



# Credit Protection Insurance



October 2018

# 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 among holders and non-holders on number of factors, including value for money and ability to cover expenses
  - Level of confidence in Credit Protection Insurance in the event of a claim
  - Experience and satisfaction with purchasing Credit Protection Insurance
  - Incidence of making a claim on Credit Protection Insurance
  - Experience and satisfaction with the claim's process
- Survey conducted nationally between **October 3th 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

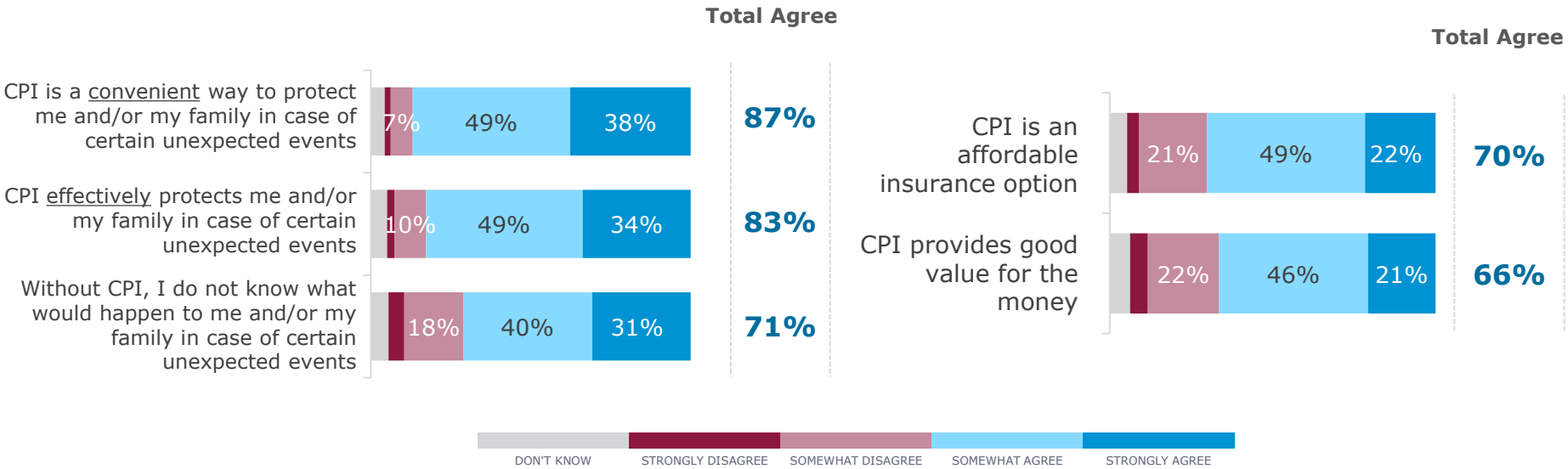


# Holders of Credit Protection Insurance Perception of Product



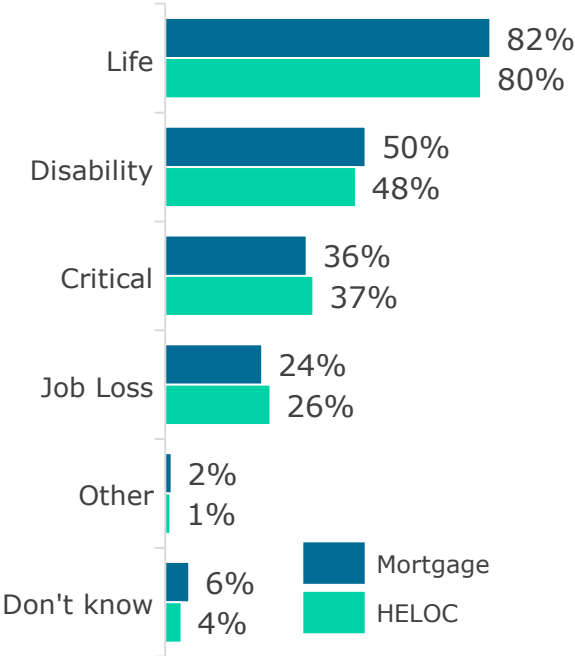
# Strong majority feel that CPI is a convenient and effective way to protect them or their family, but fewer feel as strongly about the value

