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Press Release: For Immediate Release

Ping An Becomes the World's Most Valuable Insurance Brand

Every year, leading valuation and strategy consultancy [Brand Finance](#) values the brands of thousands of the world's biggest companies. The 100 most valuable insurance brands are featured in the Brand Finance Insurance 100.

In yet another coup for Chinese brands in 2017, Ping An has overtaken Allianz to become the world's most valuable insurance brand. Ping An reported net profit of U$9 billion in 2016, its largest since 2003. A number of factors underpin this success. Despite a slowdown, its core market of China is far more dynamic than the US and Western Europe, where the other leading brands are based.

However Ping An is more than a passive beneficiary of macro-economics. It has been extremely successful at cross-selling based on excellent core products. The firm offers a limited number of free products and services to potential customers via its online platform. This has generated goodwill and significantly expanded Ping An's user base, creating a platform for cross-selling. It is just as focused on its brand as its revenues; Ping An is the first Chinese financial firm to deploy a Net Promoter Score (NPS) model to track customer feedback and brand loyalty. This commitment to tracking and tweaking the brand is paying off, with very high customer equity scores on Brand Finance's Brand Strength Index.

Brand Finance's CEO David Haigh comments, "Ping An has lofty ambitions, aiming to become the world's leading provider of personal finance. Based on this evidence, in the long term it may not be an unrealistic goal."

Chubb is the fastest growing brand in the list with a brand value growth of 180% to US$5.6 billion which sees its rank jump from 36th to 11th. Chubb is performing strongly, however its rapid brand value growth this year is primarily the result of the rebrand of Ace under the Chubb name after the mega-merger of the two firms, creating one of the biggest publicly traded property and casualty (P&C) insurance business in the world. Even with elevated natural catastrophe losses and soft P&C market conditions globally, the combination of improving profitability and the much broader application of the Chubb brand sees brand value soar.

Allianz has dropped to 2nd place after brand value fell 7% to US$15 billion. Revenues were hit by higher damage claims resulting from from a series of floods and storms in Europe. Meanwhile a loss on the sale of its South Korean business and a weaker investment performance hit profits. The most significant factor behind the decline was historically low interest rates limiting the German brand's capacity to earn higher returns. Despite this gloomy picture, Allianz reported strong full year results due, in part, to increased demand for its retirement products. Europe's ageing population may well have long-term benefits for the well-established brand.

America's largest life insurer, MetLife, saw third-quarter profit tumble 52% on derivative losses and costs tied to the spinoff of its US retail business. Like Allianz, it has been affected by low interest rates, which have reduced revenue generated on a bond-dominated investment portfolio. Brand value is down 12% to US$6.6 billion, which sees Metlife fall from 5th to 9th. Metlife is undergoing a rebrand, with a change to its logo and the phasing out of Snoopy after a 30-year association. Metlife will be hoping a return to a more serious, sober approach will resonate better with potential customers as it attempts to turn its fortunes around.

NN Group struggled with low interest rates and market volatility, contributing to a fourth quarter net profit decline of 60%. NN Group is this year's fastest falling brand, with brand value dropping 48% to US$650 million.

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Note to Editors

For more definitions of key terms, methodology and more stories, please consult the Brand Finance Insurance 100 report document.

Brand values are reported in USD. For conversions into local currency, please consult the hover over the 'i' button on the web version of the table and select.

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About Brand Finance

Brand Finance is the world's leading brand valuation and strategy consultancy, with offices in over 15 countries. We provide clarity to marketers, brand owners and investors by quantifying the financial value of brands. Drawing on expertise in strategy, branding, market research, visual identity, finance, tax and intellectual property, Brand Finance helps clients make the right decisions to maximise brand and business value and bridges the gap between marketing and finance.

Methodology

Definition of Brand

When looking at brands as business assets that can be bought, sold and licensed, a technical definition is required. Brand Finance helped to craft the internationally recognised standard on Brand Valuation, ISO 10668. That defines a brand as "a marketing-related intangible asset including, but not limited to, names, terms, signs, symbols, logos and designs, or a combination of these, intended to identify goods, services or entities, or a combination of these, creating distinctive images and associations in the minds of stakeholders, thereby generating economic benefits/value."

However, a brand makes a contribution to a company beyond that which can be sold to a third party. 'Brand Contribution' refers to the total economic benefit that a business derives from its brand, from volume and price premiums over generic products to cost savings over less well-branded competitors.

Brand Strength

Brand Strength is the part of our analysis most directly and easily influenced by those responsible for marketing and brand management. In order to determine the strength of a brand we have developed the Brand Strength Index (BSI). We analyse marketing investment, brand equity (the goodwill accumulated with customers, staff and other stakeholders) and finally the impact of those on business performance. Following this analysis, each brand is assigned a BSI score out of 100, which is fed into the brand value calculation. Based on the score, each brand in the league table is assigned a rating between AAA+ and D in a format similar to a credit rating. AAA+ brands are exceptionally strong and well managed while a failing brand would be assigned a D grade.

Approach

Brand Finance calculates the values of the brands in its league tables using the 'Royalty Relief approach'. This approach involves estimating the likely future sales that are attributable to a brand and calculating a royalty rate that would be charged for the use of the brand, i.e. what the owner would have to pay for the use of the brand, assuming it were not already owned.

The steps in this process are as follows:

1 Calculate brand strength on a scale of 0 to 100 based on a number of attributes such as emotional connection, financial performance and sustainability, among others. This score is known as the Brand Strength Index, and is calculated using brand data from the BrandAsset® Valuator database, the world's largest database of brands, which measures brand equity, consideration and emotional imagery attributes to assess brand personality in a category agnostic manner.

2 Determine the royalty rate range for the respective brand sectors. This is done by reviewing comparable licensing agreements sourced from Brand Finance's extensive database of license agreements and other online databases.

3 Calculate royalty rate. The brand strength score is applied to the royalty rate range to arrive at a royalty rate. For example, if the royalty rate range in a brand's sector is 0-5% and a brand has a brand strength score of 80 out of 100, then an appropriate royalty rate for the use of this brand in the given sector will be 4%.

4 Determine brand specific revenues estimating a proportion of parent company revenues attributable to a specific brand.

5 Determine forecast brand specific revenues using a function of historic revenues, equity analyst forecasts and economic growth rates.

6 Apply the royalty rate to the forecast revenues to derive brand revenues.

7 Brand revenues are discounted post tax to a net present value which equals the brand value.