



Credit Protection Insurance

cafii acifa

The Canadian Association of
Financial Institutions in Insurance

L'association canadienne des
institutions financières en assurance

pollara
strategic insights

June 2019

Study Objectives and Methodology

- The Canadian Association for Financial Institutions in Insurance (CAFII) would like to get a better understanding of Canadian consumers' views of Credit Protection Insurance.
- The specific objectives of this study are to quantitatively test:
 - The general perception of Credit Protection Insurance on a number of factors, including value for money and ability to cover expenses
 - Experience and satisfaction with purchasing Credit Protection Insurance
 - Level of confidence in Credit Protection Insurance in the event of a claim
 - Experience and satisfaction with the claim's process
 - Incidence of making a claim on Credit Protection Insurance
- Survey conducted nationally between **October 3rd and 16th, 2018**, using an online methodology.
- Stratified sample among **1,490* Canadians aged 18 and over, who fit into the following categories :**
 - Who have a mortgage or Home Equity Line of Credit and currently have Credit Protection Insurance: N= 1003
 - Who have a mortgage or Home Equity Line of Credit and do not have Credit Protection Insurance: N = 424
 - Who have made a credit protection insurance claim: N = 286

Key Takeaways

A strong majority of Canadians who own credit protection insurance (CPI) believe that these products are an affordable, convenient and effective way of protecting themselves and their families in case of certain unexpected events

- In addition, most CPI holders do not know what they would do without it should something happen to them and/or their family, further illustrating the importance of these products

CPI holders are highly satisfied with the purchase process overall and are confident in their knowledge of these products (i.e. payout amounts and policy terms)

- High levels of purchase satisfaction and policy knowledge are being driven by sharing of quality information by representatives of financial institutions vs. information outlined in CPI documents

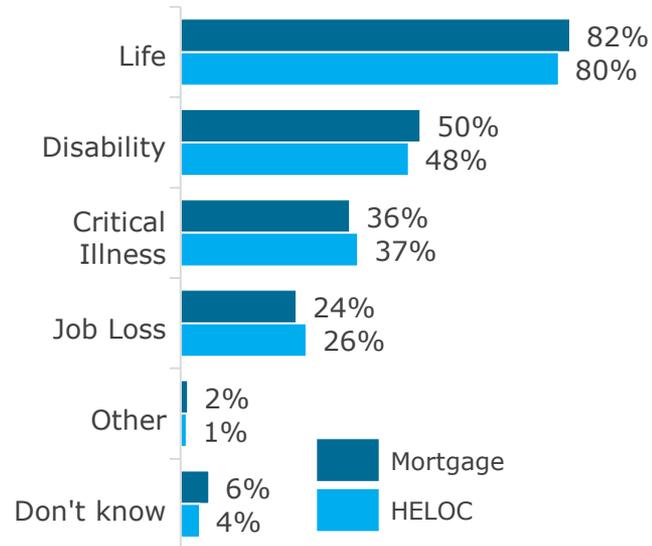
CPI holders' expectations of claim payouts are being met by the industry

- This indicates that the industry is effective at educating its consumers, open and transparent with consumers at the time of purchase, and consistently delivers on its promises

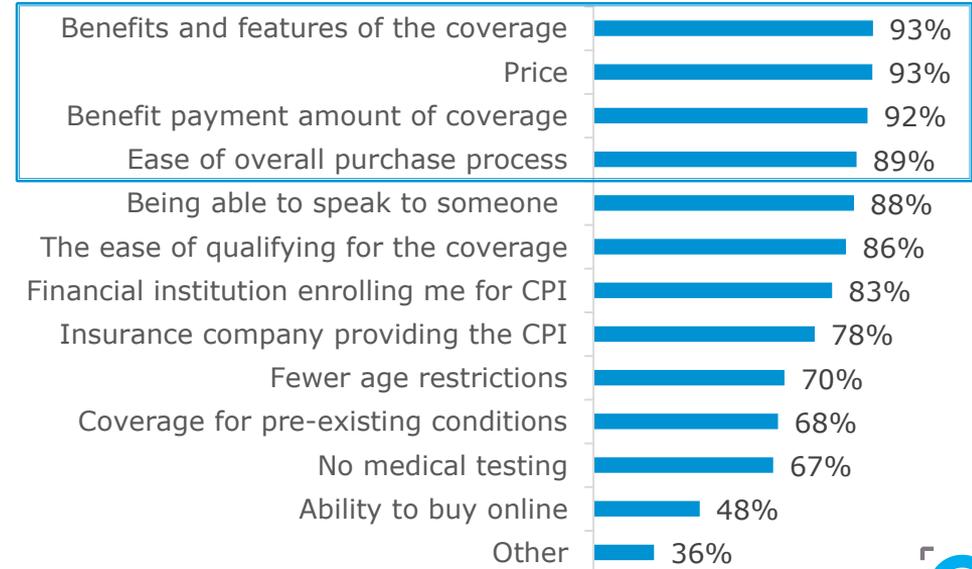
Canadians purchase a range of CPI products today