## Agreement with Statements Regarding Credit Protection Insurance

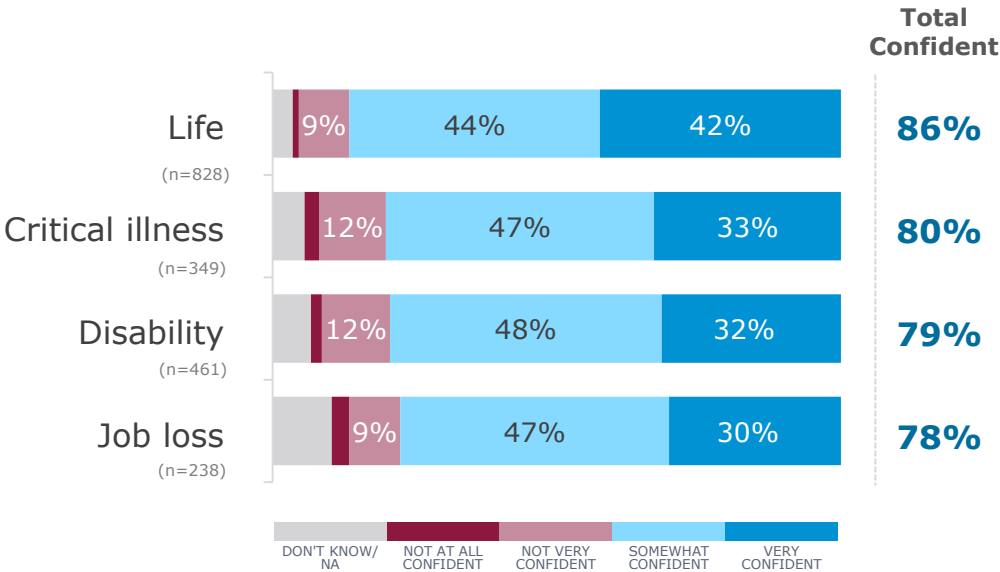


# Overall, large majority of holders are confident in the knowledge of what their insurance will pay

Type of Coverage Purchased

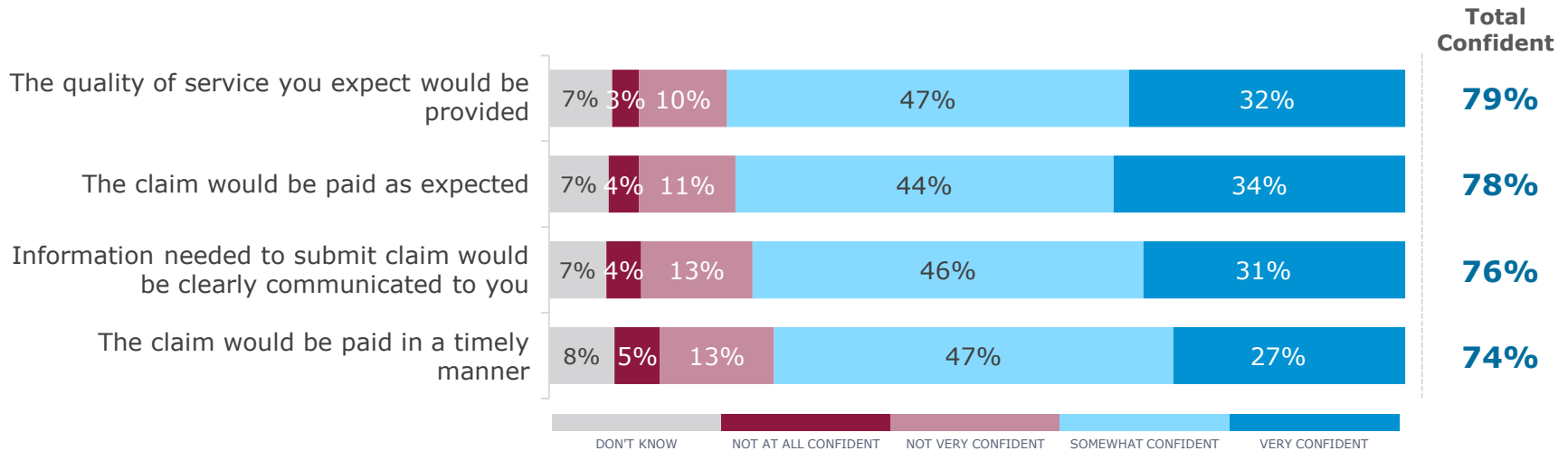


Confidence in Knowledge of Payment Amount



# More than three-quarters are at least somewhat confident in their CPI in the event of a claim

## Confidence in Credit Protection Insurance



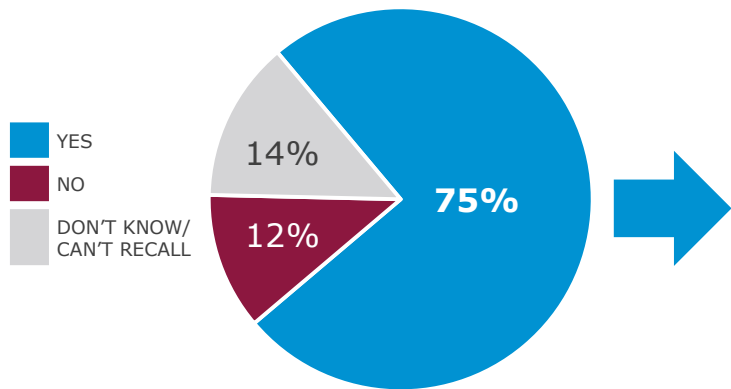


# Holders of Credit Protection Insurance Purchase Experience and Satisfaction

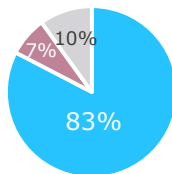
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# Most were given information about various factors pertaining to CPI by their financial institution representative

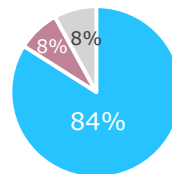
Representative Discussed CPI When Acquiring Mortgage/HELOC



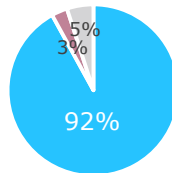
Coverage options that were available to me



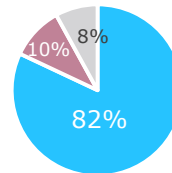
Premiums/costs of coverage options available



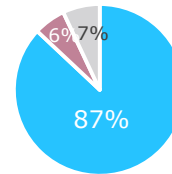
CPI as way to protect me and/or my family



