

# PAYMENT PROTECTION INSURANCE IN GERMANY

Extract from the Market Study 2018 - Consumer and Vehicle Financing

GfK SE, Consumer Panel

conducted on behalf of the Bankenfachverband e.V.

(German Association of Credit Banks)

# About the study



 <b>METHOD</b>	Survey, supporting study: GfK Financial Market Panel (written survey, in parts online)
 <b>SURVEY PERIOD</b>	09 July 2018 to 29 July 2018
 <b>TARGET GROUP</b>	A representative selection of people between the ages of 18 and 69, chosen according to age, profession, the size of city where they live, and federal state
 <b>SAMPLE</b>	n=1,830 interviews; results were weighted according to age, profession, income, child status and size of location
 <b>FREQUENCY OF THE STUDY</b>	Once a year (autumn), published in October 2018
 <b>SURVEYED AREA</b>	Federal Republic of Germany



# Agenda

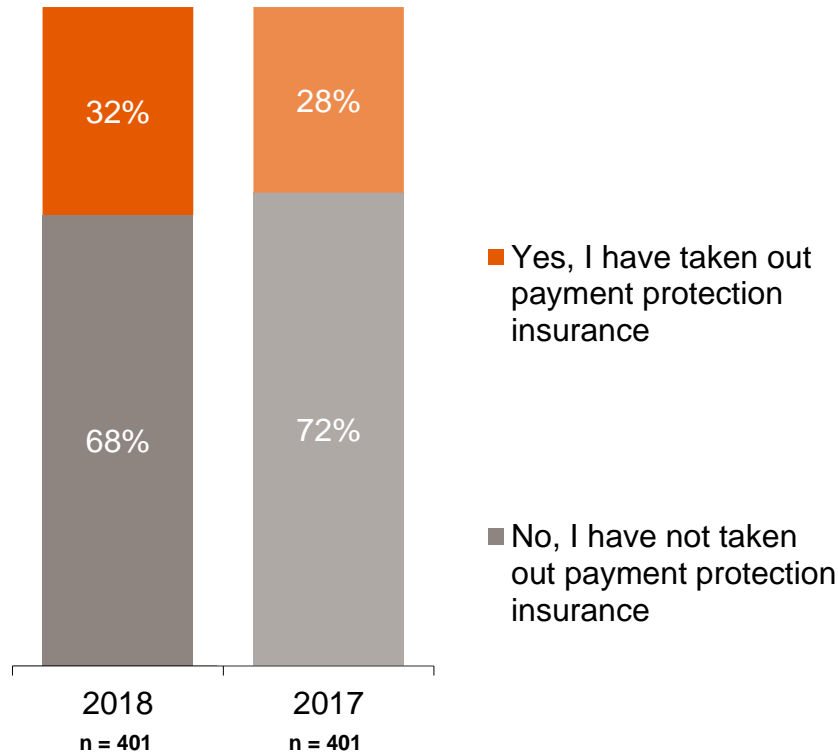
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# 1. Arrangement of payment protection insurance in total

## Instalment loan users

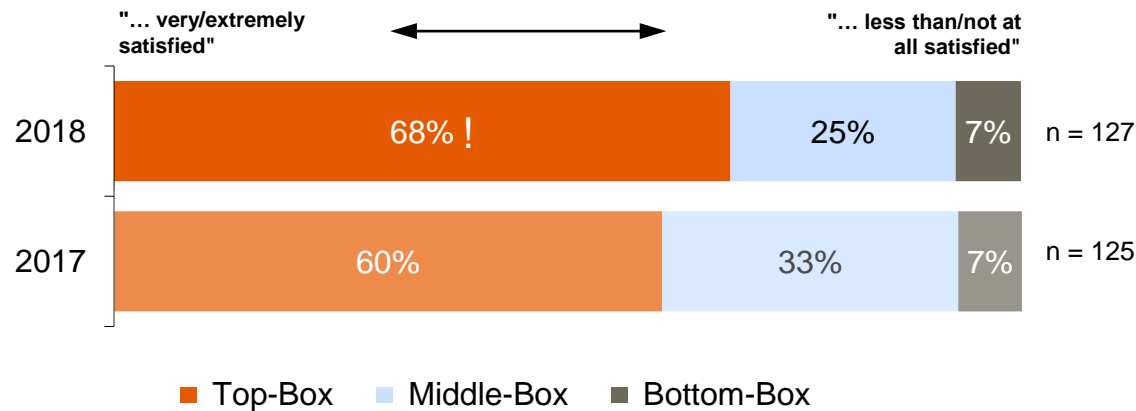
32% of all instalment loan users have taken out payment protection insurance.



