

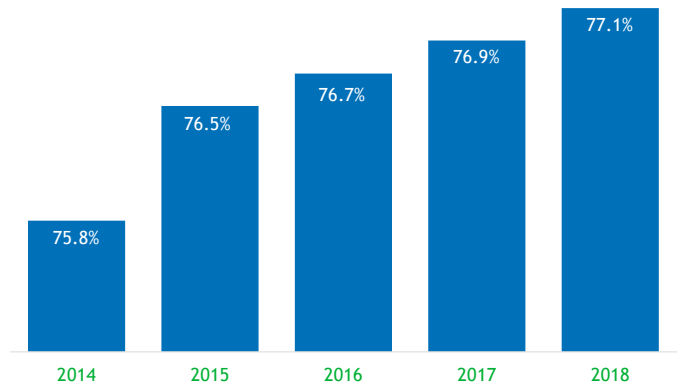
Consumer Insights and Credit Card Behaviors





Consumer Insights and Credit Card Behaviors

As of March 2019, there were 1.1 billion credit cards in circulation in the United States and that number is growing. With a compound annual growth rate of more than 3.5% over the last four years, it's clear that credit cards are a popular form of payment.¹



Credit cards were first introduced in the 1950s as a convenient way to pay for purchases at several different merchants. But the benefits of purchasing on credit have evolved over time and, while convenience is still a factor, today's consumers are choosing their cards based on benefits that better suit their needs.

To gain more insight on consumers' credit card behaviors, Assurant conducted a study that focused on consumer usage and preferences, perceptions and acceptance of current benefit features, and acceptance of potential new fee-based benefits. The results pointed to a few areas of interest that provided the following key insights:

Consumer Insight #1:



Card loyalty is driven by highly valued incentive programs and benefits.

Consumer Insight #2:



Ease of business is essential for customer service and claims.

Consumer Insight #3:



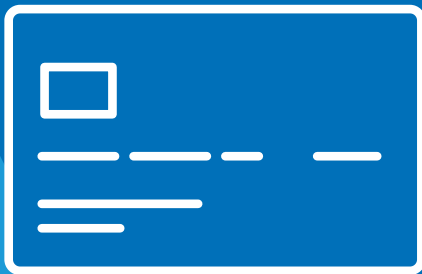
Fee-based benefits are desired on items with a high monetary value.

On the following pages, you'll find more detailed information about these insights. Background information on which these insights are based, including research methodology and respondent demographics, are detailed on the About Our Survey page.



For more information or to discuss the survey results with an Assurant representative, contact Dawn Lamnin at dawn.lamnin@assurant.com or Dan Barone at dan.barone@assurant.com.

¹Finaccord 2018



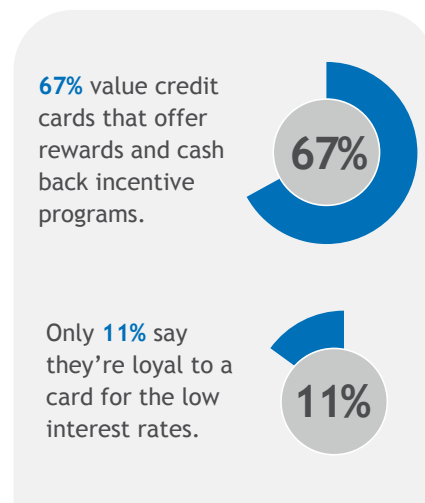
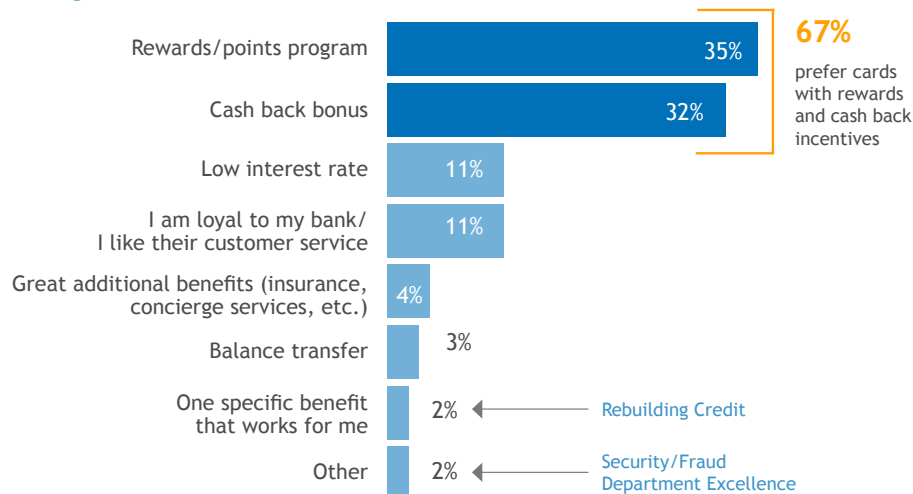
Consumer Insight #1

