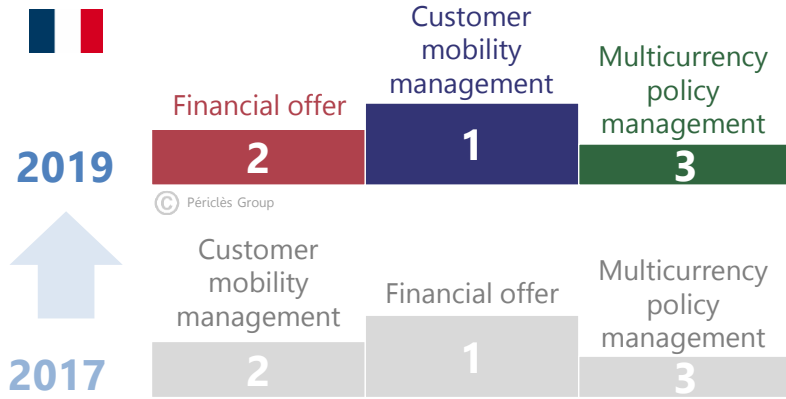
2015



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# Luxembourg life insurance market place

What are Luxembourg's main advantages compared to your local area ?

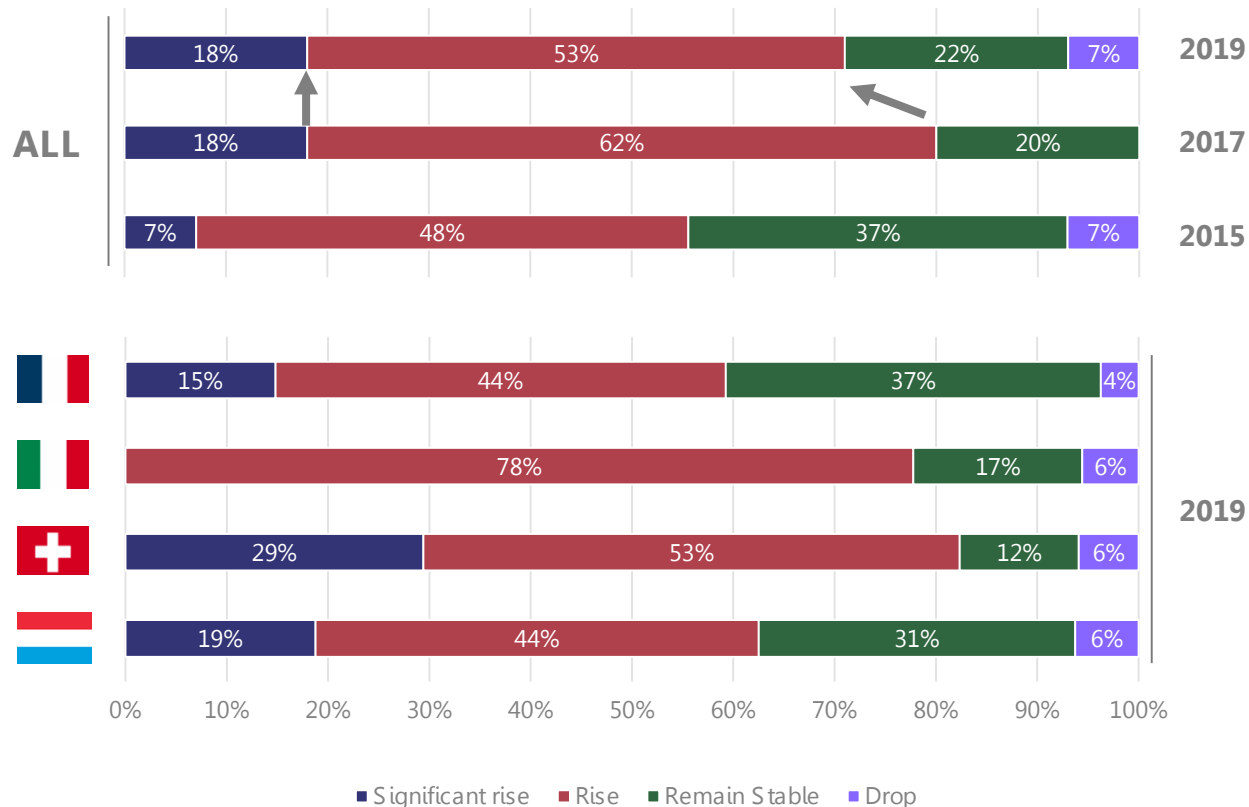


# Luxembourg life insurance market place

How do you see the evolution of Luxembourg life insurance policies sales in the next 3 years?

## Comments

- A clear majority of respondents believe the market will continue to grow
- There is a 10% relative decline in market growth expectation
- Switzerland is a growing market.
- France, the largest and more mature market, has relatively less growth expectations for the future



## Results of the survey

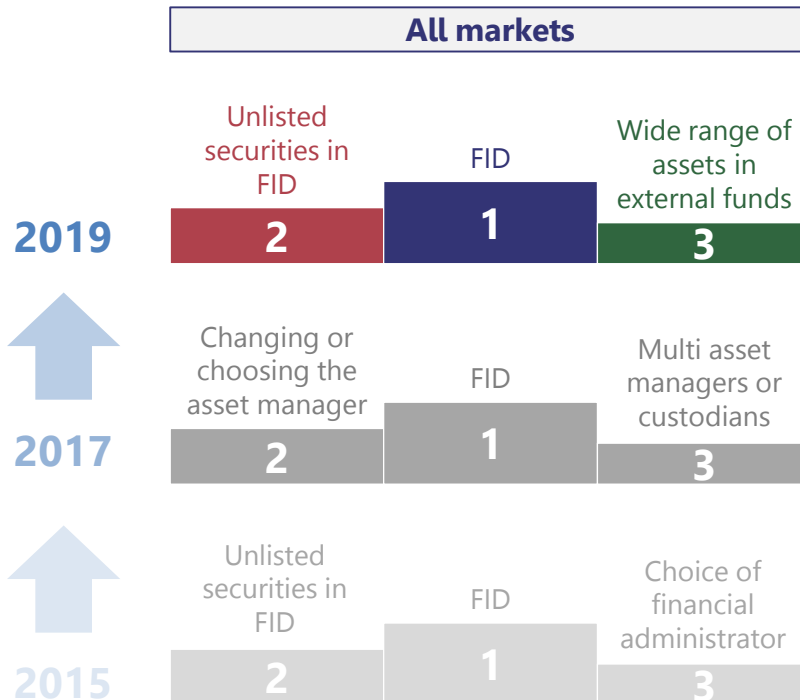
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# Luxembourg life insurance offer

What are the strongest points of Luxembourg contracts for financial offer?