Q10: Have you taken out payment protection insurance for your most recent instalment loan?  
Basis: excl. no response

## 2. Satisfaction with payment protection insurance

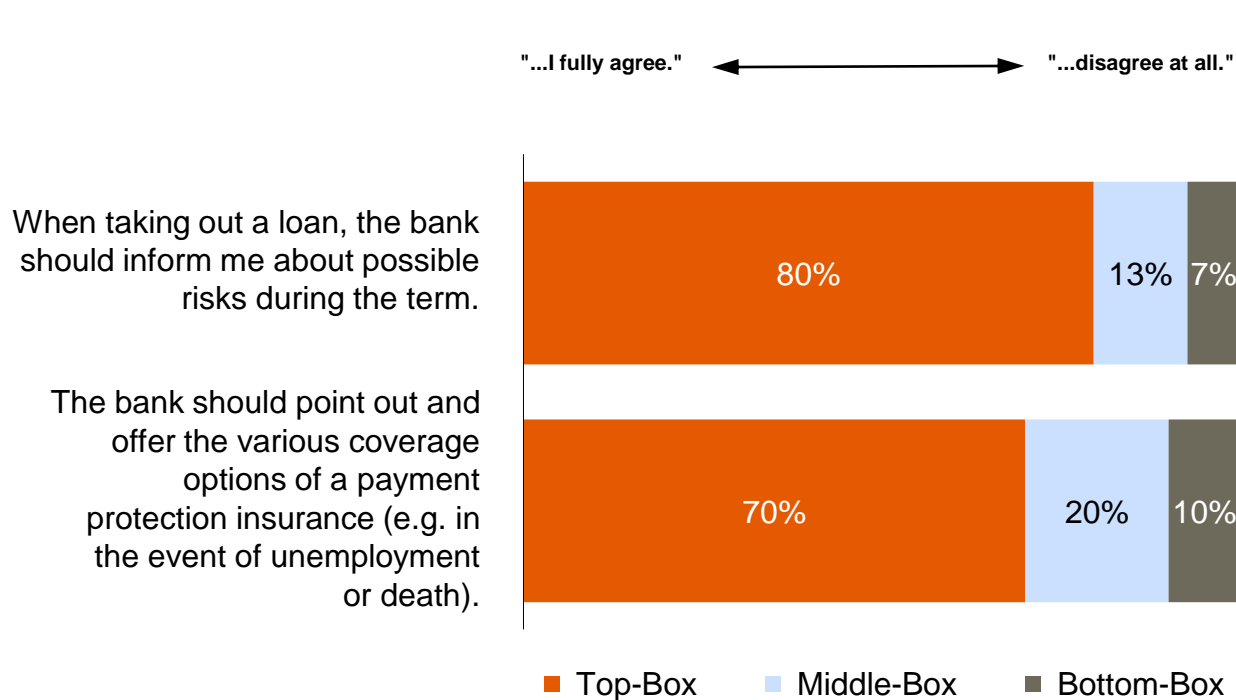
### Instalment loan users with payment protection insurance



68% of instalment loan users with payment protection insurance are (extremely) satisfied with this. Satisfaction increased by 8 percentage points compared to the previous year.

