



▶ AFFINITY INSURANCE



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QUARTER 2 2018

# Global Affinity

## *Finance Club*

*Finaccord's newsletter about affinity financial services worldwide*



## Welcome back to your Club!

If there has been a prevailing theme in the world of affinity financial services in the most recent quarter and, indeed, more recent years, it has surely been that of partnerships based around digital marketing.

In respect of insurance, these have included new initiatives involving both Allstate and AXA with Uber, and Chubb with Grab, in the field of taxi hailing apps, plus AXA with BlaBlaCar in the ride-sharing space. Agreements oriented to development of digital health services have also been to the fore as epitomised by those involving Allianz and American Well, Bupa and HealthTap, and SSQ Insurance and Dialogue. Zurich, too, has created notable deals for digital insurance such as that with CoverWallet for small business cover.

The automotive finance market has also seen a number of innovative partnerships, especially in the US. For example, Ally Financial is collaborating in this context with both Drive Motors and mobility with the former a provider of e-commerce services to vehicle dealerships and the latter an app-based monthly subscription service for vehicle buyers.

Meanwhile, as ever, digital innovation is also evident in the banking and payments market. Significant new initiatives in this respect include those of Kreditech with PayU for online consumer finance in India and Bank of China with Tencent for student banking services in China. Furthermore, global payment brands such as Mastercard and Visa are increasingly forging links with manufacturers of wearables such as Fitbit and Garmin for integrated payment services.

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Consumer Automotive Financial Services in Canada

Consumer Automotive Financial Services in South Africa

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Global Expatriates: Size, Segmentation and Forecasts for the Worldwide Market

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Mobile Metrics: Consumer Approaches to Mobile Gadget and Phone Insurance in Selected Global Markets

Prepaid Service Contracts for New and Used Vehicles in the Asia-Pacific Region



### Affinity Insurance News

#### ASSISTANCE

##### **Geo Underwriting works with DAS for high net worth assistance service**

In the UK, Geo Underwriting (formerly Towergate Underwriting) has partnered as administrator with DAS, as underwriter, to launch an assistance product for high net worth individuals which includes a combination of cyber, home emergency and legal protection cover. The product includes access to a cyber risk analysis software platform provided by Dynarisk, a cyber security company, which assesses individual and family behaviour online to assign a 'risk score'. This score can be used both by policyholders, who are advised on how to mitigate risks, and by brokers selling the product.

##### **Generali Global Assistance links with Deposits.com for identity protection**

In the US, Generali Global Assistance has secured a contract for the provision of identity protection assistance services to the customers of Deposits.com, a company in the process of being launched that intends to assist consumers with choosing which banking products to take out. The range of services in scope includes prevention, monitoring, alerts and resolution

tools, as well as educational resources concerning best practice in identity protection, privacy protection software and credit monitoring.

##### **Europ Assistance extends assistance partnership with UNICRE through to 2020**

In Portugal, Europ Assistance has renewed its partnership with credit card issuer UNICRE through which it provides various automatically-bundled assistance services to holders of Unibanco cards, including medical, road and travel assistance. The new arrangement will continue through to 2020.

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#### COMMERCIAL INSURANCE

##### **Aon works with Allianz, Apple and Cisco for cyber risk management solution**

In the US, Aon has announced a new cyber risk management solution for businesses in conjunction with Allianz, Apple and Cisco. The new proposition is designed to help a wider range of organisations to better manage and protect themselves from the growing cyber risk associated with ransomware and other malware-related threats.

In this context, Aon is providing cyber resilience evaluation services through a dedicated team of professionals specialising in this field, and Allianz Global Corporate & Spe-

cialty (AGCS) is acting as underwriter of enhanced cyber insurance coverage. Apple and Cisco have agreed to the involvement of several of their products in the scheme, which means that corporate customers who use iPad, iPhone, and Mac devices, as well as Cisco's 'Ransomware Defense' product, can qualify for the cover. Organisations using the cover will have access to the incident response teams of Aon and Cisco in the event of a malware attack.

##### **The Hanover commences professional liability insurance program with USI Affinity**

Also in the US, The Hanover has announced a partnership with broker USI Affinity to offer professional liability insurance to attorneys and law firms through the USI Affinity Lawyers Liability Risk Purchasing Group. The product will be known as the 'USI Affinity "Attorney's Preferred" Insurance Program', and comprises insurance solutions for individual lawyers and law firms of all sizes in the states of Connecticut, Maryland, Massachusetts, New Jersey, Virginia and West Virginia.

##### **Euler Hermes and MAPFRE use Solunion joint venture to enter surety bond market**

In Spain, Solunion, the joint venture in trade credit insurance that is co-owned by Euler Hermes and MAPFRE, has announced that it will diversify into underwriting surety



bonds. The company was launched originally in 2013 and has since expanded outside of Spain into a number of Spanish-speaking countries in Latin America including Argentina, Chile, Colombia and Mexico.

### **Zurich seals tie with CoverWallet for digital sales platform offering commercial insurance**

Also in Spain, Zurich has begun working with the US-based insurtech pioneer CoverWallet to launch a nose-to-tail digital sales platform for commercial insurance. The platform will be hosted on [www.zurichempresas.es](http://www.zurichempresas.es), and allows small and medium-sized enterprises to identify and fulfil their insurance needs in rapid time and entirely online. Once a policy has been bought, it is managed either through the 'MiZurich' mobile app or the insurer's website. The scheme will be rolled out in Spain in its initial stages, although the two partners intend to introduce it to other European countries in future, working together in this field on an exclusive basis.

### **APRIL offers discount on commercial insurance to chemists in pharmaceutical network**

In France, APRIL Enterprise Solutions, a subsidiary of the APRIL Group, has begun working with the pharmaceutical firm Sterling Pharma to improve the latter's e-commerce services through its 'Conseil Santé' app. The app allows

chemists in Sterling Pharma's network to receive prescriptions online and to prepare customers' orders in advance so that they can be made available through a click-and-collect system, and also facilitates the dispatch of promotions and personalised health advice to smartphone users. As a part of the arrangement, APRIL will also offer a 10% discount on multi-risk and professional indemnity insurance for employees of Sterling Pharma, as well as six months' free use of 'Conseil Santé'.