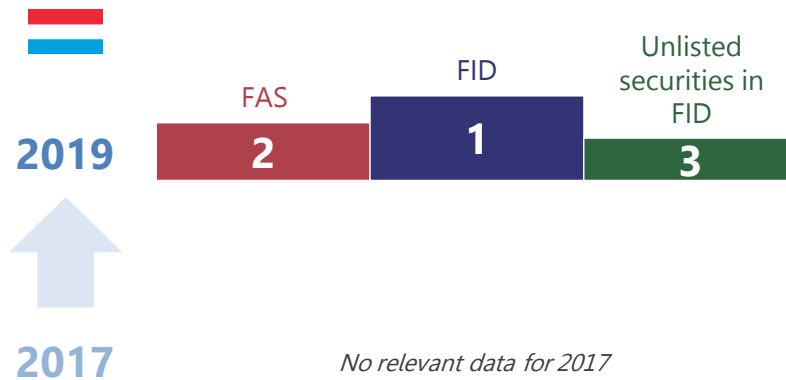
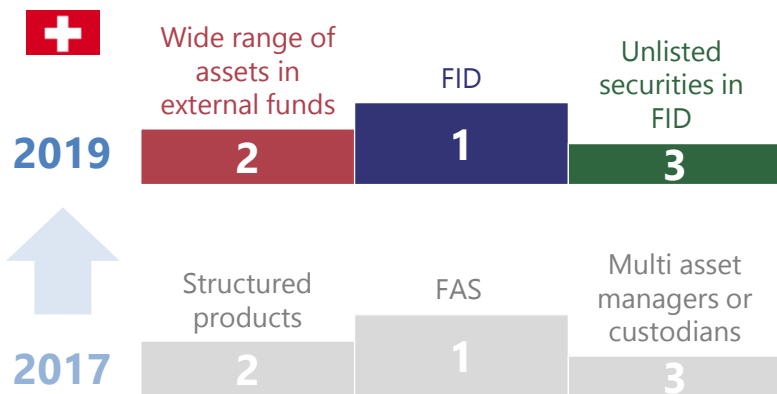
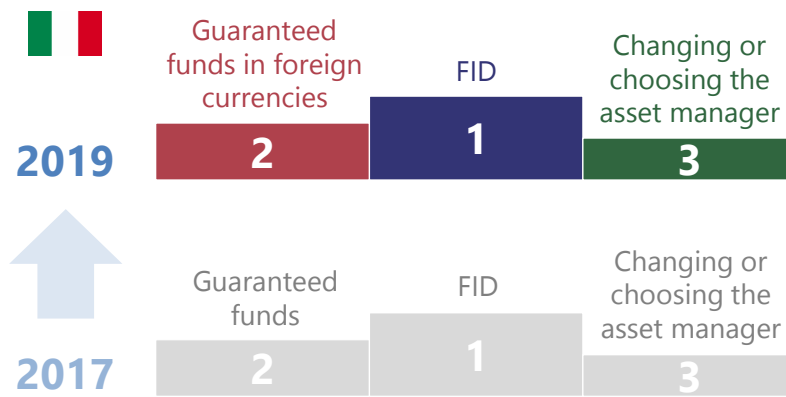
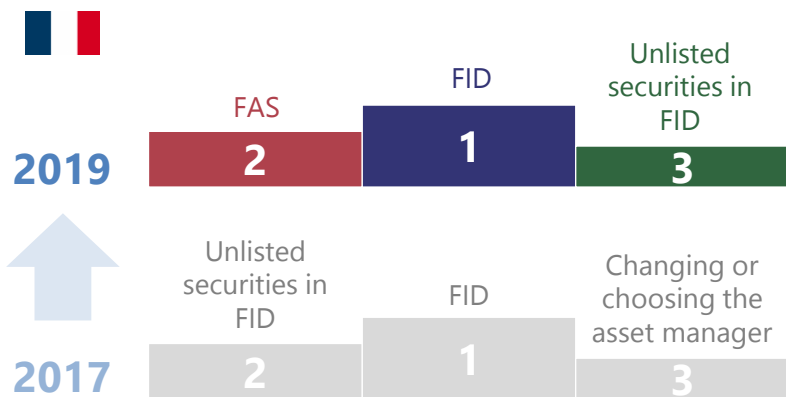
## Comments

- The FID remains one of the biggest strengths of the Luxembourg life insurance financial offer
- 2019 marks the return of unlisted securities in FID as strong point for Luxembourg life insurance policies



