

**BUSINESS RELATEDNESS IN THE EUROPEAN INSURER-BANKING INDUSTRY: SOURCES OF VALUE CREATION.**

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**ABSTRACT**

Despite that the resource-based view of the firm has provided important new insights into business relatedness, there has been only limited researches linked to the theory that handles with the case of financial services (Grandval & Vergnaud , 2006; Gregor, 2002). No study, however, treated the relatedness of business and relationship with performance, in the specific case of insurer -banks. Many European insurers are waking up to the potential offered by Insurance-Banking, following the same reasons as the banks when they entered the bancassurance market. In contrast, whereas bankers proved to be successful in establishing an insurance company from scratch, this seems a far more difficult path for insurers. The exploitation of banker's core competences and their advantages with regard to traditional insurers, during their diversifications towards "related" business as the life insurance, explains the success of bancassurance strategy. In this study, we focus on the actual links between insurer's core business and banking activities. We are trying to explain why insurers have not been performing as well as bankers in a deregulated banking/ insurance industry?

Keywords: *Business relatedness, diversification, case study, insurer-banking, RBV.*