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### LIFE, HEALTH AND CREDITOR INSURANCE

#### **AXA works with Uber for protection and savings policies for drivers...**

As part of a regional initiative, AXA has announced the launch of the 'Partner Protection' product, which makes available a range of covers including accident, injury, illness and paternity benefits for Uber drivers and couriers based in Europe. The policy is funded by Uber at no cost to all eligible drivers and couriers, and is valid regardless of whether the driver or courier is using the Uber app.

At the same time, AXA has also signed a memorandum of understanding with Uber to develop further protection policies for the latter's workers. The aim is to develop an online platform that will make additional covers available for Uber

drivers and couriers. These could include injury protection, income protection, family protection, health, and retirement and savings policies.

#### **... and Chubb links with Grab for similar initiative**

In a comparable initiative in south-east Asia, Grab, an on-demand transportation and fintech platform, has appointed Chubb to offer insurance solutions for its drivers. Initial products include accident, hospitalisation and income protection policies, all of which are accessible to Grab's 2.6 million self-employed drivers. Furthermore, telematics and other data harvested from Grab's platform will be used for development of further insurance products. The partnership was announced as part of the launch of Grab Financial, a fintech platform available to drivers registered on the Grab system that focuses on payment and loyalty services. Grab has also stated that the agreement with Chubb is an extension of its long-term commitment to improve driver welfare.

#### **Allianz delivers digital healthcare solutions in conjunction with American Well...**

Across the globe, a number of insurers have been exploring initiatives within the field of digital and mobile healthcare. Firstly, in the US, Allianz has partnered with American Well, a tele-health platform, to create healthcare products for American Well's customers. As part



## Affinity Insurance

of this arrangement, Allianz has invested USD 59.2 million in American Well, and the two companies will work with local healthcare stakeholders to develop digitally-driven health services such as the use of wearable sensors, remote monitoring and virtual visits on a global level.

### **... Bupa works in same field with HealthTap...**

In an analogous agreement, Bupa has announced a strategic partnership with HealthTap, a digital healthcare provider, through which the two companies will combine for digital healthcare provision on a global basis. The two partners have already been co-operating by making use of HealthTap's apps and systems to allow Bupa customers to find Bupa-accredited local doctors, to schedule appointments and to connect with medical professionals by video chat.

At a more local level, HealthTap has also agreed to work with Quality Healthcare, a private healthcare service in Hong Kong, to jointly promulgate the companies' services within the territory. The partnership initially involves the introduction of a mobile app that enables insured users to book appointments online, in addition to providing health information and services. Further plans to develop electronic payment systems and digital records of personalised medical information are in the pipeline.

### **... and SSQ Insurance rolls out a comparable scheme with Dialogue**

In Canada, SSQ Insurance has chosen Dialogue, a virtual platform specialising in employee healthcare services, to provide its staff members and policyholders with instant access to professional healthcare services including video consultations with doctors and online consultation with nurses, as well as referrals to specialists and prescription services.

### **Aetna takes over Aviva's international private health insurance business**

Aetna has announced that it will take over Aviva's international private medical insurance (IPMI) business, allowing the latter to focus on its domestic UK health insurance business. Aviva has stopped providing new international policies and existing customers whose policies are due for renewal will be offered Aetna's international policies instead.

### **Colombian insurer ties with two partners for international health insurance**

In Colombia, local insurer Seguros Bolívar has begun selling a range of international health insurance policies in partnership with both Blue Cross Blue Shield Global and Bupa Global. The available coverage includes both in-hospital and outpatient care, mental and holistic

therapy, emergency evacuation, organ transplants and rehabilitation, as well as treatment for cancer and other critical illnesses.

### **APRIL Group works more closely with Malakoff Médéric in several fields**

In France, APRIL Group and Malakoff Médéric have ratified a mutually beneficial agreement that will allow them to capitalise on their respective distribution networks. Malakoff Médéric will offer its creditor and personal accident insurance through APRIL's online sales platforms, and will employ APRIL's subsidiary CETIM to manage certain health and group protection schemes. In return, APRIL will use Malakoff Médéric's subsidiary VIAMEDIS as a third-party payer for its own insurance customers. The agreement will see Malakoff Médéric reinforcing its position as a reinsurer for APRIL.

### **BNP Paribas Cardif promotes creditor insurance through French property listing website**

Also in France, BNP Paribas Cardif has agreed to distribute its creditor insurance products via SeLoger, a property listing website that reports over 30 million visits per month. The partnership means that users of SeLoger can identify the mortgage-related creditor cover that is best suited to their needs while browsing the site and can proceed to either call an advisor for further information or subscribe online.



### **Spanish basketball federation selects AXA for affinity insurance schemes**

In Spain, AXA has agreed to continue working with the Federación Española de Baloncesto (the country's professional basketball federation) to provide its members with protection life insurance in case of death or incapacity, plus a range of health and dental insurance policies. Other policies offered through this scheme include savings and investment contracts to help professional basketball players to prepare for the end of their professional career.

### **Talanx and Zurich unveil joint venture plan for new occupational pension products**

In Germany, insurance groups Talanx and Zurich have announced that they intend to co-operate in the field of company pensions by forming a consortium provisionally named Die Deutsche Betriebsrente. Both companies believe that they possess substantial and complementary expertise in selling and managing occupational pension products, thereby meaning that they can combine to good effect in this space. Die Deutsche Betriebsrente, which is pending regulatory approval, will focus on pension products linked to the performance of security markets so that customers benefit from returns that are potentially higher than those usually available from traditional pension products. The initiative is inspired in part by the entry into law of Germany's

Occupational Pensions Act ('Betriebsrentenstärkungsgesetz') at the start of 2018, paving the way for collective bargaining partners – namely trade unions and employers' organizations – to provide employees with new pension solutions.

### **MOTOR INSURANCE**

#### **AXA underwrites pay-by-the-mile cover for UK-based insurtech pioneer...**

In the UK, AXA has tied with By Miles, an insurtech company, to launch a motor insurance product that is aimed at motorists who drive infrequently and under 7,000 miles a year. The policy features a fixed annual cost to cover the car when it is parked, plus a payment for any miles driven each month. All policies include no claims bonus protection at no extra cost, with access to driving and car care tools via the company's app. Journeys are measured using a black box device and drivers are able to access the cost of each trip made through a smartphone app.

