

PRESS RELEASE

BNP Paribas Cardif survey on “protection in times of crisis”

BNP Paribas Cardif has released the results of an opinion survey on the impact of the Covid-19 crisis in France and around the world.

- Increased concerns globally regarding health and loss of income
- Disparities in France, with greater concerns among younger age bracket and women
- Strongly felt impact regarding living standards and ability to plan for the future
- Increased feelings of vulnerability to risks
- A majority of French surveyed believe this will be a lasting crisis

Insurer BNP Paribas Cardif has conducted a vast opinion survey spanning 21,000 people in 21 countries on three continents (Europe, South America and Asia) to assess both the impact of the Covid-19 crisis and personal protection needs¹. The online study, which includes some questions asked previously during a 2019 survey², was conducted with expertise from the Ipsos opinion research company.

“In the space of just two years, the level of concerns has risen very significantly with the Covid-19 crisis. In France, the level of confidence remains relatively sustained thanks to the availability of state aid. Nevertheless, the French believe that this crisis will last. Nearly half of those surveyed say they have suffered a loss of income, and younger respondents are especially concerned. As an insurer we have a special responsibility to provide our customers with the support they need so they can continue to move forward with the projects that are important to them,” says Jean-Bertrand Laroche, BNP Paribas Cardif Deputy Chief Executive Officer, International Markets.



Rising concerns around the world

The survey conducted in 2019 by BNP Paribas Cardif revealed that the two main concerns people have are **illness and loss of income**. Unsurprisingly, the Covid-19 has **significantly increased these concerns**: 76% of the people surveyed around the world said they were worried about health (+5 points vs. 2019) and 76% by possible loss of income (+4 points). **This represents a notable increase in just two years**. There were however **major disparities** among **geographic regions**.

Prior to the health crisis, **Latin America** was the region where **feelings of vulnerability were highest**. The region has been significantly impacted (increase in the number of Covid-19 cases, rise in unemployment), resulting in **an increase in fears** regarding illness (86%, +8 points compared with 2019), as well as the ability to maintain income (87%, +5 points).

In **Asia**, concerns about loss of income and serious illness also **increased significantly**: 79% of respondents are worried about loss of income (vs. 72% in 2019). The share of the population worried about illness also rose 8 points (77%) in just two years.



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Europeans relatively confident, significant disparities found in France

The Covid-19 crisis seems to have had **minimal impact on the level of concerns among Europeans**. Confidence remains relatively sustained in **France, Belgium, United Kingdom, Germany, Sweden and the Czech Republic**, both towards health issues (despite the sometimes very high levels of Covid-19-related deaths) and economic factors. This trend can be explained by **state support policies** in these countries, which have helped contain the rise in unemployment and mitigate the impact of the crisis.

In **France**, the list of subjects that raise concerns and the intensity of these concerns have not changed much over the past two years. At least 60% of the French cited seven potential events that worried them: serious illness (67%, +1 point vs. 2019), loss of income (65%, -1 point), an accident (65%, +3 points), death (64%, same as in 2019), chronic disease (61%, -1 point), hospitalization (60%, +3 points) and loss of autonomy (60%, -2 points).

Nevertheless, **certain disparities appear between different categories of respondents**. Younger respondents (18-24) are particularly worried about **unemployment** (62% of the younger age bracket compared with the overall average of 50%) or **loss of income** (70% for the younger group vs. 65% for the French in general). **Women** are also significantly more concerned regarding several elements: 69% of them worry about a loss of revenue (vs. 62% of men) and 68% about death (vs. 59% for men).

Paradoxically, the elements for which the French are more concerned than they were two years ago are not related to the health crisis and figure in the lower half of the ranking: **car theft and damage** has become a growing concern (52%, +6 points vs. 2019) and fear of **natural disasters** rose more than any other concern, +8 points (48%) in just two years. The effects of the pandemic thus seem to be **very revealing of risk aversion in general**.