Informed that CPI is optional



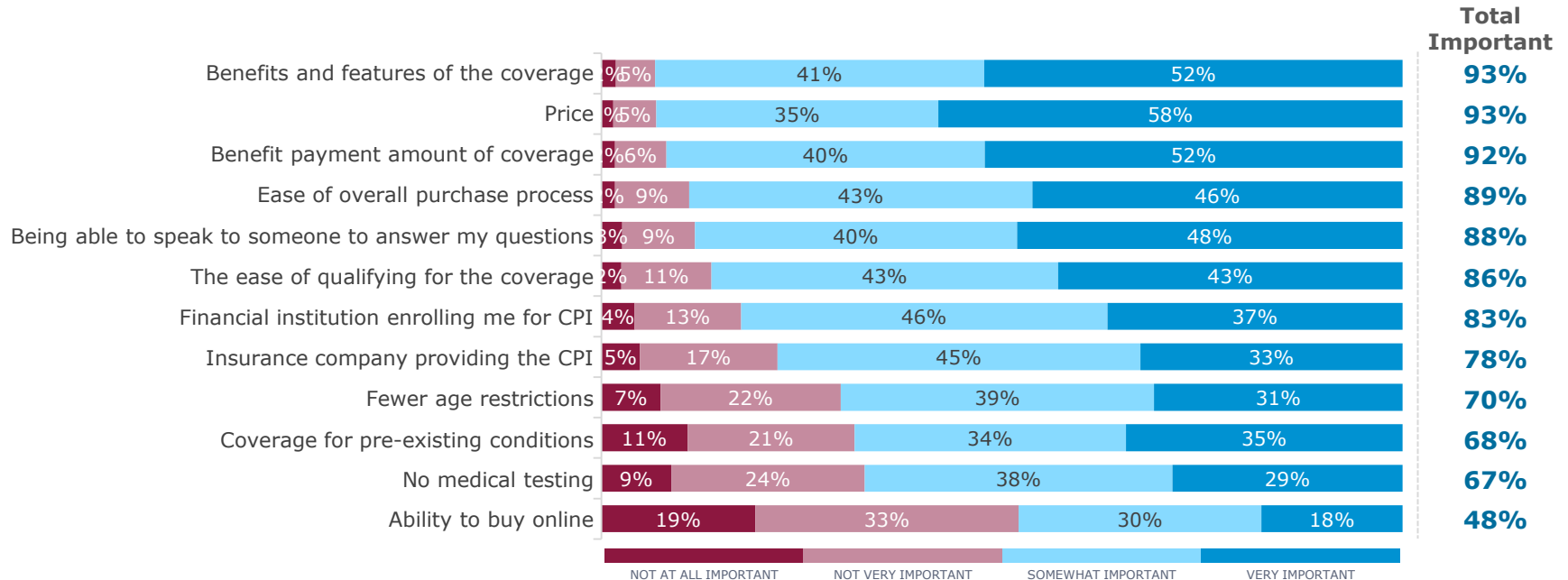
Advantages of having the insurance





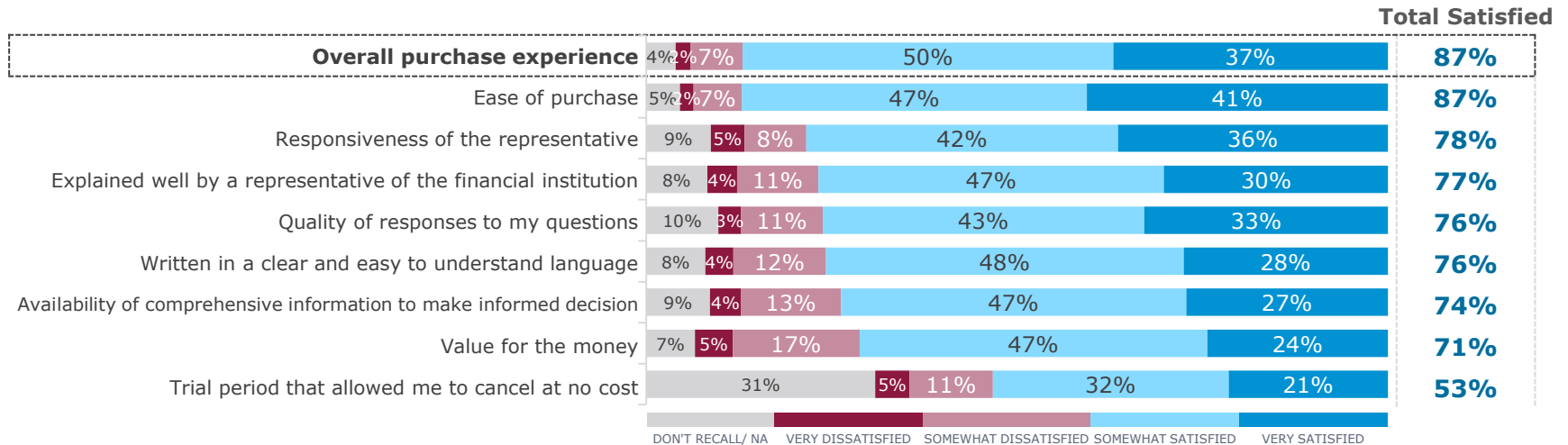
# Price, benefits, features and payment amount of coverage are most important considerations for CPI purchase

## Importance of Factors when Purchasing Credit Protection Insurance



# Satisfaction with overall purchase experience as well as specific elements is high, however, low recall and satisfaction for the trial period