#### **... and launches motor insurance for BlaBlaCar vehicle owners in France**

Meanwhile, in France, AXA has launched 'BlaBlaSure' as a new annual car insurance policy for members of BlaBlaCar, a ride-sharing service, who own a vehicle registered in France. This online policy can be taken out rapidly and

with different cover options available. It is intended that this insurance will be made available to BlaBlaCar members in other European countries in the future.

### **Europ Assistance launches insurance for Italian peer-to-peer car sharing platform**

In a comparable initiative in Italy, Europ Assistance has begun offering insurance to customers of GetMyCar, a company owned by car parking network ParkinGO that operates a peer-to-peer car sharing platform. The policies cover the whole period for which the car is shared and include comprehensive protection, cover for both theft and damage due to natural events and vandalism, plus legal assistance.

### **Zurich insures electric vehicles belonging to Spanish car club**

In Spain, Zurich has announced that it has begun insuring a fleet of around 500 telematics-enabled electric vehicles belonging to the ZITY car club which is co-owned by Ferrovial Servicios and Renault. The telematics features make it possible to not only generate data pertaining to how the vehicle is being driven, but also about its location and the driver in the event of accident or theft. ZITY cars can be rented by the minute via an app available from both Apple Store and Google Play.

At the time of launch, the cars may be used only in the city and suburbs





of Madrid, although expansion to other parts of Spain is possible in future. The partnership is driven by Zurich's belief that car clubs and other forms of car sharing will grow rapidly in future years to the point that by 2030, one in every three kilometres driven in Europe will be via such means, with 55% of trips taken using electric vehicles.

### **Allianz Global Assistance offers insurance for hired cars with US-based insurtech firm**

In the US, Allianz Global Assistance has partnered with Pablow, an insurtech company focused on providing insurance to drivers of rented cars, thereby allowing them to avoid having to take out car rental firms' own insurance cover. These damage and theft protection policies are sold through P'teet, a dedicated online brand operated by Pablow. This partnership follows an existing partnership between the two entities in Australia, where Pablow operates both a car rental comparison site and car rental insurance site. Allianz believes that the value of the car rental insurance market in the US is in the region of USD 28 billion, with around 70 million customers making around 110 million reservations in 2016.

### **Uber selects Allstate for commercial motor insurance in three US states**

Also in the US, Allstate has agreed to insure Uber drivers and

passengers by providing commercial motor (auto) coverage in the states of Illinois, New Jersey and Wisconsin. Coverage begins from when a driver turns on the Uber app to begin accepting rides to the point that he or she drops off customers at their destination.

### **NICHE INSURANCE**

#### **APRIL markets boat insurance through manufacturer's online platform**

In France, APRIL Marine, a subsidiary of APRIL Group specialising in yacht insurance, has been chosen as insurance provider for customers of motor boat and sail manufacturer Bénéteau. APRIL's policies will be made available through Band of Boats, Bénéteau's new online brand for the purchase, sale and hire of boats. Users of the site can obtain an insurance quotation from APRIL Marine for any of the boats sold on the platform, and acquisition of cover can be completed online.

#### **AXA and Gothaer reconfigure legal protection joint venture in Germany**

In Germany, AXA and Gothaer have bought out the four minority shareholders that formerly held stakes in ROLAND Rechtsschutz, a company which specialises in legal protection cover, thereby converting it from a joint venture co-owned by six entities to one co-

owned by two. The minority shareholders being bought out are Barmenia Kranken, Basler, Braunschweig Beteiligungsgesellschaft and Feuersozietät Berlin Brandenburg Versicherung albeit the former two entities will continue to act as distribution partners for ROLAND. With a market share of more than 10% of the German legal protection insurance market, ROLAND Rechtsschutz is the third-ranked competitor in this sector with gross premiums of EUR 428.6 million in 2016.

### **PRODUCT WARRANTIES / INSURANCE**

#### **CarGarantie creates pan-European joint venture with Car Care Plan...**

As part of a pan-European venture, vehicle warranty specialists CarGarantie and Car Care Plan have announced the creation of a joint venture named International Warranty Solutions (IWS). It is intended that IWS will focus on distributors that operate internationally, such as car manufacturers, and will involve the companies pooling their combined networks of over 24,000 dealers and 48 manufacturer brands across 27 countries in Europe.



### **... and works with Mazda for car maintenance package in Germany**

In Germany, and in another initiative involving Car Garantie, Mazda has started offering its customers a new maintenance package called 'Mazda Care'. Administered by Car Garantie, the plan includes all scheduled maintenance work and applies to new cars, demonstration cars, day registrations and used cars until the first scheduled maintenance. Runtime and mileage can be flexibly adapted to customers' needs, with terms of one to five years and annual mileages of up to 70,000 kilometres. Original Mazda parts are being used for all work involved.

### **simplesurance collaborates with digital platform for insurance for second-hand tyres**

Also in Germany, online product insurance specialist simplesurance has agreed to begin working with Orbix, an online marketing platform for used wheels and tyres, to sell insurance for second-hand tyres. Insured tyres can be covered for up to four years from the date of their manufacture and up to a residual tread depth of more than four millimetres. Customers will be given the option of purchasing the policy when they are checking out their shopping cart on the Orbix website. The online shop automatically recognises the price of the tyres and offers an insurance premium that is pegged to it. In

addition, the service also comprises an online claims reporting facility.

### **Brightstar renews partnership with Cellcom for mobile device protection**

In the US, Brightstar has reported a multi-year extension of its partnership with mobile network operator Cellcom for device protection insurance. The renewal means that Brightstar will continue offering a full range of device protection services to Cellcom's customers that includes cover for loss, theft and accidental damage to handsets, as well as warranty cover for technical failure.

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## TRAVEL INSURANCE

### **Aon Affinity sets up global travel insurance program with AIG and Expedia**

AIG has announced a global partnership with Expedia whereby it will offer travel insurance to customers of its partner's Cheaptickets, Expedia.com, Orbitz and Travelocity brands. Already launched in the US, the partnership will be expanded to the same brands globally and will also include ebookers.com, lastminute.com.au, lastminute.co.nz, Wotif.com and Wotif.co.nz. Aon Affinity, which has worked with Expedia for travel insurance services for 15 years, is acting as intermediary and administrator of this program.