### 3. Statements on payment protection insurance

#### All respondents

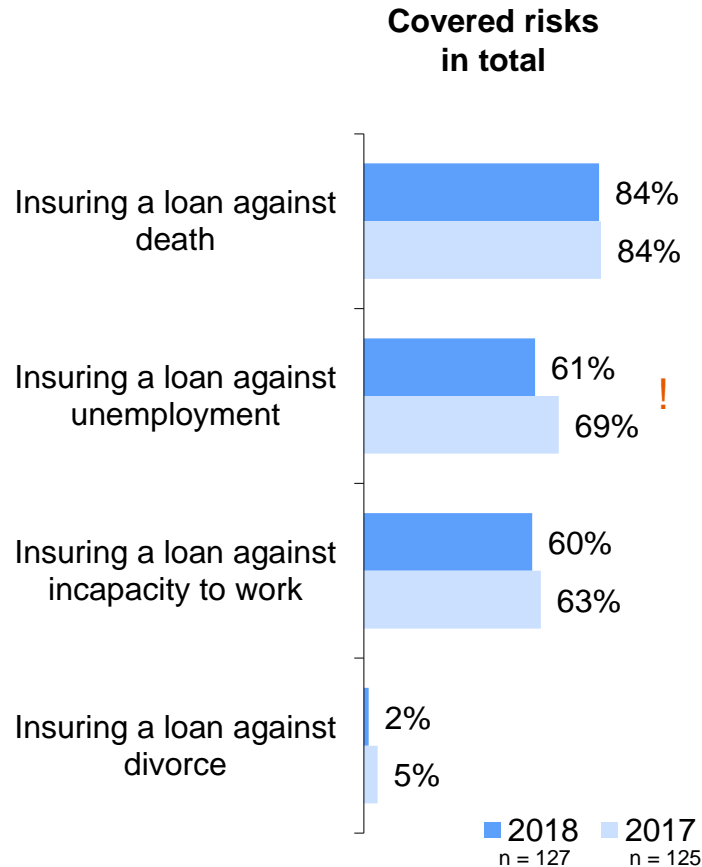


The vast majority of respondents wants to be informed by the bank about risks during the term and the various coverage options.

Q14c: How do you rate payment protection insurance in general in terms of the following aspects?  
Basis: n = 1,830 excl. no response

## 4. Covered risks I

### Instalment loan users with payment protection insurance



Insuring a loan against death is the most frequently covered risk.

Insuring a loan against unemployment became less important compared to the previous year.