## Satisfaction with Purchase Experience



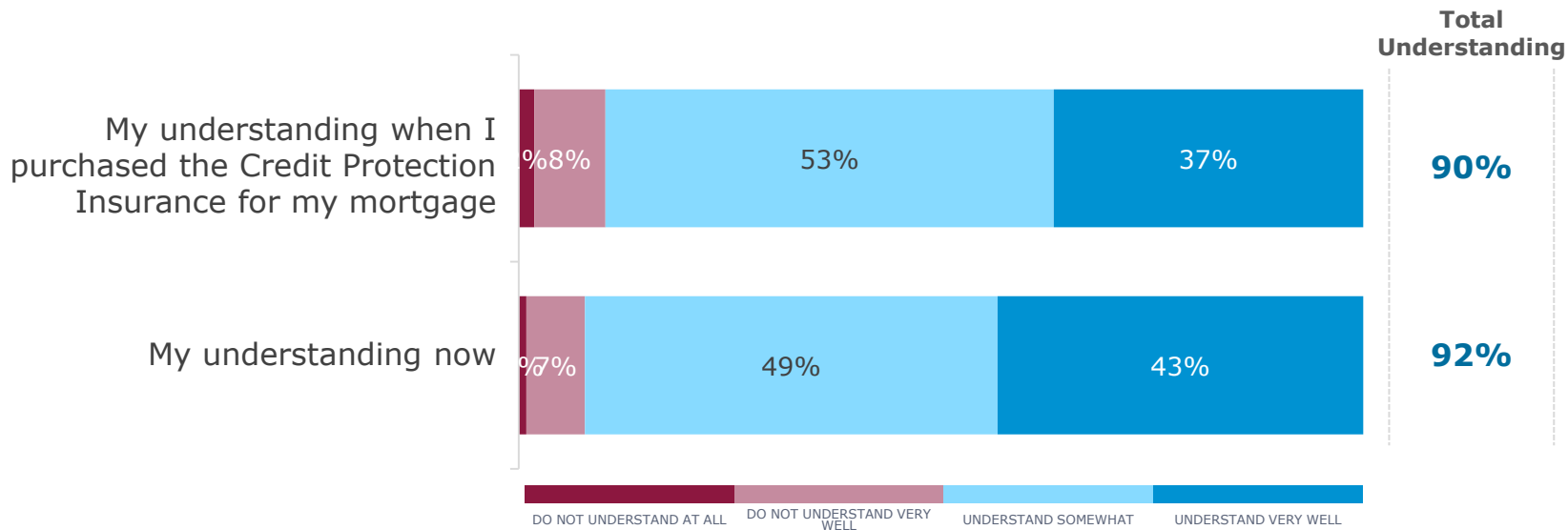


# Holders of Credit Protection Insurance Documentation & Information



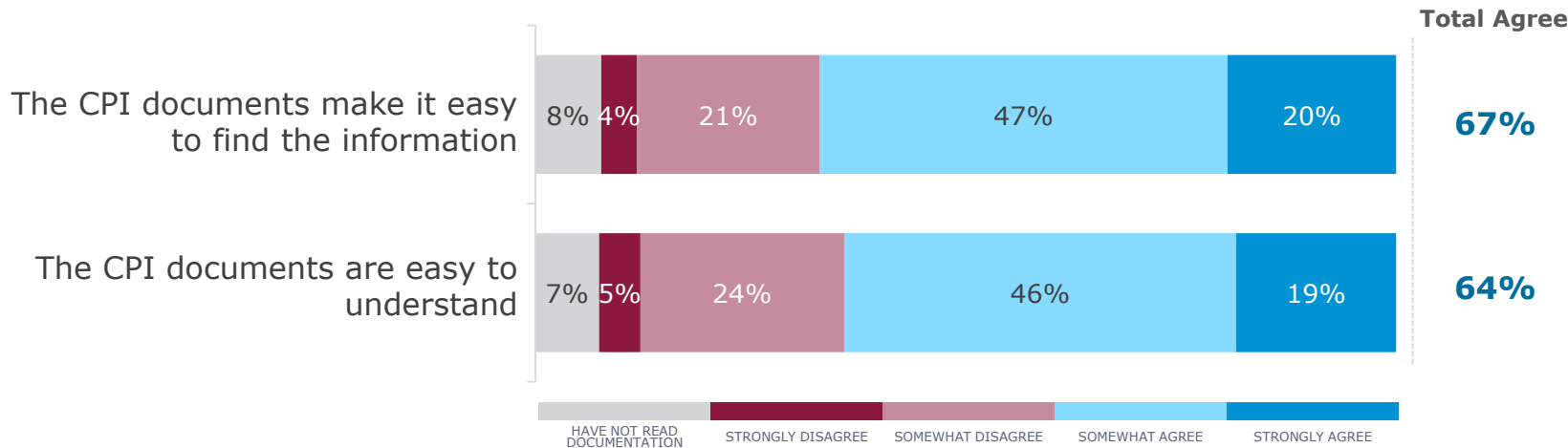
# CPI holders understand the terms well enough, with the time passed between purchase and now having little or no impact on level of understanding