### **Interhome selects ERV for travel cover**

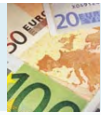
In a new partnership initially set to last three years, the Germany-based branch of insurer ERV will provide travel insurance products to customers of Interhome, an international company that manages holiday apartments and houses across over 30 countries.

### **Collinson Group wins travel insurance mandate with Saga**

In the UK, Saga, a travel and financial services group for people aged over 50, has chosen Collinson Group as its partner for travel insurance. By means of this arrangement, Collinson will provide both stand-alone policies and cover packaged with Saga holidays, in addition to managing insurance for Saga's luxury travel subsidiary, Titan Travel.

### **Allianz Global Assistance secures affinity scheme with My Online Camp**

In the US, Allianz Global Assistance has unveiled a partnership with My Online Camp, an event provider that serves coaches, athletic departments and camp operators by providing marketing and registration services for sports camps and other youth-targeted events. Through this arrangement, Allianz Global Assistance will offer insurance to cover registration fees in the event of cancellation, illness and lost or delayed baggage. Policyholders can also opt for an add-on that will qualify them for assistance



services, such as locating appropriate healthcare facilities in the event of a medical emergency. The companies reported that My Online Camp manages registration for over 17,500 events in the US each year.

### **HanseMerkur wins ticket and travel insurance deal with tourVERS...**

In Germany, HanseMerkur has agreed to underwrite ticket and travel insurance products for attendees of the Oberammergau Passion Play 2020 via its trading agent tourVERS. Policies on offer include cover for inability to attend and baggage protection as well as repatriation and health insurance for non-German visitors.

### **... and works with HolidayCheck for comprehensive travel cover**

Moreover, HanseMerkur has also announced a new three-year partnership with online travel booking specialist HolidayCheck offering comprehensive travel cover to its customers in Austria, Germany and Switzerland.

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### GENERAL

### **MAPFRE rolls out affinity programs with two professional associations in Spain**

In Spain, MAPFRE has concluded an affinity agreement with the Consejo General de Graduados Sociales, a professional association representing legal and economic advisers specialising in labour relations, business eco-

nomics, human resources and the prevention of occupational hazards. By means of this tie, members of the association will be able to access both personal and commercial insurance policies underwritten by MAPFRE on preferential terms. In total, the association has more than 22,000 individual members who belong to 43 regional colleges that fall under the purview of the association.

Also in Spain, Zurich has disclosed that it is linking with the Federación Nacional de Trabajadores Autónomos (a trade association representing around 200,000 self-employed individuals) in order to obtain personalised advice and preferential conditions at a nationwide level for various types of insurance including accident, commercial, general liability and motor policies. This follows on from a similar agreement that Zurich concluded in 2017 with the association's branch in the province of Andalusia and that has produced positive results. In total, Zurich has a portfolio of around 84,000 small and medium-sized business customers in Spain.

### **Zurich allows Miles & More members to earn miles by buying insurance...**

Meanwhile, in Germany, Zurich has announced that it has begun co-operating with the Miles & More frequent flyer loyalty scheme. As a consequence of the partnership, members of the Miles & More program can earn additional miles through the platform when purchasing accident, household, legal protection and per-

sonal liability insurance policies underwritten by Zurich. As with miles earned through other program partners, which number over 300 in total, these can then be redeemed in multiple ways worldwide to obtain discounted products and services.

### **... and combines with insurtech start-up to improve customer experience in Australian personal lines**

Outside of Europe, Zurich has joined forces with the Australia-based insurtech start-up Blue Zebra to launch a digitally-enabled, end-to-end personal lines insurance platform targeted at brokers with a focus on home, landlord and motor policies. The initiative has been inspired in part by the two partners' belief that there is a gap in the Australian personal lines sector for a proposition based around personalised advice, a concept that has retreated in recent years in the wake of growth in direct sales.

Blue Zebra, which is an underwriting agency, considers that it will be able to compete effectively against traditional insurers that are burdened by legacy product-based models and systems that have significant limitations when it comes to optimising customer service. Its platform includes an advanced technology-enabled claims experience that ensures that claims are paid quickly, with clear and timely communication to brokers and their customers.



### **Groupama and Gras Savoye earn affinity mandate with French golfing federation**

In France, Groupama and Gras Savoye have been appointed respectively as underwriter and broker for an insurance scheme for the Fédération Française de Golf. By means of this arrangement, all golfers who are members of the federation are being offered liability and individual accident insurance, plus discounts on a range of other insurance products.

### **Allianz and LV= define further their general insurance joint venture**

As part of a strategic partnership, Allianz and LV= have announced updated plans to transfer their respective personal and commercial portfolios. Allianz's personal home and motor portfolios will be transferred to LV=GI, a joint venture in which Allianz has a 49% stake while LV='s commercial insurance portfolio will be transferred entirely to Allianz. It is anticipated that the transfers will start in the second half of 2018.

## **Bancassurance**

### HOUSEHOLD INSURANCE

### **Deutsche Bank works with Friendsurance to strengthen household insurance offering**

In Germany, Deutsche Bank has begun building a strategic partnership with the Berlin-based peer-to-peer

insurance specialist Friendsurance, with the aim of strengthening its household insurance offering. The agreement will see the development of a digital 'insurance manager' function to complement traditional bank services offering clients a convenient way to manage their property insurance needs. This function enables clients to learn about and take out new policies both quickly and securely, also allowing them to see all their insurance policies together with key details such as notice periods, coverage and claims history. It will also be possible for clients to manage their insurance policies online, to compare policies and conditions and, if necessary, to change insurer or take out a new policy.

### MOTOR INSURANCE

### **BNP Paribas Cardif extends global partnership with Volkswagen Financial Services**

BNP Paribas Cardif and Volkswagen Financial Services have announced the signing of a global partnership to extend a relationship that was established originally in 2001. This partnership already covers 2 million creditor and GAP insurance contracts related to vehicle finance and, with the renewal, will come into force across 16 countries in Europe and Latin America.

### GENERAL

### **Banco de Brasil reconfigures bancassurance joint venture with MAPFRE**

In Brazil, Banco do Brasil and MAPFRE have communicated further information in respect of the future development of their BB MAPFRE insurance joint venture that was set up in 2011 and that secured premiums of around EUR 4 billion (equivalent to a market share of 16.6%) in 2017. Specifically, MAPFRE will become the legal owner of 100% of total business produced by the agency network and of motor and large commercial risk business generated by the banking channel. Previously, its share had been 50%. However, its share of agricultural business and life insurance will remain 25% and its share will also stay at that level for household policies sold through the banking channel. Moreover, for the types of business underwritten by the joint venture, the bank will remain an exclusive agent.