Credit card loyalty is driven by highly valued incentive programs and benefits

The Top-of-Wallet Card

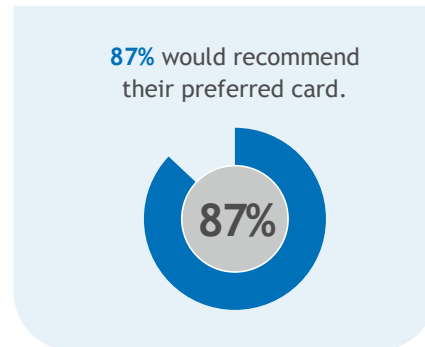
88% of consumers have between one and five credit cards in their wallet and 77% use them within a given month. With 41% spending between \$1,000 and \$3,000 during that period, knowing what keeps a card top-of-wallet is more important than ever.

Program Preferences



Most Valued Benefits

When ranking the value of benefit offerings, the top three choices focused on protecting material goods and ensuring protection from potential security issues.



Several travel benefits, as well as collision damage and cellphone protection, rank high on the benefit value list. Consumers would use their credit card to pay for related services if coverage programs were offered on their card.*



*See the Assurant Card Solutions page for more information about available credit card benefits.

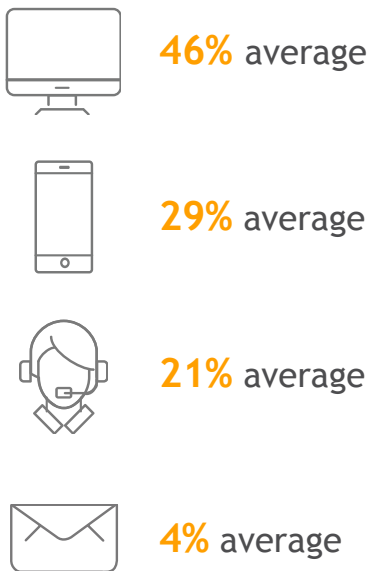


Consumer Insight #2

Ease of doing business is essential for customer service and claims

An average of **57%** of consumers have never used their credit card benefits, but those who have prefer to access them through a website. Mobile app was the second choice in all cases except for ID theft resolution services, where telephone communication was preferred.

Access Preference



Customer Service Is Key

A credit card can have the most-valued incentive programs and most-valued benefits but, if these are difficult for consumers to access or use, card usage may decline.

Claims Dissatisfaction

Out of the consumers who were dissatisfied with the service access or claims process, **51%** indicated that the process took too long or was too much of a hassle. Of the remaining population, **26%** were unhappy with coverage issues and **23%** felt that they received poor customer service.



Consumers suggested credit card providers implement the following tactics to improve customer service:



78%

Recognize when a purchase is made that might be covered by a card benefit and provide notification



70%

Allow for access to all services and claims online



63%

Provide periodic benefit reminders to encourage card usage

56% prefer email
49% on a monthly basis



41%

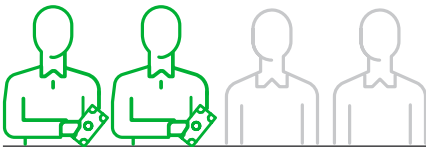
Share information about relevant products, services and updates based on user location