## Understanding of Credit Protection Insurance Terms



# Comprehension of the CPI documentation is moderate

## Comprehension of Documentation



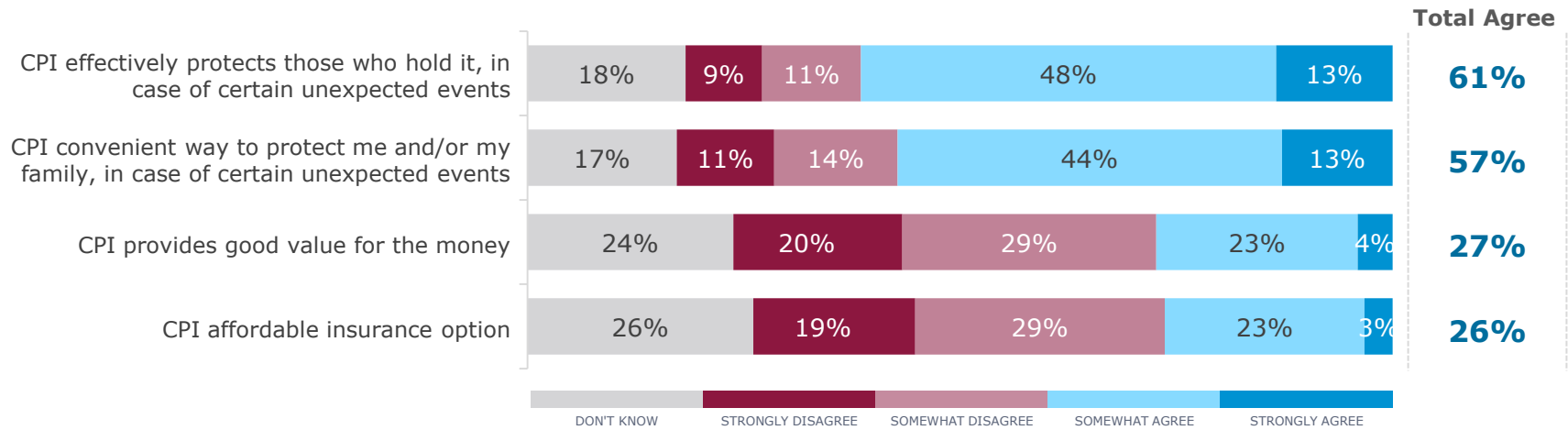


# Non-Holders of Credit Protection Insurance

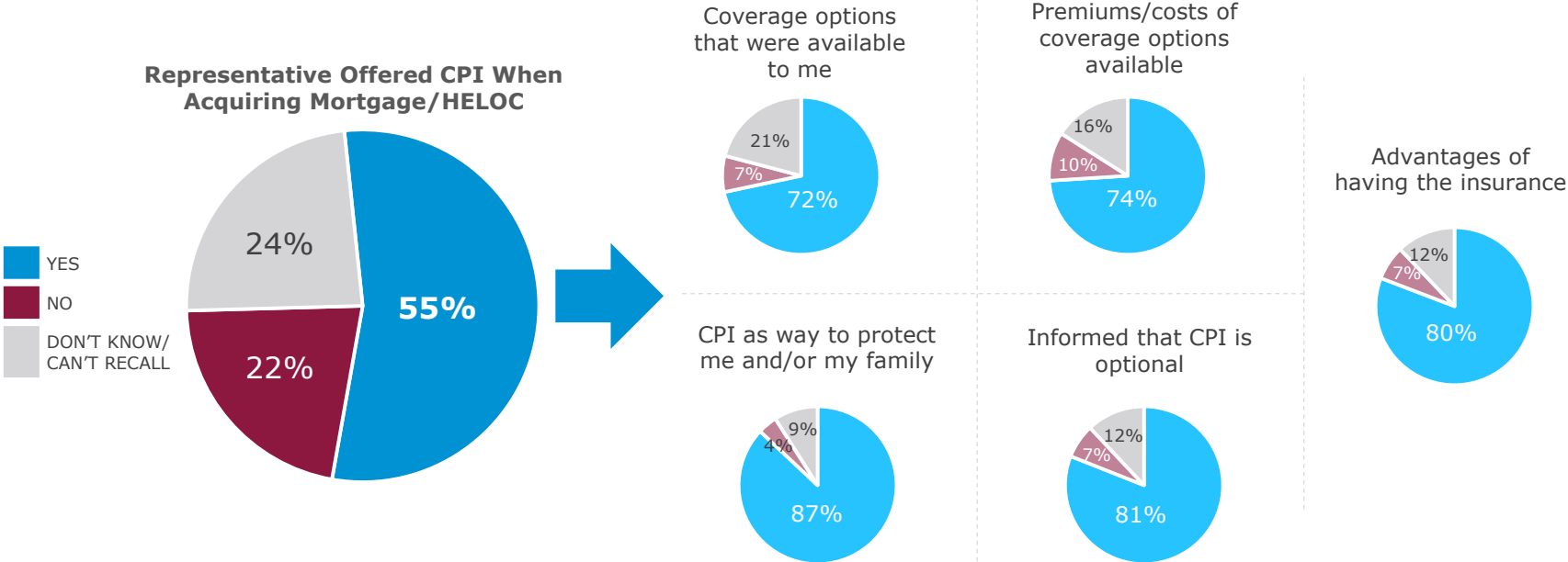
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# Despite non-CPI holders somewhat agreeing that CPI is effective and convenient, almost half feel it is not affordable or worth it's value for money