### **The Co-operators takes over full control of Cumis insurance subsidiaries**

In Canada, The Co-operators has announced a change in its partnership with the Central 1 Credit Union, whereby the latter will remove its ownership interest in the insurance group CUMIS which it has co-owned with The Co-operators since 2009. The change means that both the life and non-life insurance subsidiaries of Cumis will become fully-owned subsidiaries of The Co-operators.



### Affinity Banking

#### AUTOMOTIVE FINANCE

##### **Ally Financial unveils new digital distribution partnerships**

In the US, Ally Financial has entered into two new relationships with online providers of automotive finance. First, it has agreed to work with Mobiliti on a suite of financing options for both consumers and dealers. Mobiliti is an app-based monthly subscription service that connects drivers who want flexible financing with dealers, and includes a vehicle complete with maintenance, warranty, insurance and roadside assistance. For consumers who wish to purchase or lease the vehicle at the end of the subscription period, Mobiliti will offer them the opportunity to connect with finance providers through Ally's digital financing platform Clearlane. In addition, Ally fleet financing will be made available to qualified dealers who use Mobiliti's vehicle subscription services, along with an option to re-market returned vehicles using Ally's wholesale digital auction site, SmartAuction.

Secondly, Ally has also become the preferred finance company for Drive Motors, which provides e-commerce services to vehicle dealerships and claims to facilitate over 1,000 vehicle sales per month nationwide. Dealers using Drive Motors can now submit consumer finance applications directly to Ally Financial. Meanwhile, aside from its new digital distribution links, Ally has also signed an agreement with Sonic Automotive, a vehicle re-

tailoring group in the US, to provide extended warranties and GAP cover for the group's pre-owned vehicle dealerships in Colorado and Texas, which trade under the EchoPark name.

##### **Audi Financial Services forges agreement with AutoGravity for vehicle purchases**

Still in the realm of online and mobile partnerships for the distribution of automotive finance, Audi Financial Services has agreed to work with AutoGravity, a US-based vehicle purchasing app. The AutoGravity platform, which connects users to dealers and lenders for the purpose of acquiring vehicles, is including Audi Financial Services among its financing options. Consumers will be able to choose from loan and lease contracts provided by Audi Financial Services, and will also be able to consider new and used Audi models for purchase. It is intended that the partnership will help Audi dealerships to broaden both their customer base and distribution network.

##### **Joint venture co-owned by BNP Paribas and PSA group articulates European ambitions**

As reported in an earlier edition of this newsletter, PSA group (the owner of the Citroën, Opel, Peugeot and Vauxhall vehicle brands) and BNP Paribas had come together to acquire the automotive finance operations of Opel (in Europe) and Vauxhall (in the UK).

The partners have stated subsequently that the joint venture, known as Opel Vauxhall Finance, aims to finance a third of Opel vehicles by 2020, and to drive up to 25% growth in sales of Opel LCVs by the same year. To encourage sales, Opel Vauxhall Finance will offer full-service leasing for fleet customers in Germany through Opel Bank, and will develop B2B finance in countries including Austria, France, Italy and the UK. It will also expand its geographical presence, notably in Spain, with the long-term goal of being active in 90% of European markets in which Opel and Vauxhall vehicles are sold.

Another priority for the company will be to introduce packages that combine leasing, insurance and service products, with the goal of increasing customer loyalty. While such packages are already available in some countries, the objective is to launch them across all markets served by Opel Vauxhall Finance.

##### **BNP Paribas Personal Finance confirmed as the sole partner for Hyundai in France**

In France, BNP Paribas Personal Finance has announced that it will become the exclusive automotive finance provider for Hyundai's customers and dealers. In particular, dealers will be able to manage their inventory via wholesale financing solutions developed by BNP Paribas Personal Finance.



### **Crédit Agricole Consumer Finance prolongs partnership with Mazda for five more years**

Also in France, Crédit Agricole Consumer Finance has announced an extension of its agreement to provide financing for customers of Mazda through its Viaxel label until 2022. The agreement, which was first signed in 2009, covers financing solutions for Mazda's stock of new and demonstration vehicles, plus loans and operating leases for consumers sold under the Mazda Finance brand.

### **Carfinco links with LGM for automotive finance and insurance solutions in Canada**

In Canada, Carfinco, a subsidiary of Santander, has begun working with automotive finance provider LGM Financial Services in the non-prime financing market. The agreement allows Carfinco to promote more broadly its financing options that enable dealers to offer a diverse array of credit solutions to consumers and should help LGM to increase sales of its insurance and protection products. LGM's nationwide network of dealer development managers will provide sales support for the non-prime lending solution.

### **Orient Corporation provides backing for JA Bank's new vehicle finance product**

In Japan, Orient Corporation has agreed to back a new vehicle finance

product created by JA Bank, a community-based financial institution for farmers in the Iwate prefecture. The loan, which is capped at JPY 10 million and has a maximum term of ten years, can be used to finance new and used cars and motorcycles, as well as other vehicles including snowmobiles, water bikes, leisure boats and camper vans.

## COMMERCIAL BANKING

### **Wesleyan wins mandate from the Law Society of England and Wales**

In an initiative that is similarly aimed at legal practitioners, this time in the UK, the Law Society of England and Wales has appointed Wesleyan to be the exclusive provider to its members of both commercial and personal financial solutions. Law Society members are now able to access a broad portfolio of commercial, personal finance and protection products from Wesleyan, which are tailored to support them at every stage of their careers.

Wesleyan's commercial finance solutions include flexible short-term expenditure funding for the acquisition of practising certificates as well as tax and VAT purposes. Other products include professional indemnity insurance for lawyers, medium-term loans covering investment in technology and associated IT services including cyber and data security, and long-term financial solutions to facilitate business mergers and acquisitions, commercial mortgages and partner buy-ins and

buy-outs.