- The most important factors when purchasing CPI are the features and benefits of the coverage, price, coverage amounts, and ease of the purchase process overall

Type of Coverage Purchased



Importance of Factors when Purchasing CPI (% somewhat / very important)



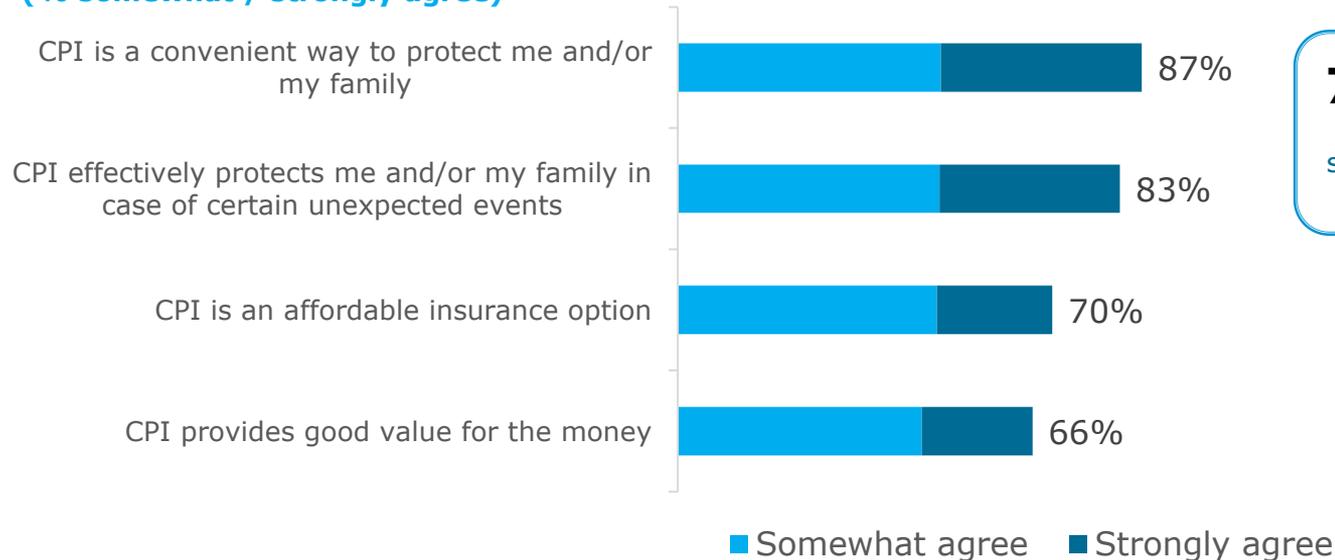
Base: All CPI Holders n=1,003

A strong majority of CPI holders have positive impressions of these products

- CPI holders agree that these products are a convenient, effective and affordable way to protect their families in case of certain unexpected events

Agreement with Statements Regarding Credit Protection Insurance among CPI Holders

(% somewhat / strongly agree)



71% do not know what they would do without CPI, should something happen to them and/or their family



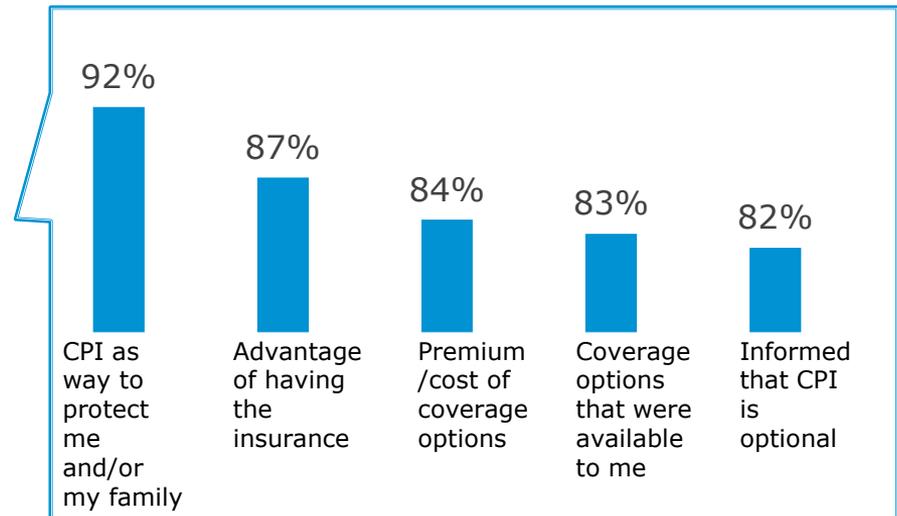
CPI holders are highly satisfied with the purchase experience overall

- CPI holders are satisfied with the information provided by representatives of financial institutions at purchase (e.g., benefits, price, coverage options, etc.)