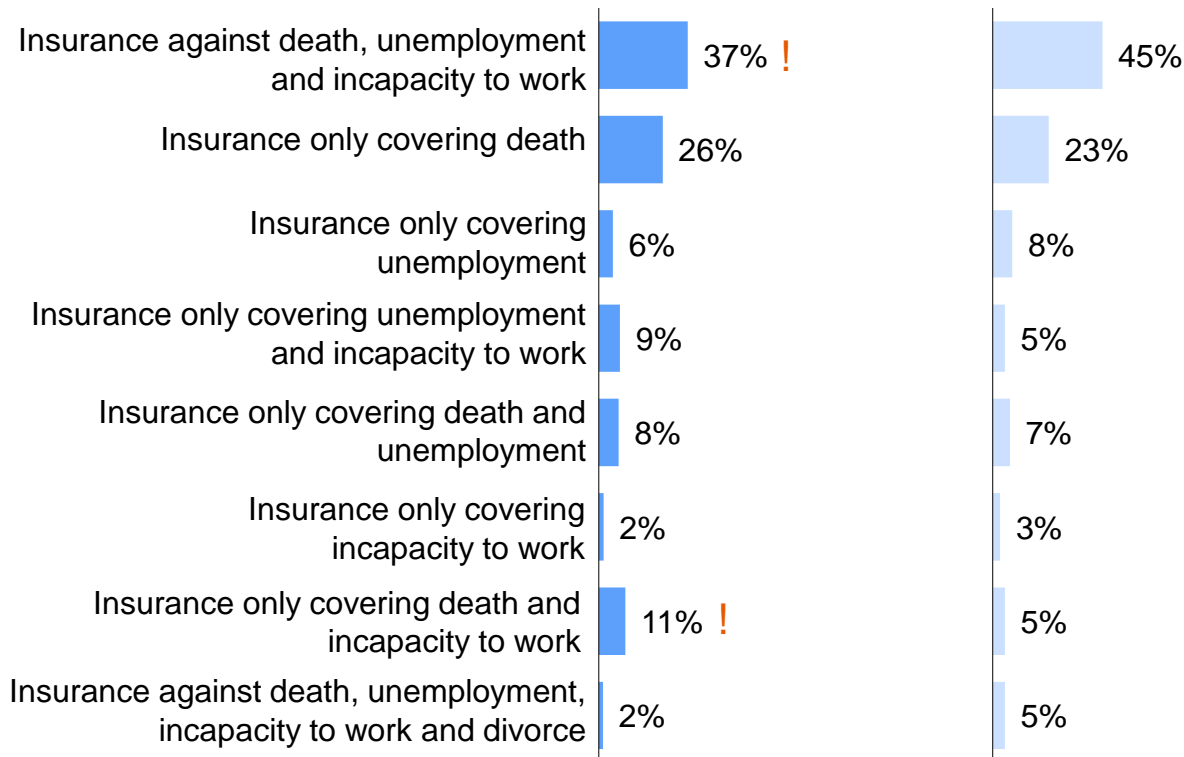


## 4. Covered risks II

### Instalment loan users with payment protection insurance

**Covered risks  
2018 in detail**  
n = 127

**Covered risks  
2017 in detail**  
n = 125



Most payment protection insurance policies contain a combination of the risks "death, unemployment and incapacity to work" - but with a downward trend.

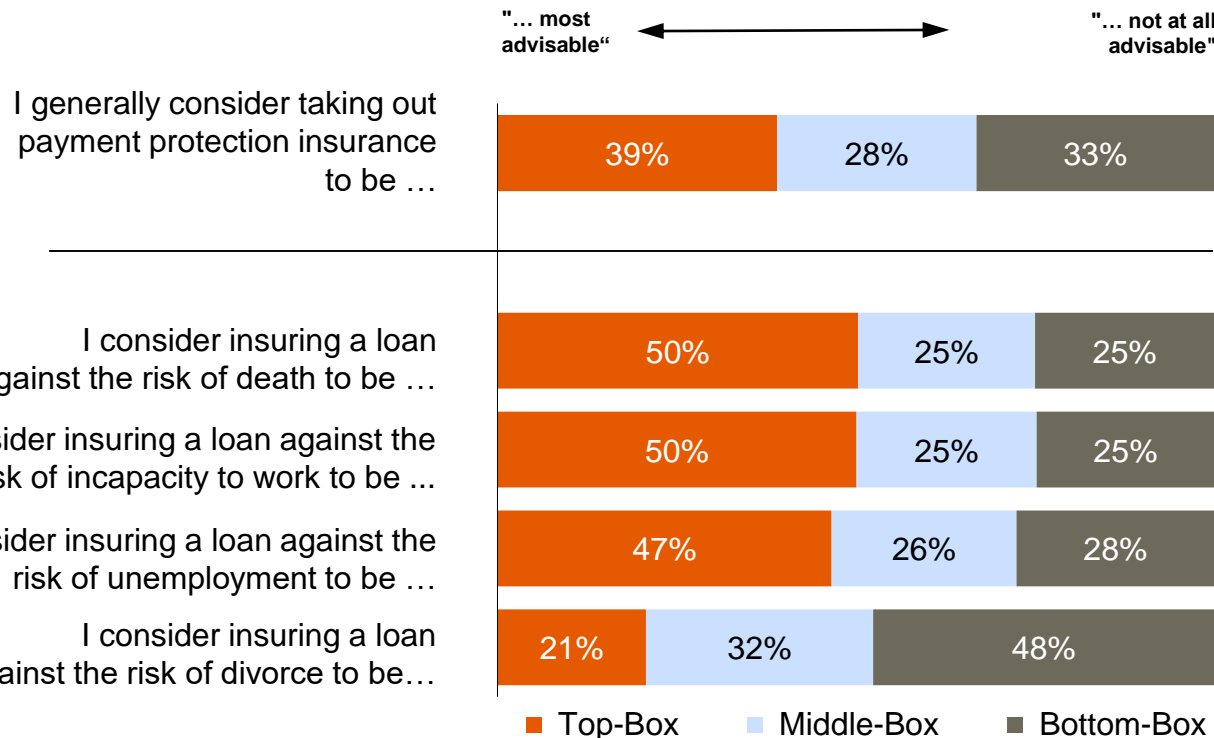
Q12: What risks does your payment protection insurance cover?  
Basis: excl. no response; multiple answers possible, presentation set to 100%, some tendency statements