## CONSUMER FINANCE

### **Crédit Agricole Consumer Finance engages with Bankia for joint venture in Spain**

In Spain, Crédit Agricole Consumer Finance has entered into exclusive negotiations with Bankia that are aimed at establishing a joint venture in the consumer finance business. Crédit Agricole Consumer Finance has stated that it hopes to increase its visibility in Spain and that the proposed joint venture could be beneficial in this respect.

### **PayU ties with Kreditech for online consumer finance in India**

In India, PayU, an online payment service provider that belongs to the Naspers group, has begun working with Kreditech, a digital consumer lending firm, to offer both banked and unbanked customers access to a monthly credit facility, branded as 'PayU Monedo' for use on popular e-commerce sites. This initiative follows the original creation of a strategic partnership by the companies in May 2017 with a focus on this field. The partnership saw an investment of EUR 110 million made by PayU in Kreditech, which was the largest-ever equity investment in a German fintech company.

The scheme allows PayU's customers to make use of the credit facility in less than two minutes for



online purchases at a cost that is comparable to local banks. Loan amounts are granted at up to INR 100,000 (approximately USD 1,500) with the duration and interest rate for the loan set in accordance with the perceived likelihood of the customer to repay the loan on time. After goods have been added to the cart, the consumer is offered an option to select the credit facility as the payment method at checkout.

A broader objective of the initiative is to make goods and services affordable for Indian consumers with lower purchasing power, enabling merchants to expand their business to new market segments with the chance of significantly higher sales and lower cart abandonment rates. In fact, Kreditech plans to become a licensed non-banking financial company (NBFC) in India in the near future and has filed an application with the Reserve Bank of India to that end.

### **Bank of China collaborates with Tencent for digital financial services for students**

In China, the Bank of China has disclosed that it has begun working with Tencent, a multinational e-commerce group, to create a digital platform, known as 'BOC Microservices', that provides university and college students and employees with access to its products and services, which include loans for campus-related activities such as training and

learning. Hosted on WeChat, the service includes an automatic overdraft facility in the event that the customer spends more than the balance in their account.

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### **MOBILE / ONLINE PAYMENTS**

#### **Mastercard unveils multiple new initiatives in digital payments...**

In keeping with previous quarters, Mastercard has rolled out a number of partnerships in the area of mobile and online payments. For instance, across the Asia-Pacific region, it has established several links with transport providers to make digital payments available through them. In Singapore, it has started working with the taxi operator ComfortDelGro to allow customers to make payments using the MasterPass app for street-hailed rides as well as for pre-booked ones. The scheme follows an earlier one with Singapore's Land Transport Authority that allows contactless payments on buses and trains.

In respect of this initiative, Mastercard reported that, since the launch of this program, over 100,000 commuters were using the cards bearing the Mastercard marque to pay for an average of more than 60,000 daily trips. Furthermore, in Hong Kong, users of the taxi-hailing app HKTaxi can now make payments for their journey through the app using Mastercard, and following a trial period, Mastercard has also announced the launch of contactless payments in Australia in

conjunction with ferry and light rail services in Sydney.

Meanwhile, in the Middle East, Mastercard has also cemented new partnerships with the aim of promoting use of its MasterPass app. In Bahrain, it has begun working with CrediMax, a credit card issuer, to integrate MasterPass payments into the company's 'MaxWallet' app. It has also joined up with Arab Financial Services, an electronic payments company, to enable MasterPass digital payments through 'bwallet', a mobile wallet that is operated by Batelco, a telecoms firm. Concerning this initiative, the companies reported that around 65 retail brands with a combined total of more than 300 outlets had signed up to 'bwallet', and that MasterPass was allowing access to an extra 7 million merchant locations worldwide. Moreover, in Qatar, Mastercard has partnered with Ooredoo, another telecoms company, to allow the latter's customers to pay for its services through its mobile app by using MasterPass.

#### **... spanning all global regions...**

Turning to Europe, Mastercard has introduced several new initiatives that will allow its cardholders to pay their restaurant bills digitally. In the UK, it is working with Pizza Hut and Wagamama, collaborating specifically with the latter to develop a Wagamama-branded app. In Italy, it has formed an alliance with food hall chain Eataly to allow customers to make payments via MasterPass. Aside from these dining-oriented schemes, Mastercard has



also commenced a partnership with MegaFon, a Russia-based mobile network operator, that allows its subscribers to link their mobile phone accounts to Apple Pay or Samsung Pay using a virtual Mastercard, and to make contactless payments of up to RUB 100,000 each month. This announcement follows MegaFon's introduction of a co-branded Mastercard product in 2016 that is issued by Round Bank. MegaFon reported that by the end of 2017 over 1.2 million of these cards had been issued.

In North America, Mastercard is collaborating with HERE Technologies, a mapping and location data services company, on digital payment capabilities that can be activated from within a user's vehicle while it is in motion. It has also teamed up with Dream Payments, a payment solutions company, to facilitate claims payments from insurance companies to their policyholders, with one of its first partners being Northbridge Financial, a Canada-based insurer.

Lastly, in Africa, Mastercard has begun working with Selcom, an East African fintech company, which is aiming to promote mobile payments in Tanzania. Through this arrangement, Mastercard will gain access to Selcom's network of merchants, allowing Selcom to accept digital payments through MasterPass. The partnership also enables banks, other financial institutions, mobile network operators and SMEs to offer MasterPass to their customers. Furthermore, Mastercard has also formed a partnership with Vconnect, an Africa-based

online business listing service, which is to be rolled out first in Nigeria. In keeping with the aforementioned initiative with Selcom, the aim is to provide micro-enterprises and SMEs with access to MasterPass. At the time of the announcement, Vconnect reported that its database included over 1 million such businesses. Mastercard also stated that over 85% of retail transactions in Africa are currently carried out in cash, and that it hopes to encourage more people to make the switch to mobile banking.

### **... and Visa follows suit through new launches in Italy and Switzerland**

Like Mastercard, Visa has also been very active in growing its presence in the mobile payments sector. For example, in Italy, it has announced that its credit and debit cards can be added to Samsung Pay, allowing cardholders to use Samsung mobile phones to make contactless payments at any location that accepts Visa cards. At the time of launch, the service was available for Intesa Sanpaolo, Nexi and UniCredit cardholders.

In Switzerland, Visa is collaborating with BonusCard to allow cardholders to make mobile payments using any NFC-enabled Android phone. The mobile app also allows access to the user's credit card account to check on balances and transactions, to locate cash dispensers and to activate and de-activate associated cards whenever necessary.