Major financial repercussions

On a global level, the scope of the crisis has not only revealed new threats, it has also had a **concrete impact on daily life** and people's **ability to make plans**. **Three quarters of the respondents** say they have suffered **at least one adverse financial consequence** due to the pandemic. **59%** have experienced a **loss of income** and **44%** have had to **postpone or cancel a planned purchase**. Unsurprisingly, **state aid policies** to offset loss of income have played a **major role**. The effects of the crisis have been cushioned for individuals in countries with robust social aid systems.

Latin America is the continent that has been hit hardest. **Nine out of ten Latin Americans** have suffered at least one negative financial consequence from the pandemic. Loss of income has made between six and seven people out of ten cancel or postpone a major purchase. Above all, **a significant percentage of the population** (30 to 40%, and up to 54% in Colombia) **has found themselves or expects to find themselves having problems paying bills**.

In **Asia**, even though unemployment rates remain low, **the financial impact of the crisis is very real**. **India** is the country that has been hardest hit: **nine out of ten people** have seen their income drop, leading to difficulties in paying bills for **half of them**. In **China**, **87%** of respondents have suffered a drop in income. In **Japan, South Korea and Taiwan**, **60 to 75% of respondents have experienced a loss of income** and 30 to 40% of them have had to cancel a major purchase, compared with 62% in China and 71% in India.

In **Europe**, a large majority of respondents in **Poland, Russia and Turkey** have had to postpone or cancel purchases (77% of respondents in Russia, for example), and a substantial number of them have had trouble paying their bills (41% in Turkey, for example).

In **France**, **40% of respondents say they have experienced a loss of income** due to the crisis, most of the time due to a temporary reduction in work hours or salary. A small percentage (10%) say they are experiencing problems paying bills. The situation has had an impact on their willingness to make plans: **nearly 4 out of 10 French respondents (39%) have postponed or cancelled plans for major purchases**.

This phenomenon could have **serious long-term consequences** since the French expect **a lasting crisis: over half (57%)** of the French in the survey believe that the unemployment rate will not go back to pre Covid-19 levels for **at least three years**. This compares with 48% for all Europeans.

Major impact on willingness to make future plans

The willingness to take risks, especially financial, has naturally been impacted and has had **repercussions on people's behavior towards credit**. Globally, the percentage of borrowers who have encountered **problems repaying loans has risen**, reaching **especially high levels in Latin America (58%) and Asia (46%)**.

The current context has made people **adjust their plans**. Worldwide, the percentage of people willing to take out a loan for a **property purchase dropped 13 points** (60% in 2021 compared with 73% in 2019). **Consumer credit** has also seen **a sharp decline**: only 46% of respondents would purchase a car on credit (**-11 points** compared with 2019) and 21% would resort to credit to go on holiday (**-9 points** vs. 2019). On the other hand, a **growing share** of the population (44%, **+4 points** vs. 2019) say they would be willing to take out a loan for **medical treatment**, especially in Latin America (65% of respondents, **+12 points** vs. 2019). **Willingness to finance education or training with loans** also increased (37% vs. 33% in 2019).

In France, **purchasing property remains the primary motivation for taking out a loan**, but only 58% of the French cited such plans in 2021 (**-18 points vs. 2019**). Although the French remain more willing to take out a loan to **purchase a car** than their European neighbors (51% vs. 46%), this figure declined sharply (**-11 points vs. 2019**). The French also seem very reticent to take out a loan to create their own company. **Less than a third (30%)** say they would do this, **a decrease of 12 points** compared with 2019.

Need for protection changes depending on state aid policies

Paradoxically in this period of crisis, the survey reveals that **slightly more people than in 2019 say they are "well protected"** should they face an unforeseen life event (**+3 points vs. 2019**). Nevertheless, **demand for increased protection is significant in all regions** because it is **aligned with recognition of risks**.

In **Latin America** more people say they are well protected than in 2019 (47%, **+7 points** vs. 2019). However, people expressed a **need for increased cover**, in particular in the event of **serious illness, accidents or hospitalization**. This trend is particularly strong in Colombia, Peru and Mexico.