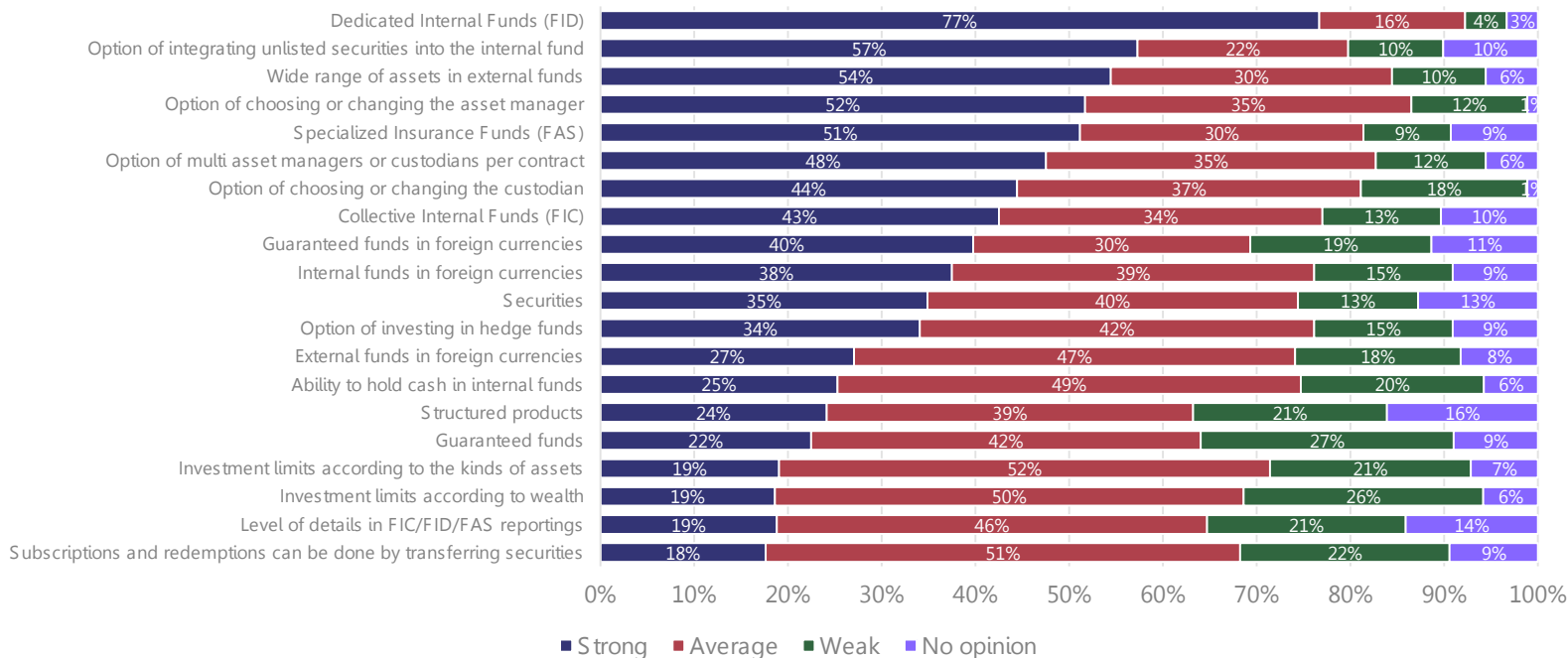
# Luxembourg life insurance offer

What are the strongest points of Luxembourg contracts for financial offer?



# Luxembourg life insurance offer

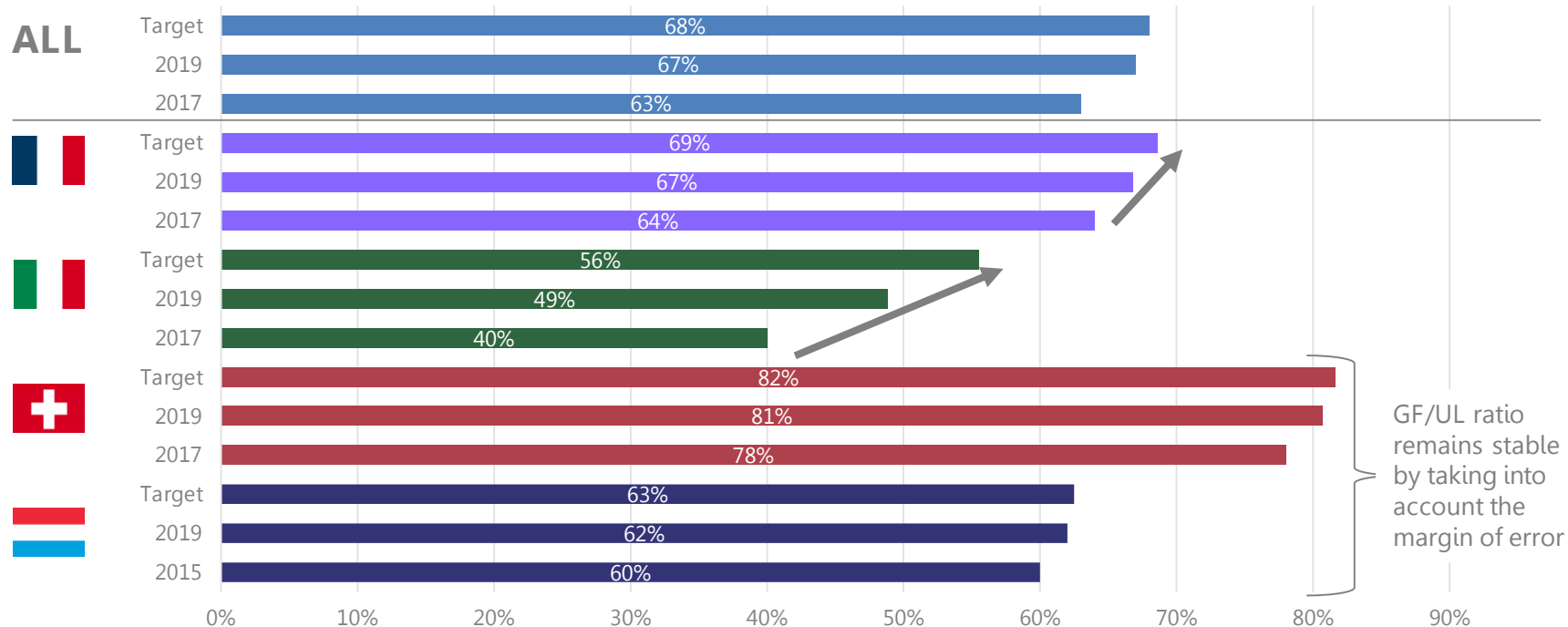
What are the strongest points of Luxembourg contracts for financial offer?