### **Both global payment brands seek to encourage payments via wearable devices...**

Otherwise, as wearable payment devices continue to gain popularity, Mastercard has introduced a number of schemes to meet the demand. In France, it has partnered with Crédit Mutuel Arkéa to launch a virtual credit card which can be used to make digital payments using wearable devices. At the time of the launch, payments were possible using connected watches produced by both FitBit and Garmin.

Likewise, Visa has set up several new arrangements for the promotion of payments via wearable devices. For instance, it has joined forces with the National Bank of Greece to develop payment-enabled jewellery, working specifically with jewellery manufacturers Folli Follie and Links of London. The companies plan to produce rings and bracelets using contactless payment technology in the second half of 2018. It has also announced a similar partnership in Spain with CaixaBank and Garmin whereby it will be possible to make payments using Garmin watches linked to Visa cards that are issued by CaixaBank.

Additionally, in a new initiative that is relevant to cardholders with both Mastercard and Visa products, Norda has launched a contactless payment solution that can be activated by users of Fitbit and Garmin wearable devices who also hold a Mastercard or



Visa debit or credit card that it has issued. This scheme has already been rolled out in Denmark, Finland and Sweden.

### **... as do other providers targeting this fast-growing field**

Aside from Mastercard and Visa, several other providers of financial services and traditional banks are also making forays into the field of wearable payments. In the US, Discover has started working with FitPay, a wholly owned subsidiary of NXT-ID, a producer of technology products and services focused on the so-called Internet of Things (IoT). The agreement enables Discover's cardholders to make contactless payments easily at retail locations with wearable devices powered by FitPay.

Furthermore, following the initial success of its partnership in 2017 with the Timex Fairfield Contactless watch, Barclays has stated that it will embed bPay, its wearable payments solution, into traditional timepieces and fitness trackers manufactured by each of ADEXE, GUESS Watches, LBS, Kronaby, Mondaine and Suunto. The relationship with LBS is of added significance since bPay and LBS are working together to launch the 'TapStrap', a replacement strap that can be fitted to any watch with a standard strap size. To support production of these contactless products, bPay is working with Tappy, which is authorised to embed the bPay chip into its partners' products. Barclays has reported that spending via bPay rose by 129% in 2017.

Meanwhile, Wells Fargo has announced that its customers are now able to use Garmin's new 'vivoactive 3' device to make purchases at merchants whose payment terminals are set up to accept contactless or NFC payments.

### **Facebook works with several payment partners through its Messenger function**

At an international level, a number of payment service providers have capitalised on the high penetration rate of Facebook, specifically its Messenger function, to make digital transactions possible through the app.

Firstly, in Belgium, Belfius, a banking and insurance group, has launched a new service that facilitates payments between individuals via Messenger. The service is available through the Belfius mobile app and is also directly accessible from Messenger to all users of the platform with a Belgian current account, regardless of whether they are customers of Belfius. A similar initiative has been rolled out with mobile messaging service WhatsApp.

Secondly, in Nigeria, Mastercard has co-operated with Ecobank, Facebook and Zenith Bank to launch its MasterPass app, allowing digital payments to be made to businesses through Messenger. This collaboration is a pilot scheme albeit Mastercard plans to roll the service out to other countries in Africa and Asia in due course.

Thirdly, customers of Banco do Brasil are now able to carry out banking

transactions directly through Messenger. The service is managed by the bank's virtual assistant which can converse with customers through a chatbot program on Messenger.

### **Wirecard discloses new initiatives with Crédit Agricole and Allianz...**

In keeping with its activity in previous quarters, Germany-based technology and financial services provider Wirecard has continued to expand collaboration with a number of organisations in the area of digital payments processing. For example, in France, it has won Crédit Agricole as a new customer; this means that the companies will jointly provide new e-commerce payment acceptance and acquiring services which will become available to their customers at the beginning of 2019.

Furthermore, it has launched a new mobile payment app in conjunction with both Allianz Partners and Visa. Branded as 'Allianz Prime', its users will be able to make secure mobile transactions at all terminals worldwide, with a contactless payments functionality. The app will be rolled out first in Italy before being expanded to other European markets. Customers who download the app and register for the service instantly receive a digital Visa card issued by Wirecard. These cards can be topped up from any existing bank account or via the customer's credit card and to enable contactless mobile payments at the point of sale, users just have to add the card with one click to their mobile wallet.

### **... plus others with Qatar Airways, Villeroy & Boch and two English football clubs**

Other similar agreements that Wirecard has made in the field of digital payments include one with Qatar Airways to enable Alipay transactions at all 90 outlets operated by the airline's retail subsidiary, Qatar Duty Free. Another analogous partnership with Villeroy & Boch will see Wirecard offering the alternative digital payment options including SOFORT, iDeal and Bancontac to the retailer's customers. Wirecard will also be managing credit card acceptance and all payment processing for Villeroy & Boch's new online shop.

Meanwhile, in the UK, Wirecard has expanded the scope of its collaboration with Fortress, a digital ticketing service provider, by adding football clubs Aston Villa F.C. and Reading F.C. to its client list. Fans of both clubs now have the opportunity to activate a payment and loyalty option on their stadium cards, which will be offered with both chip-and-pin as well as contactless functionality. Furthermore, Reading F.C. is negotiating deals with local retailers and other partners to sign up to the scheme. The club intends to get a better understanding of its supporters' buying behaviour through the payment data, with the aim of offering them further products and services of interest.

### **UnionPay seeks to roll out Huawei Pay mobile payments outside of China**

In partnership with telecoms manufacturer Huawei, China-based payment brand UnionPay has embarked on an initiative to jointly launch Huawei Pay, a mobile payments app, in markets outside of China. The intention is that customers will be able to add UnionPay cards to smartphones carrying the Huawei Pay function and to tap their phones at point-of-sale terminals that accept UnionPay contactless payments.

As part of the so-called 'Belt and Road' initiative (a development strategy devised by the Chinese government that focuses on economic expansion between Eurasian countries that lie within close geographical proximity of China), Russia is the first market in which UnionPay will test this out. UnionPay states that its acceptance penetration rate in Russia is over 85% with around 400,000 point-of-sale terminals accepting mobile contactless payments from UnionPay. Indeed, in total, Russian banks have issued around 1.3 million UnionPay-branded cards locally. Next, UnionPay and Huawei plan to launch Huawei Pay in further markets especially in Eastern Europe.