# 5. Consumer attitudes

## Users of financing products

### Statements



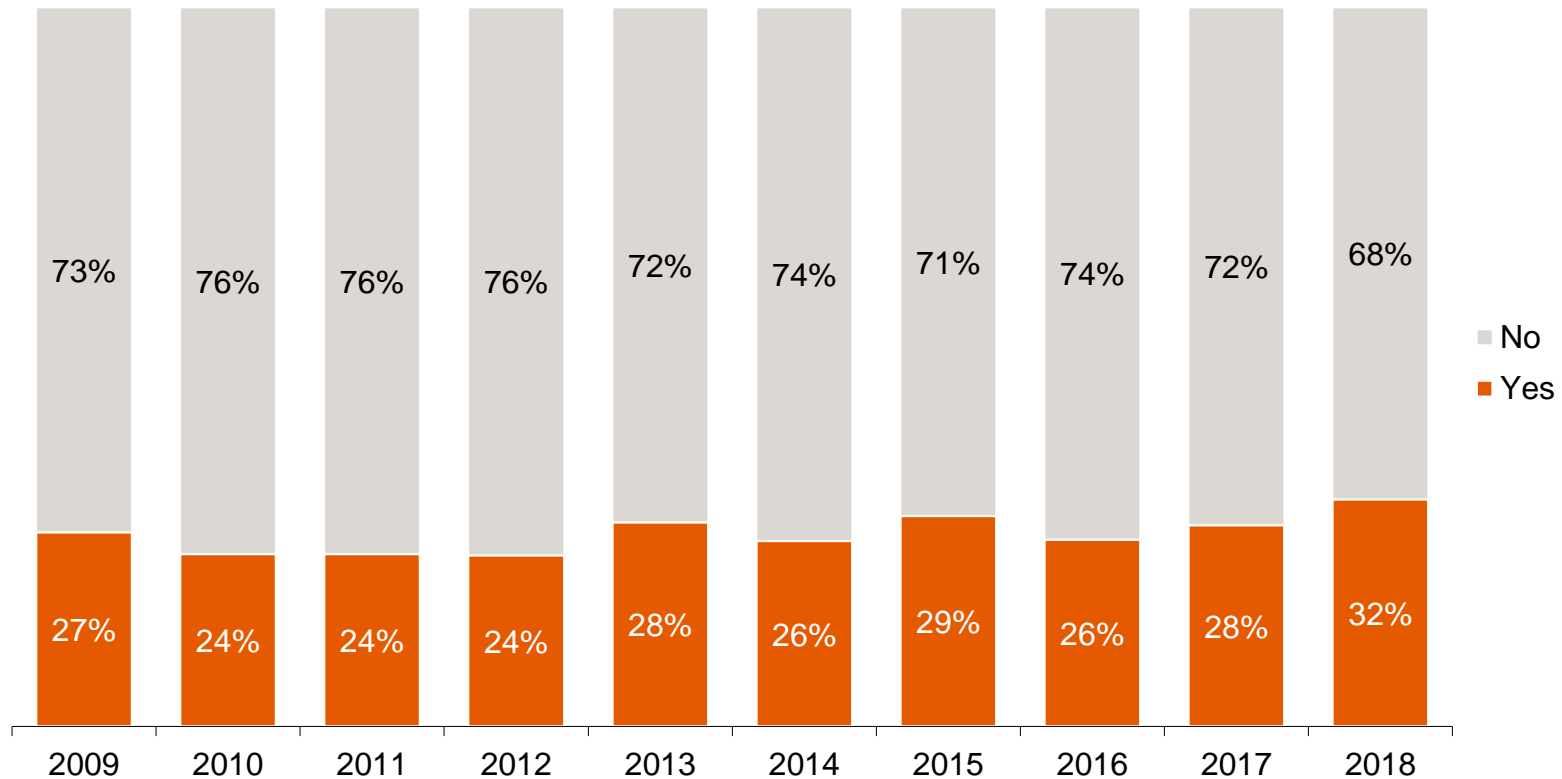
Approximately half of all users of financing products consider the coverage of relevant specific risks to be advisable.