- Strong points of Luxembourg policies : dedicated internal funds, possibility of integrating unlisted securities into internal funds and wide range of assets in external funds

# Luxembourg life insurance offer

What is the average % unit-linked (UL) in your Luxembourg book of business? What would be your target?



- Most private banks are reducing exposure to the Guaranteed Funds
- As usual, compared to the market, Italy remains very conservative in its mix of GF/UL, but as the market evolves, they will likely approach other countries in GF/UL ratio



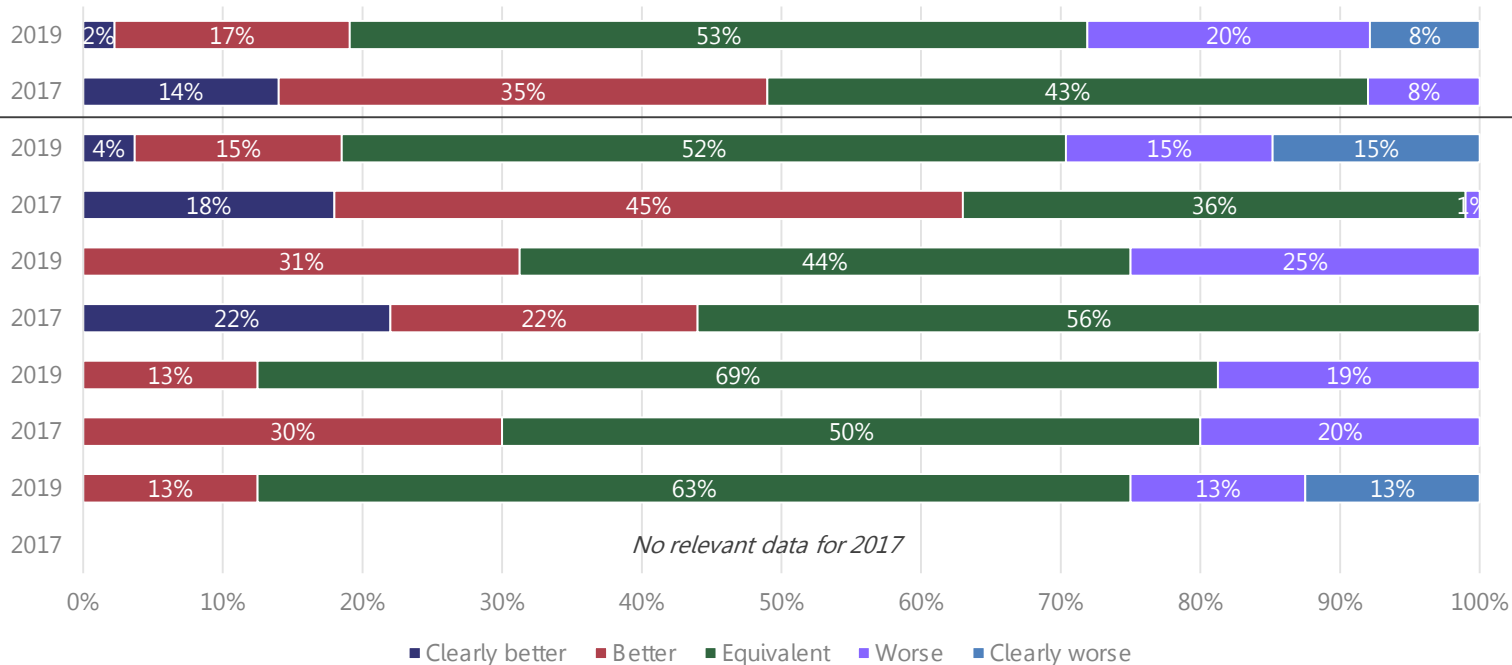
## Results of the survey

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# Insurance Companies assessment

During the last 12 months, how do you assess the quality of service in Luxembourg?

ALL



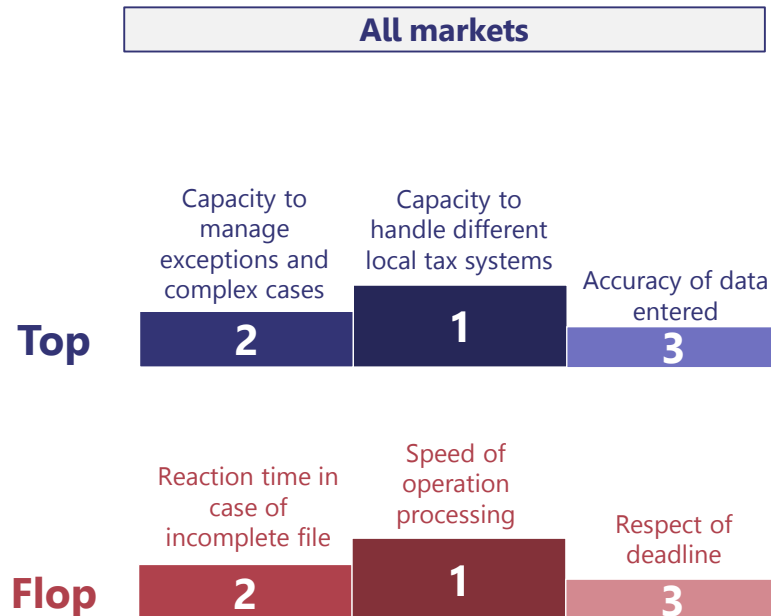
- In 2019, the perceived quality of service has decreased
- In 2017, we observed an increase in the quality of service compared to previous years

# Insurance Companies assessment

How do you assess the quality of service in Luxembourg on the following subjects?