In **Asia**, the sentiment of being well protected varies by country. It is particularly high in India, where nearly half the respondents (49%) feel they are "very well protected"; family support may explain this perception. There is **strong desire across the region** for increased protection, although priorities change from one country to the next.

People in **Europe** recognize that they benefit from robust state policies and protection systems. **The majority of the population (67%) feels well protected**, an increase of 5 points vs. 2019. However, **only a minority of Europeans say they feel "very well protected"**.

More of the French believe they are well protected than in 2019 (75% in 2021 vs. 68% en 2019). However, **only 10% feel "very well protected"**. Here again, there are differences between respondent categories: 27% of women do not feel sufficiently protected, compared with 23% of men. Furthermore, **a heightened awareness of certain risks has emerged**: 34% of the French would like better protection against a **loss of autonomy** (vs. a 24% average for Europe) and nearly a quarter of the respondents (23%) would like to be better covered in the event of **natural disasters** (+4 points vs. 2019).

Special focus on unemployment risk

Around the world, the **risk of unemployment merits special attention** because it conditions the overall sense of how well protected people feel. At the global level, **unemployment ranks third on the list of areas where people would like better protection**, behind disease and accidents. The specific needs expressed

naturally change from one country to another depending upon unemployment levels and state protection policies.

People in **Latin American countries** thus want better protection against unemployment (57% of respondents in Colombia, for example).

While demand for unemployment protection is not quite as strong in **Asia**, **this region saw the strongest rise in demand for unemployment protection, increasing 9 points in just two years.** In Japan, 35% of respondents would like better protection in the event of **job loss, an increase of 12 points** compared with 2019.

There were **significant differences in Europe** between countries where there is strong demand for unemployment protection such as Spain (46%, +9 points), the Czech Republic (44%, +9 points) and Poland (43%, +7 points), and those where demand is weaker, such as France (26%), although it understandably remains **higher than in Germany** (19%).

An **infographic** showing results from the survey is available on bnpparibascardif.com.

About BNP Paribas Cardif

The world leader in bancassurance partnerships³ and creditor insurance⁴, BNP Paribas Cardif plays an essential role in the lives of its customers, providing them with savings and protection solutions that let them realize their goals while protecting themselves from unforeseen events. As a committed insurer, BNP Paribas Cardif works to have a positive impact on society and to make insurance more accessible. In a world that has been deeply transformed by the emergence of new uses and lifestyles, the company, a subsidiary of BNP Paribas, has a unique business model anchored in partnerships. It co-creates solutions with more than 500 partner distributors in a variety of sectors (including banks and financial institutions, automotive sector companies, retailers, telecommunications companies, energy companies among others), as well as financial advisors and brokers who market the products to their customers. With a presence in 33 countries and strong positions in three regions – Europe, Asia and Latin America – BNP Paribas Cardif is a global specialist in personal insurance and a major contributor to financing for the real economy. With nearly 8,000 employees worldwide, BNP Paribas Cardif had gross written premiums of €24.8 billion in 2020.

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¹ Methodology: The survey was conducted between 4 January and 29 January 2021 covering a representative sample of individuals age 18 or older responsible for decisions in the household concerning financial products and services (banking and insurance). Age limits differed by country: 65 in Europe (except Turkey: 50), 59 in Latin America (except Peru: 55), 55 in Asia (except China: 50). 21,000 interviews conducted (1,000 interviews per country). Quotas were applied to ensure representative sample in each country by age, gender and region. Specific quotas were applied in Russia (questions in certain cities). Online survey of Ipsos panel. Device agnostic questionnaire. The questionnaire could be completed online (via computer, tablet or smartphone). Data processed against 3 criteria: gender, age and region. Results analyzed globally, by geographic region and then by country.

² BNP Paribas Cardif survey conducted with Ipsos in April 2019 with a sample group of 26,000 people in 26 countries on 3 continents.

³ Source: Finaccord – 2018

⁴ Source: Finaccord – 2020