Consumer Insight #3

Fee-based benefits are desired on items with a high monetary value

Spending More to Protect High-Value Items

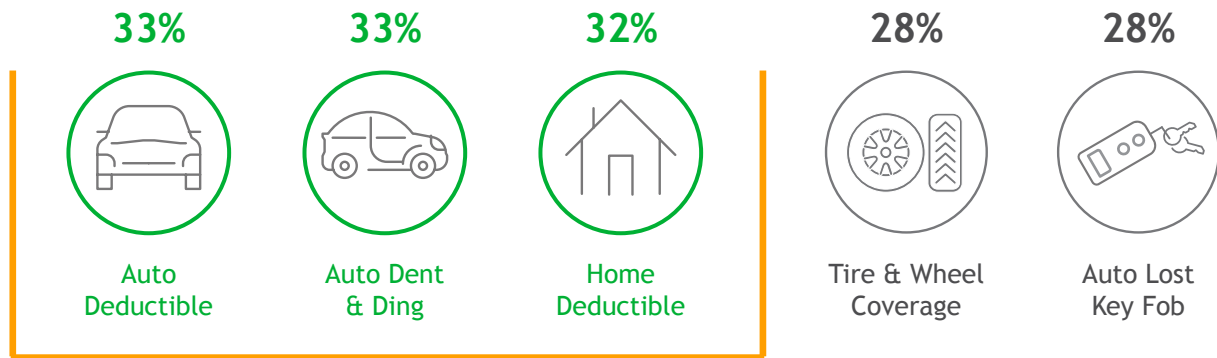


Almost **half** of the consumers surveyed pay a fee for card membership to get the incentive programs and benefits they value.



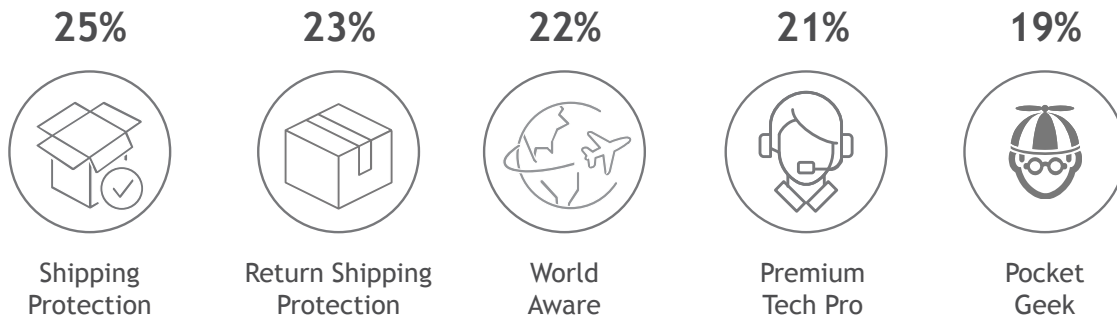
One-third would also be willing to pay additional fees for benefits that protect items with a high monetary value.

With 10 fee-based benefits presented to consumers as potential additions to their credit card membership program, the top three choices were auto deductible coverage, auto dent and ding coverage, and home deductible coverage.**



TOP 3

All three highly ranked benefits focused on items with a high monetary value.



**See the Assurant Card Solutions page for more information about potential fee-based benefits.

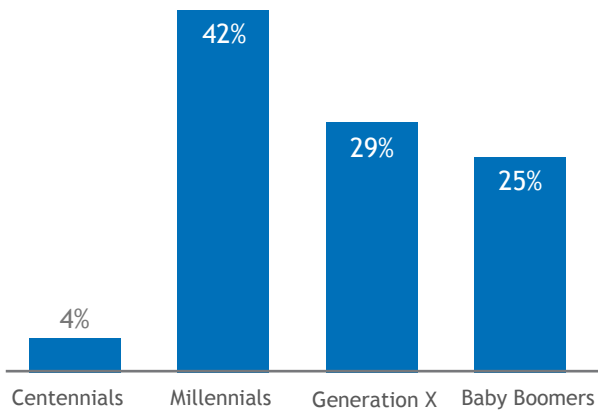
About Our Survey

Methodology

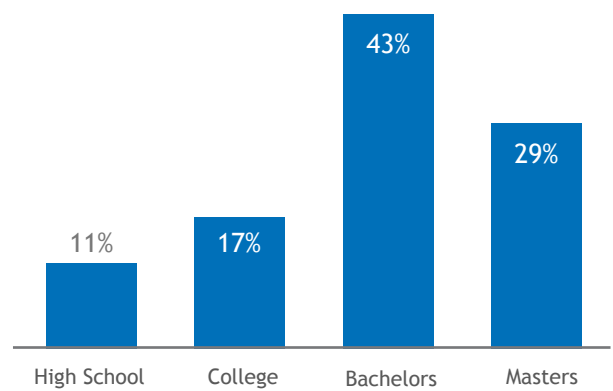
The survey was conducted with a national panel of consumers fielded from March 3 through 12, 2019. There were 1,591 participants in total, each of whom owned at least one general purpose credit card.