## Comments

- Luxembourg manages complexity but execution of operations remains too slow
- Satisfaction rates for the top 3 criteria are over 75%
- Dissatisfaction rates for the flop 3 criteria are about 40%
- French and Luxembourgish respondents are clearly less satisfied than Swiss and Italian respondents

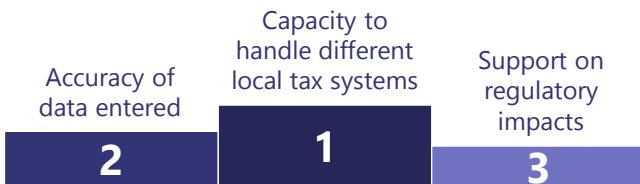


# Insurance Companies assessment

How do you assess the quality of service in Luxembourg on the following subjects?



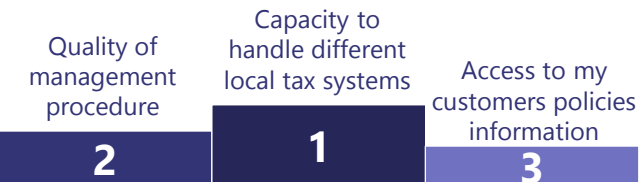
Top



Flop



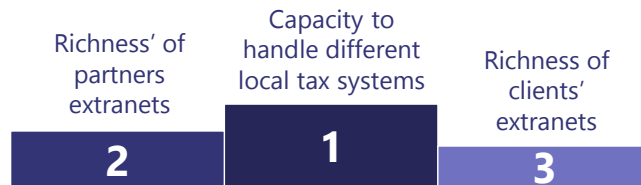
Top



Flop



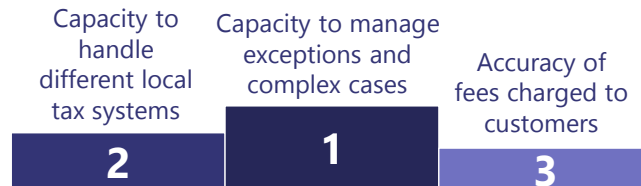
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Flop