### **Alipay works with Millennium BCP to help Chinese travellers in Portugal**

Meanwhile, in Portugal, Alipay, a China-based mobile and online payment platform that claims to have

over 520 million users worldwide, has signed an agreement with Millennium BCP that will grant the bank the right to facilitate transactions involving Chinese travellers and local merchants.

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### **PAYMENT CARD ISSUANCE AND ACCEPTANCE**

#### **JCB expands card issuing capabilities in Belarus, the Philippines and Vietnam**

With a view to expanding its global presence, Japan-based card brand JCB has unveiled a number of partnerships with a variety of banks. In addition to new cards being launched through RCBC in the Philippines and Nam A Bank in Vietnam, JCB has also made its first foray into Belarus by concluding a deal with Belinvestbank that allows acceptance of its cards at all ATMs and point-of-sale terminals run by the bank. The move aims to facilitate card payments by Japanese tourists in the country, with Belarus having loosened its visa regulations for Japanese citizens as well as those from 79 other countries from February 2017 onwards.

#### **UnionPay forges several alliances to expand its global footprint**

UnionPay has also been proactive in expanding its merchant network via a range of new initiatives. First, it has entered into a partnership with ACI Worldwide, a provider of e-payment and banking solutions which claims to work with more than 5,100 major financial institutions and merchants

around the world. The parties have agreed to co-operate in the fields of card issuance and acceptance, specifically targeting merchants in the aviation, e-commerce, hospitality and supermarket industries. In the first phase of the partnership, ACI will integrate UnionPay into its payments gateway and the companies will then jointly develop UnionPay's in-app functions as well as its other payment products.

UnionPay has also forged analogous agreements for card acceptance with Qatar Airways, as well as with the Australian and Thai operations of car rental company Hertz. The former agreement will first be rolled out for UnionPay's customers booking with the airline in Brazil, Canada, India, Kuwait, Oman, Qatar, South Africa and Switzerland, while the latter aims to capitalise on the increasing flow of Chinese tourists to both Australia and Thailand.

### **Discover strengthens presence in Hong Kong market by working with First Data and JCB**

In Hong Kong, Discover has announced that it has begun collaborating with JCB and First Data, a merchant acquirer, to expand card acceptance at key merchants in the country. First Data will enable acceptance of Diners Club and Discover cards that operate on the JCB network, beginning with key international restaurant chains, airport duty free stores and national department stores.

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### **RETAILER CARDS AND FINANCE**

#### **Klama teams up with Dutch e-commerce platform to offer consumer finance via smaller retailers**

In the Netherlands, Klama and MyOnlineStore, an e-commerce platform, have commenced a partnership that will enable retailers to deploy Klama's online payment and consumer finance service. MyOnlineStore, which has over 42,000 SME retailer users and which processes around 1.5 million transactions each year, will manage all payments and orders as well as customer service. Through its relationship with Klama, MyOnlineStore hopes that it will be able to maximise checkout conversion rates and facilitate all types of card and mobile transaction with the added benefit of Klama's pay-after-delivery finance service.

#### **Bass Pro Shops switches Cabela's retailer card scheme to Bank of America and Mastercard**

In the US, Bass Pro Shops, an outdoor activity retailer, and its subsidiary Cabela's, which it acquired in 2017, have announced that the co-branded credit card program of both chains will be handled by Bank of America in future with Mastercard used as the payment network. Previously, the co-branded scheme of Cabela's had used Capital One as issuer and Visa as network; the card portfolio built up under this program is being transferred to Bank of America. Moreover, going forwards, and in line with the cus-

tomers focus of Bass Pro Shops, there will be a particular focus on using the card scheme to promote wildlife conservation programs.

#### **Synchrony Financial works with Crate & Barrel for private-label and co-branded cards**

Also in the US, Crate & Barrel, a home furnishings retailer, has selected Synchrony Financial to be its provider of both a private-label store card and a co-branded Mastercard product. The partnership is intended to provide flexible financing options that will reward customers for loyalty across nearly 100 of the retailer's stores and also through its digital channels. Furthermore, the co-branded card will allow customers to earn rewards for purchases anywhere that Mastercard is accepted.

#### **Mattress1One selects TD Bank for multi-year store card program**

Finally, in another initiative in the US retailer card market, TD Bank has signed a multi-year agreement to develop a private-label store card program for Mattress1One, a mattress retailer that serves customers at around 300 locations across Florida, Georgia and Texas.

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# Global Affinity *Finance Club*

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# Global Affinity *Finance Club*

## About GAFC

The *Global Affinity Finance Club* is Finaccord's quarterly newsletter about affinity financial services worldwide. Through this, Finaccord publishes high-level information about key strategic developments in affinity and partnership marketing of financial services around the world, segmented between affinity insurance news, bancassurance news and affinity banking news.

This service differs from that provided by other research companies because its focus is genuinely global, often translating news that only appears in languages other than English. In addition, it concentrates exclusively on affinity and partnership marketing strategy. Affinity and partnership marketing strategy is an important component of general distribution strategy for a majority of large banks and insurance companies serving consumers and small businesses, as successful partnerships potentially allow them to access groups of customers that they cannot always reach by themselves.

If you would like to join Finaccord's *Global Affinity Finance Club*, contact us by telephone or send us an email to [info@finaccord.com](mailto:info@finaccord.com). Thereafter, each quarter, we will send you a link to the page of our website with fresh news and future editions of this document.

## About Finaccord

Finaccord is a market research, publishing and consulting company specialising in financial services. It is part of Aon Inpoint, Aon Risk Solutions, a division of Aon plc (NYSE: AON). We provide our clients with insight with a particular focus on marketing and distribution strategies, including affinity and partnership marketing.

Our areas of expertise include: affinity and partnership marketing; automotive financial services; bancassurance; commercial non-life insurance brokers; consumer intelligence; creditor insurance; distribution channels; energy and power insurance; extended warranties; home emergency insurance and assistance; insurance and assistance linked to payment cards and bank accounts; mobile gadget and phone insurance; retailer financial services; road assistance; small business financial services; and travel insurance and assistance.

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