Demographics

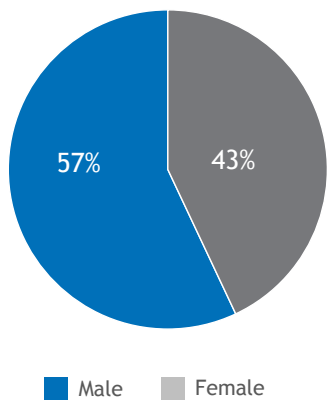
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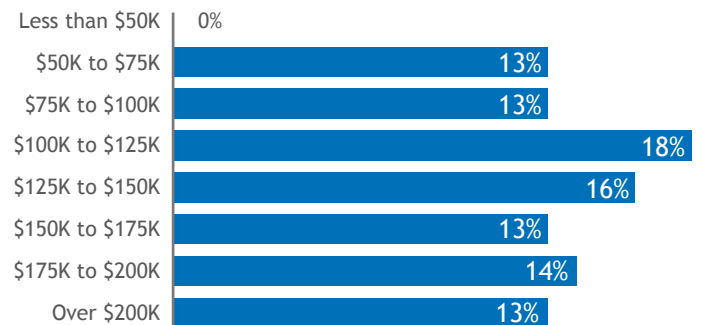
EDUCATION



GENDER
















INCOME













Assurant Card Solutions

At Assurant Financial Services, we provide solutions that protect the purchases, travel and financial well-being of your customers. Whether embedded, included as part of a loyalty program or sold as one of our fee-based benefits, Assurant helps you protect what matters most to your customers.

Our credit card benefits include:

-  **Price Protection**
Receive price differential for purchased items if found at a lower price
-  **Purchase Protection**
Covers loss, theft or damage to one purchased item during a defined period of time
-  **Extended Warranty**
One year of warranty extension after the manufacturer's warranty expires
-  **Cellphone Protection**
Coverage for accidental damage and/or theft if purchased, or if monthly phone bill is paid with card
-  **Roadside Assistance**
Vehicle breakdown and recovery service in the U.S.
-  **Airport Lounges**
Complimentary or discounted access to select airport lounges
-  **Trip Cancellation**
Reimbursement of the cost (or portion of cost) when a trip is canceled for a covered reason
-  **Baggage Loss/Delay**
Coverage for damaged, stolen or lost baggage if ticket was purchased with card
-  **Travel Accident**
Coverage for accidents that occur when traveling if tickets were purchased with card
-  **Concierge Service**
Hotel, restaurant or holiday booking service and helpline
-  **Collision Damage Waiver on Rental Cars**
Coverage for the cost of damage to a rental vehicle if purchased with card
-  **FICO Score**
Free access to your FICO credit score
-  **ID Theft Resolution**
Provides access to resources that will help restore their identities

Potential fee-based benefits include:

-  **Return Protection**
Reimbursement of the cost of purchased items that the store/seller will not accept as a return
-  **Shipping Protection**
Reimbursement of return shipping cost of purchased items the store/seller does not cover
-  **Auto Deductible Reimbursement**
Reimbursement of claim deductible when the auto insurance or auto loan/lease payment is made with card
-  **Home Deductible Reimbursement**
Reimbursement of claim deductible when the home insurance or home loan payment is made with card
-  **Pocket Geek**
An app that scans a smartphone to keep it healthy with proactive self-service features and diagnostic support
-  **Premium Tech Pro**
Technical support via call, email or chat for issues related to your smartphone or other connected devices
-  **Dent & Ding**
Covers minor repairs to the cardholder's vehicle
-  **Wheel & Tire Protection**
Coverage for certain costs relating to damaged wheels and tires (not including wear and tear)
-  **Lost Key/Fob**
Coverage of cost for the replacement of lost car key
-  **World Aware**
An app that sends alerts based on your travel itinerary