Top

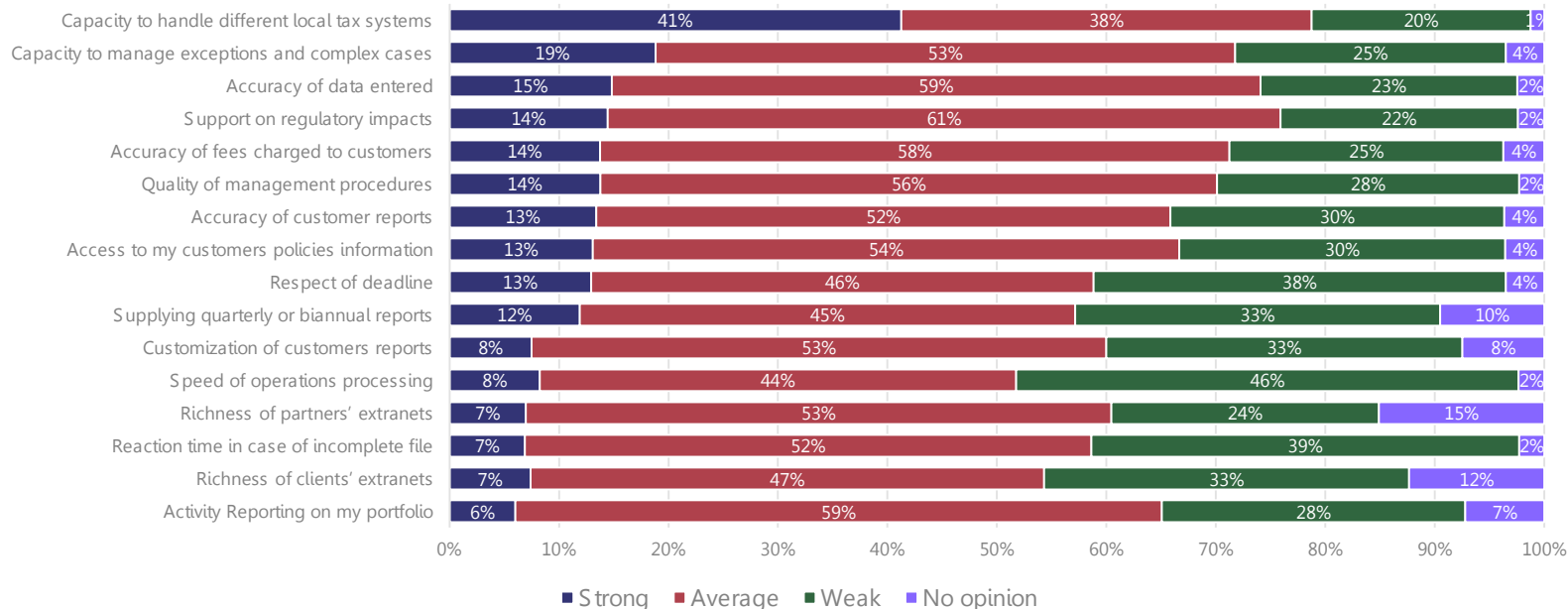


Flop



# Insurance Companies assessment

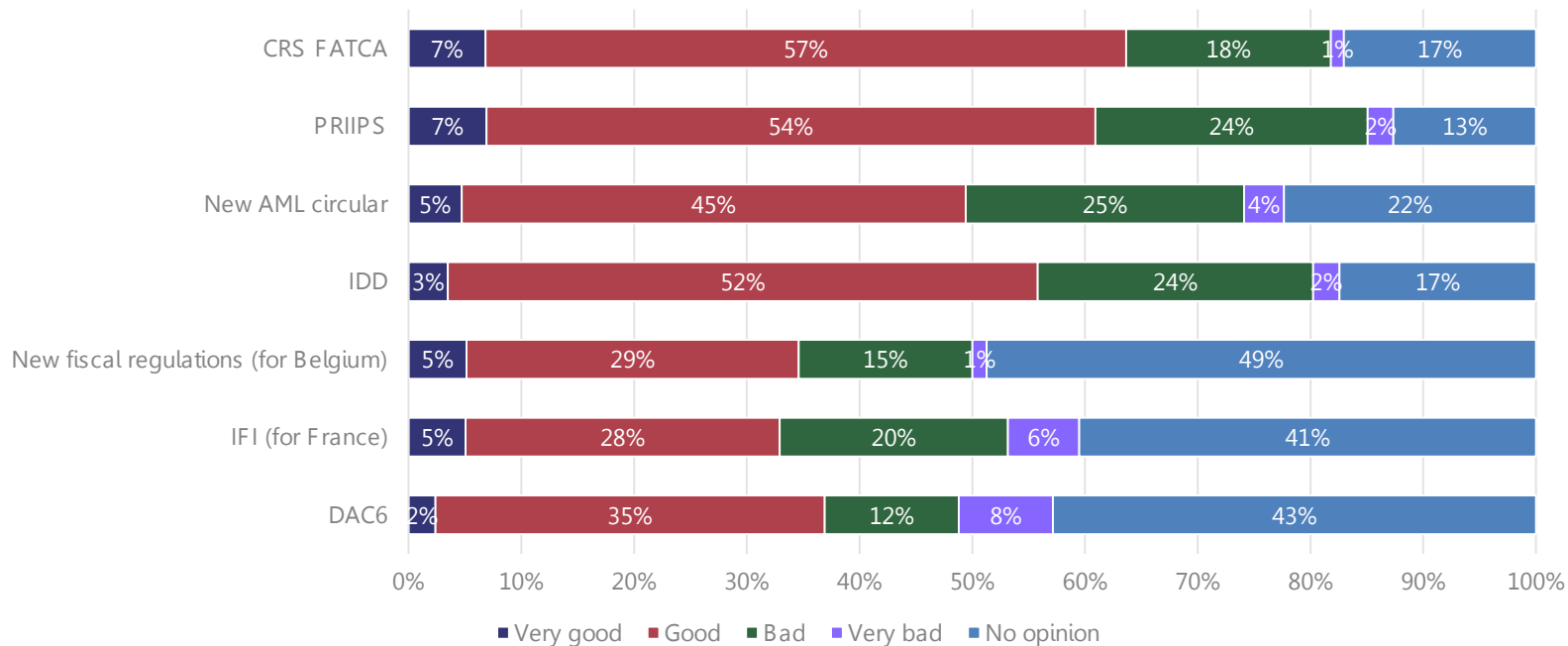
How do you assess the quality of service in Luxembourg on the following subjects?



- Luxembourg manages complexity but execution of operations remains too slow

# Insurance Companies assessment

How would you assess the support and level of service on the following subjects?



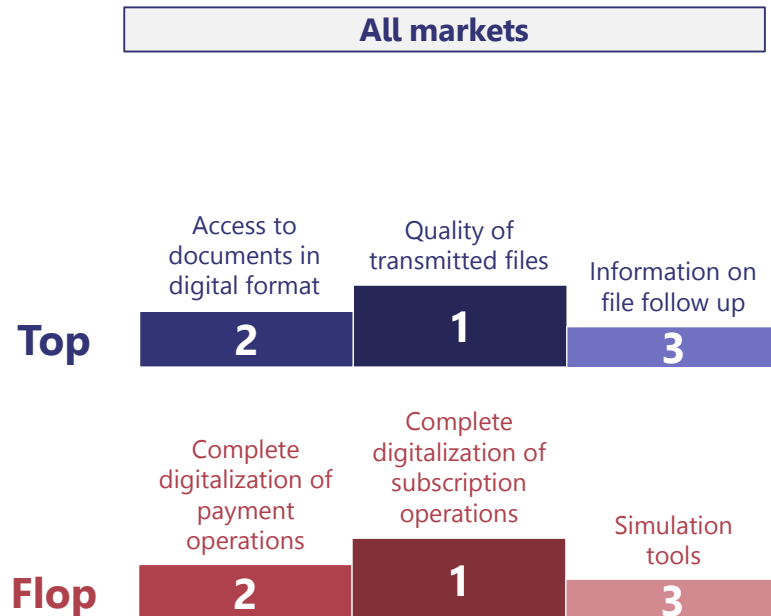
- The answers are homogeneous across all the countries studied
- Respondents expect an increase level of support from insurers on regulatory subjects

# Insurance Companies assessment

How do you assess the quality of service in Luxembourg related to digital offering?