Satisfaction with Purchase Experience (% somewhat / very satisfied)



Elements of CPI Discussed by Representative

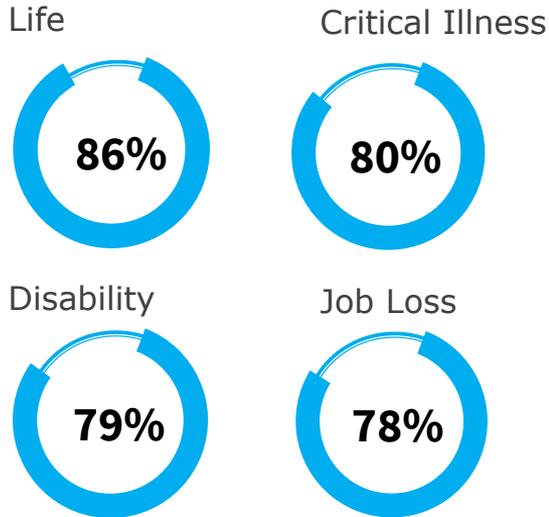


Base: All CPI Holders n=1,003

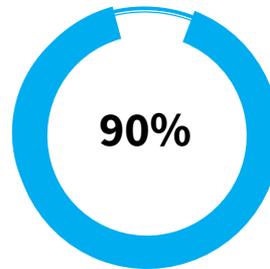
CPI holders are confident in their knowledge of insurance payout amounts and policy terms

- These high levels of confidence are in contrast to slightly lower levels of agreement that CPI documents are easy to understand

Confidence among CPI Holders in Knowledge of Payment Amount (% somewhat / very confident)

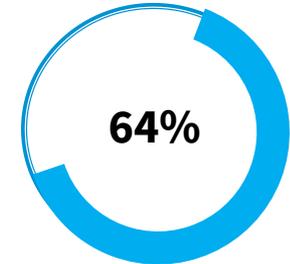


Understanding of Credit Protection Insurance Terms (% understand somewhat / very well)



My understanding when I purchased the Credit Protection Insurance for my mortgage

Comprehension of Documents which Outline CPI (% somewhat / strongly agree)



The CPI documents are easy to understand

This includes all the details around terms, exceptions, and legal details

CPI holders' expectations for claim payout are in-line with actual results of claim submissions

- The high incidence of claim payouts results in high levels of satisfaction with the claims process overall

Confidence in Credit Protection Insurance in event of a claim (% somewhat / very confident)



CPI holders' expectations for claim payout are in-line with actual results of claim submissions

- The high incidence of claim payouts results in high levels of satisfaction with the claims process overall

Results of Claim Submission Among Processed Claims (all products) (% that were paid)



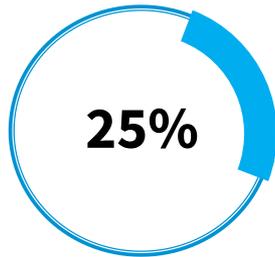
Aggregated self-reported data
provided by CAFII members
validates this finding, with **94%**
of Life claims paid



The few CPI holders who have made a complaint during a claim are generally satisfied with how it was handled

- Complaints most often relate to the timeliness of payout and/or the quality of communication of the provider (e.g., proactiveness, responsiveness, etc.)

% Made A Complaint During Claim process

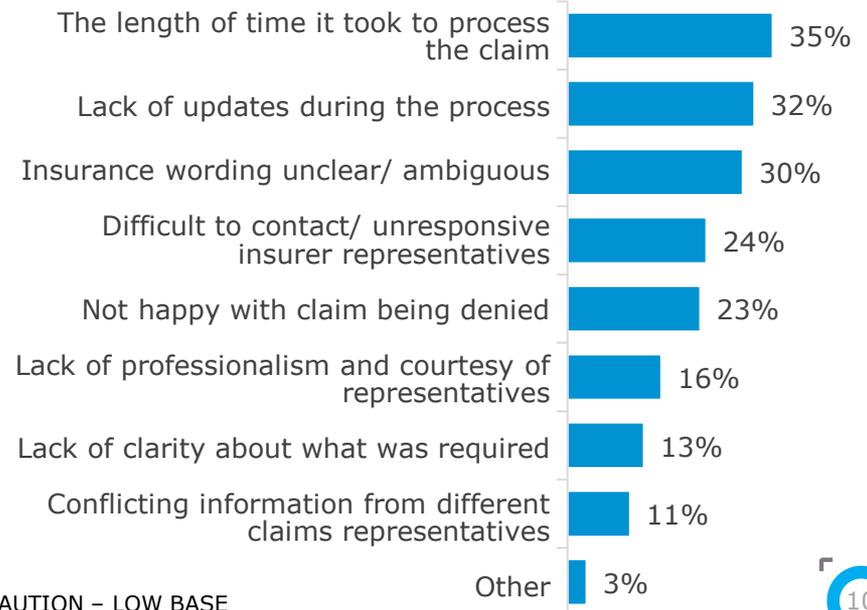


Of the 25% who made a complaint during the claims process, **85%** were satisfied with how the complaint was handled



Base: CPI Claim/ Claim Resolved (N=244)

Reason for Complaint*



* CAUTION – LOW BASE

Base: CPI Claim/ Made Complaint (N=53)