

**U.S. Mobile Device
Insurance Forecast,
2012 – 2017: A
*Market Driven by
Smartphone Sales***

Market Study
Second Quarter, 2013





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A Market Study

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Abstract

As an increasing number of U.S. consumers purchase smartphones, as opposed to basic mobile handsets, they are becoming dependent on the advanced functionality, such as email, social networking, and web browsing. In order to protect their investment and ensure the continued availability of these services, more and more U.S. consumers are choosing to purchase insurance.

Most major cellular service providers offer insurance that covers loss, theft, accidental damage, and out of warranty malfunctions. This insurance is offered for an additional monthly fee, typically between \$5 and \$8 per device per month. Since most operators offer two levels of insurance, it is important to understand that *iGR*'s study addresses the insurance for lost, damaged or stolen devices and does not include the 'enhanced' packages that include data backup or support. Furthermore, the forecast only includes insurance sold by mobile operators and does not include insurance, such as Apple Care, sold directly by Apple or other OEMs.

This market study provides an overview of U.S. consumers' adoption of insurance policies sold by their wireless/cellular service providers, including emerging trends regarding the likelihood to purchase insurance and how demographic variables relate to this likelihood to purchase insurance. The report also includes a 5-year forecast of the number of mobile phones and tablets sold with insurance and the total revenues of the mobile device insurance market.

The data in this report is based on a Web-based survey of 1,043 U.S. consumers that *iGR* fielded during March 2013.

Key questions addressed:

- What is the forecasted size of the mobile device insurance market from now until 2017?
- What trends are emerging regarding consumers' purchase of device insurance?
- What percentage of subscribers have recently purchased damage, theft and loss insurance through the mobile operators?
- What is the average price of device insurance, by cellular carrier?
- What is the tendency by type of mobile phone, primary use of phone, and the respondents' gender, marital status, and geographic region to purchase device insurance?

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- How do the operating system and the brand of planned smartphone purchases relate to U.S. consumers' plans to purchase mobile device insurance?

Who should read this report?

- Insurance companies offering mobile device insurance services
- Mobile operators
- Device OEMs
- Financial analysts and investors.

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