Q14a: How advisable do you think it is to take out payment protection insurance in general, and how advisable do you consider it is to cover the following specific risks with payment protection insurance? Basis: n = 585 excl. no response



## 6. Conclusion of a payment protection insurance over time

### Instalment loan users

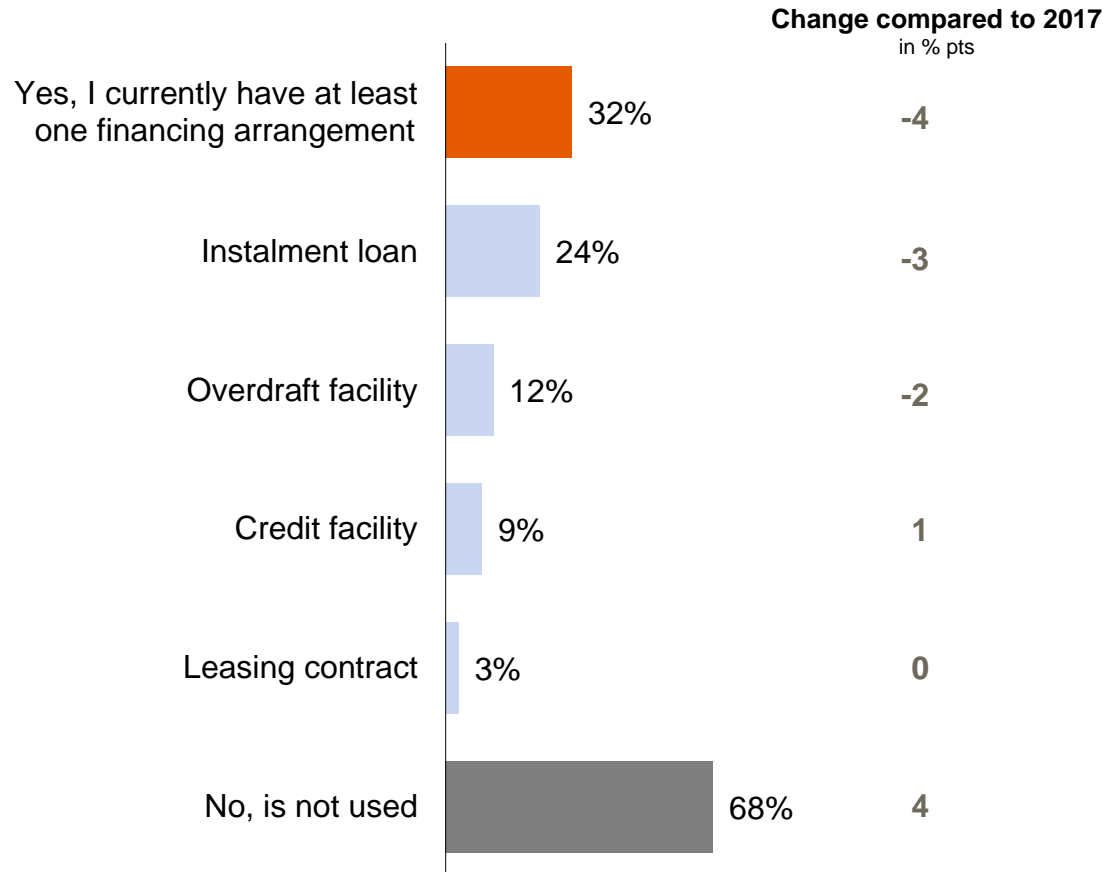


Q10: Did you take out payment protection insurance for your most recent instalment loan?  
Basis: 2018 n = 401 excl. no response



# 7. Use of financing

## All respondents



Approximately one in three respondents currently uses a financing arrangement, i.e. instalment loan, overdraft facility, credit facility and/or leasing contract.

Approximately one in four uses an instalment loan.

Q2a: Are you currently using one of the following loans/forms of financing?  
Basis: All respondents n = 1,830 excl. no response; rounding-off differences possible; multiple answers possible



## 8. Summary

### Payment protection insurance

- 32% of all instalment loan users have taken out payment protection insurance (Page 4).
- Most payment protection insurance policies contain a combination of the risks "death, unemployment and incapacity to work" - but with a downward trend (Page 8).
- 68% of instalment loan users with payment protection insurance are (extremely) satisfied with this. Satisfaction increased by 8 percentage points compared to the previous year (Page 5)..
- The vast majority of respondents wants to be informed by the bank about risks during the term and the various coverage options (Page 6).

## 9. Contact



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