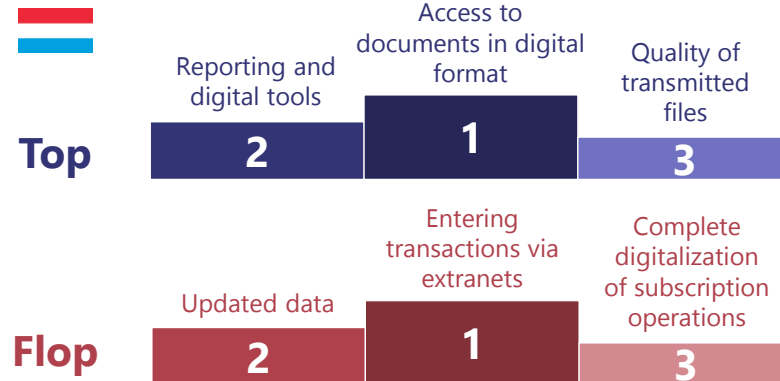
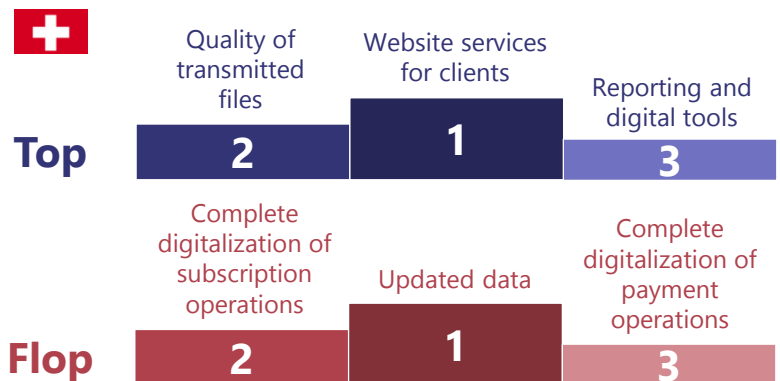
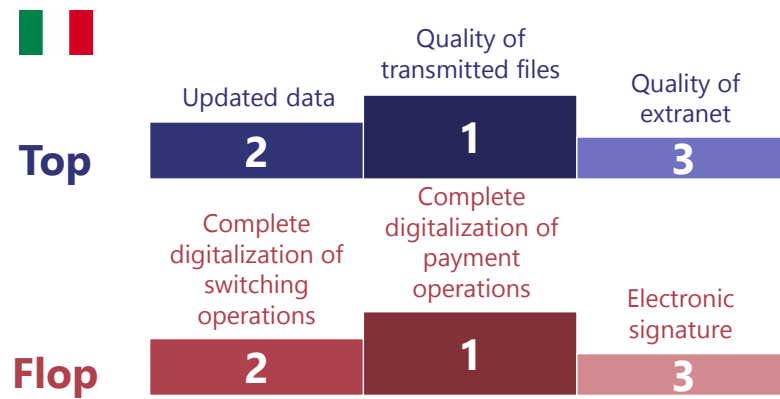
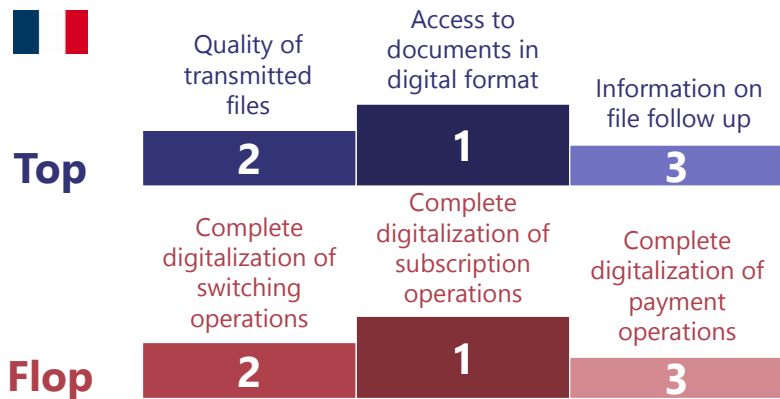
## Comments

- The latest efforts to improve the digital offering in Luxembourg have not yet materialised concrete satisfaction
- Respondents praised the data quality and information provided by insurers
- However, there is a great disappointment in the dematerialization of insurance operations and a desire to gain autonomy through simulation tools
- French and Italian respondents are less satisfied than other countries with the digital offering
- Swiss respondents do not have high expectations for digitalisation



# Insurance Companies assessment

How do you assess the quality of service in Luxembourg related to digital offering?

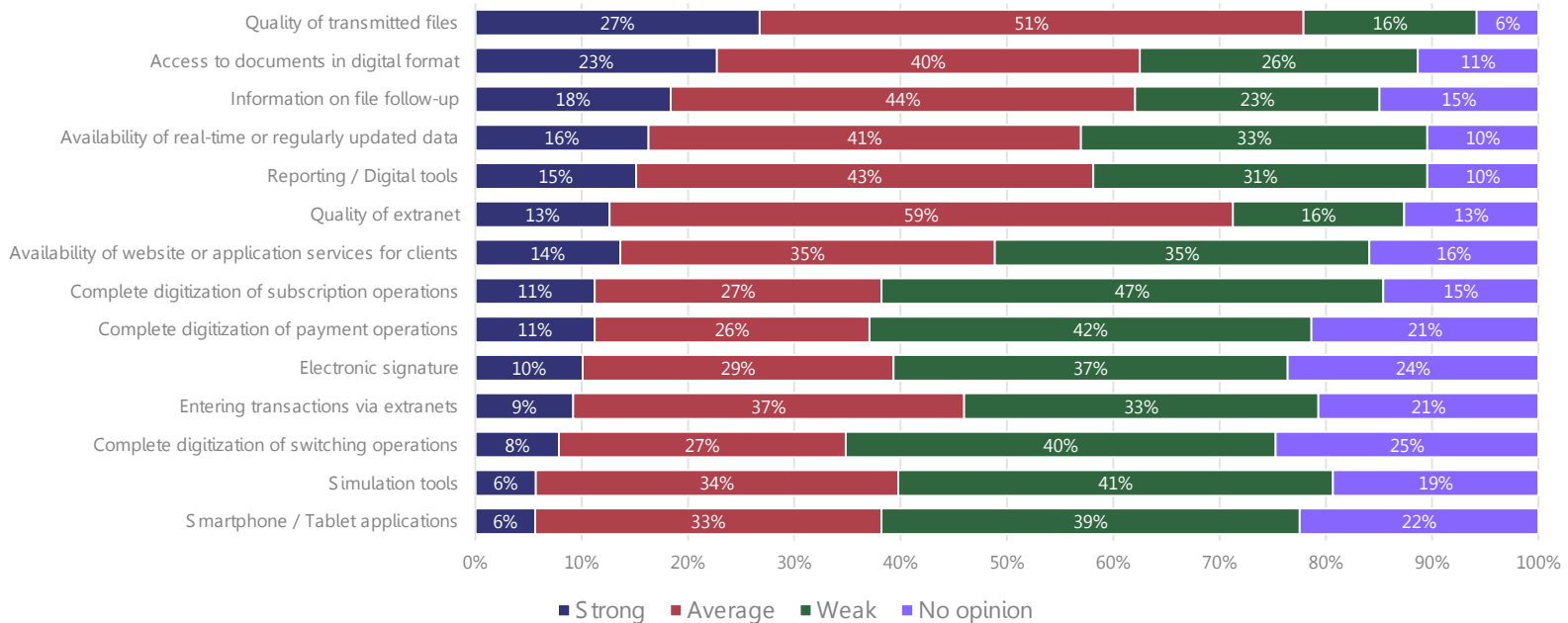


Top are based on modality with the most of « strong » answer. Flop are based on modality with the most of « Weak » answer. In case of equality we made a choice based on our knowledge of the market



# Insurance Companies assessment

How do you assess the quality of service in Luxembourg related to digital offering?