## Agreement with Statements Regarding Credit Protection Insurance



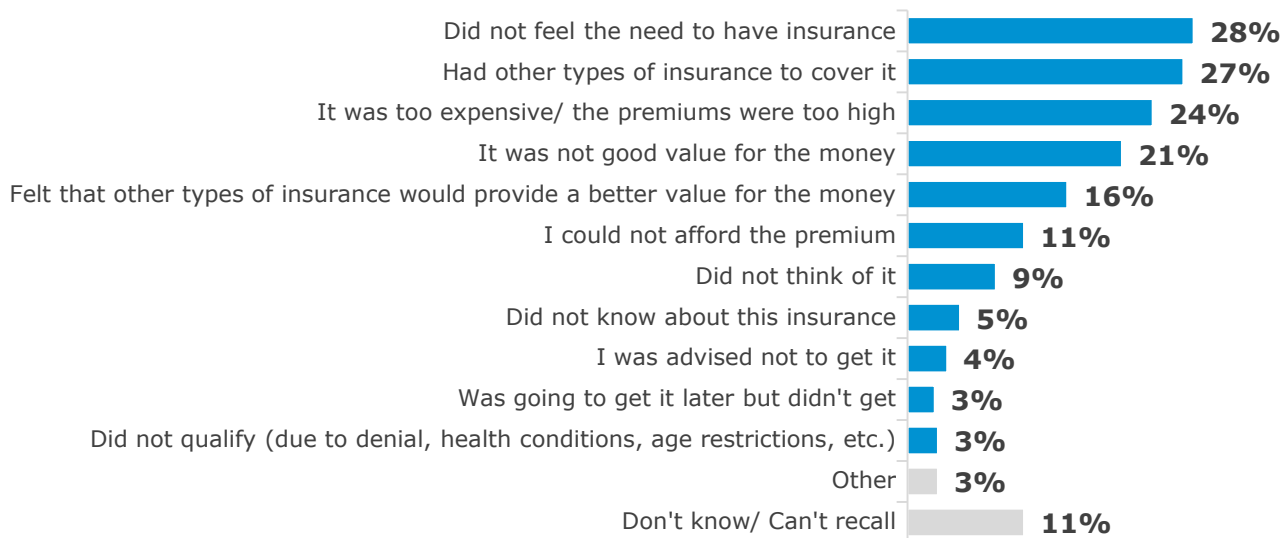
# Just over half recall their representative offering them CPI when getting their mortgage or HELOC





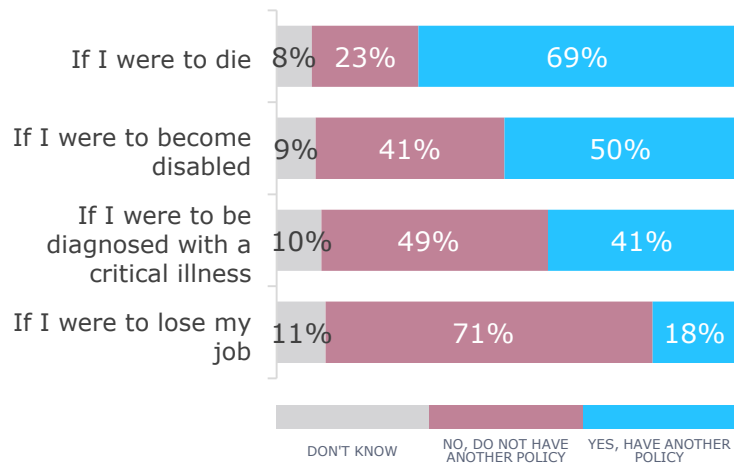
# Reasons for not getting CPI are varied – either not having need for it or having another insurance covering their debts