- The latest efforts to improve the digital offering in Luxembourg have not yet materialised concrete satisfaction

# Insurance Companies assessment

How do you rank the following criteria in choosing a life insurance partner?

## Comments

- Reputation and Image re-emerges as the main criteria to assess a company
- Back-office support quality is also considered as very important
- Technical coverage of services is this year the fourth criteria and out of the podium
- Italian respondents are still choosing the life insurance company based on the guaranteed funds offer

2019

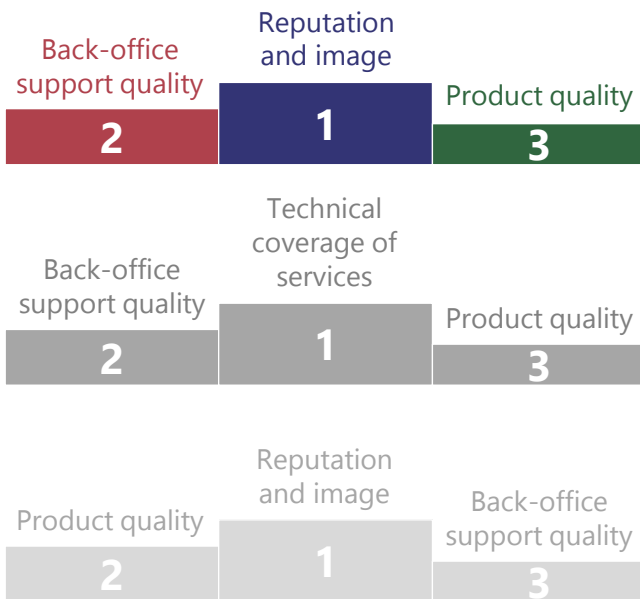


2017



2015

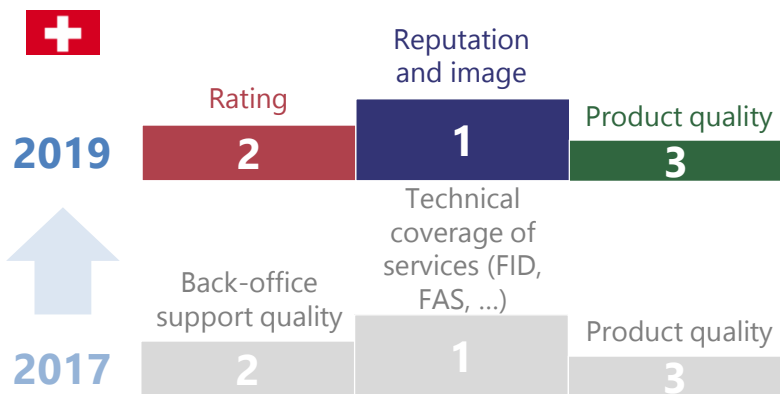
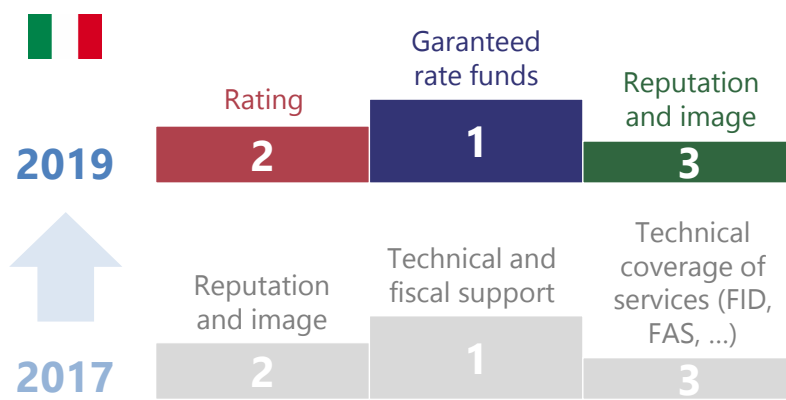
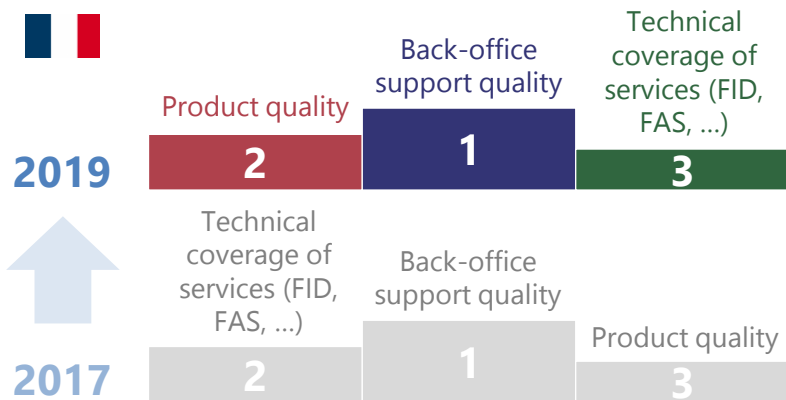
## All markets

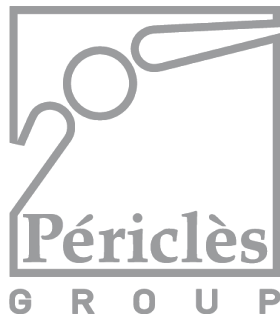


## 4

# Insurance Companies assessment

How do you assess the following criteria in choosing a life insurance partner?





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