## Reasons for Not Buying Credit Protection Insurance

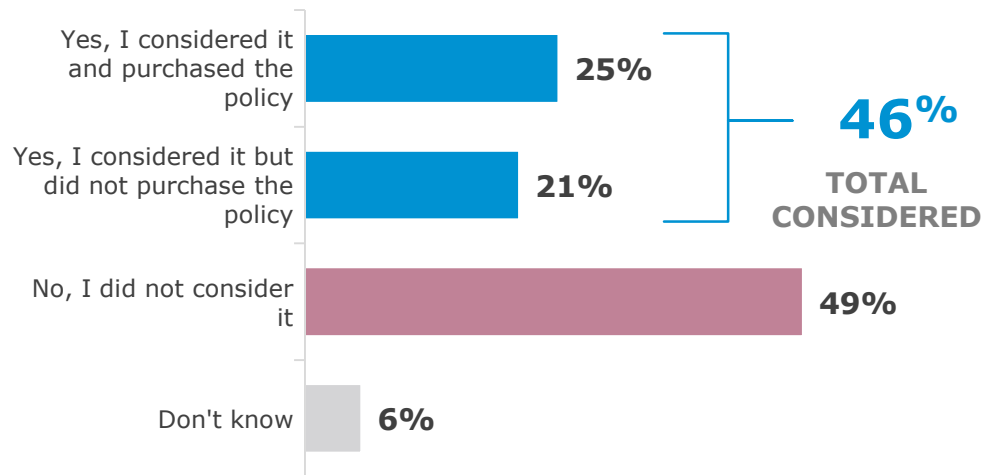


# Majority have coverage in case of death or disability, however critical illness and job loss coverage is lacking

## Coverage in case of Unexpected Events



## Purchasing Term Life instead of Credit Protection Insurance

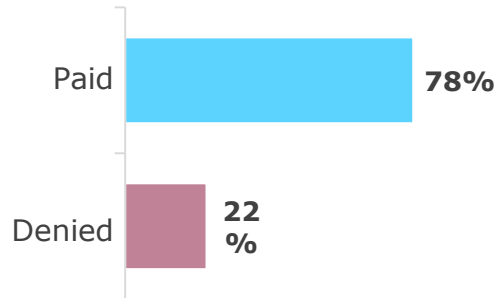




## Section 3: Claims – Experience and Satisfaction

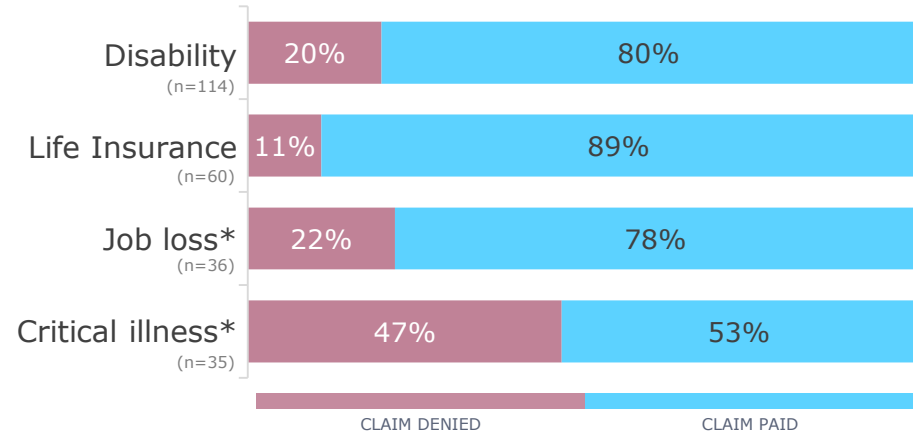
# More than three-quarters of processes claims were paid

**Results of claim submission  
among Processed Claims**



**Claims Still Being Processed: 14%**

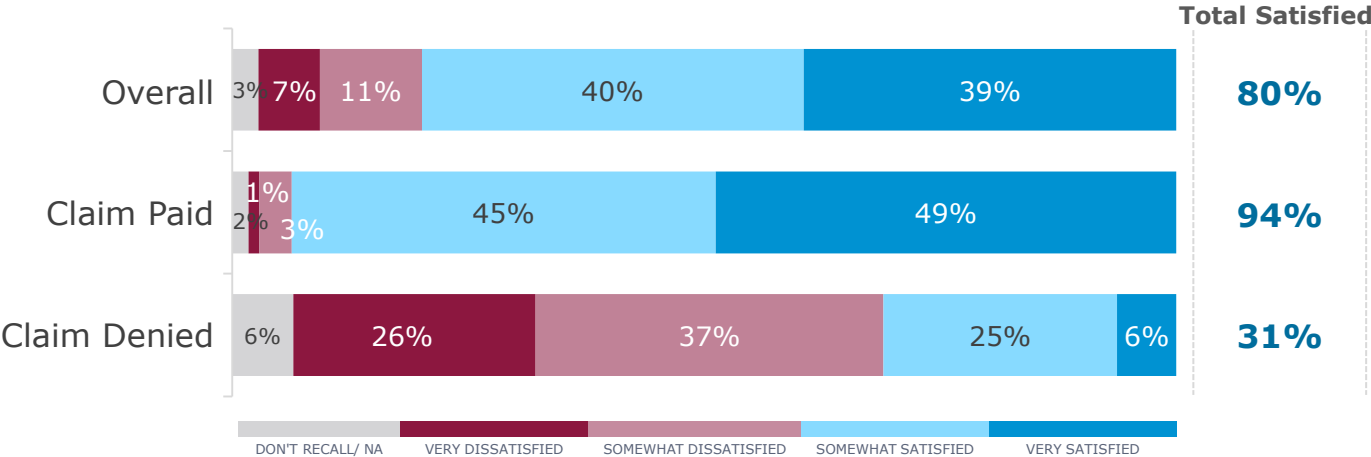
**Results of claim submission  
among Type of Claims Processed**



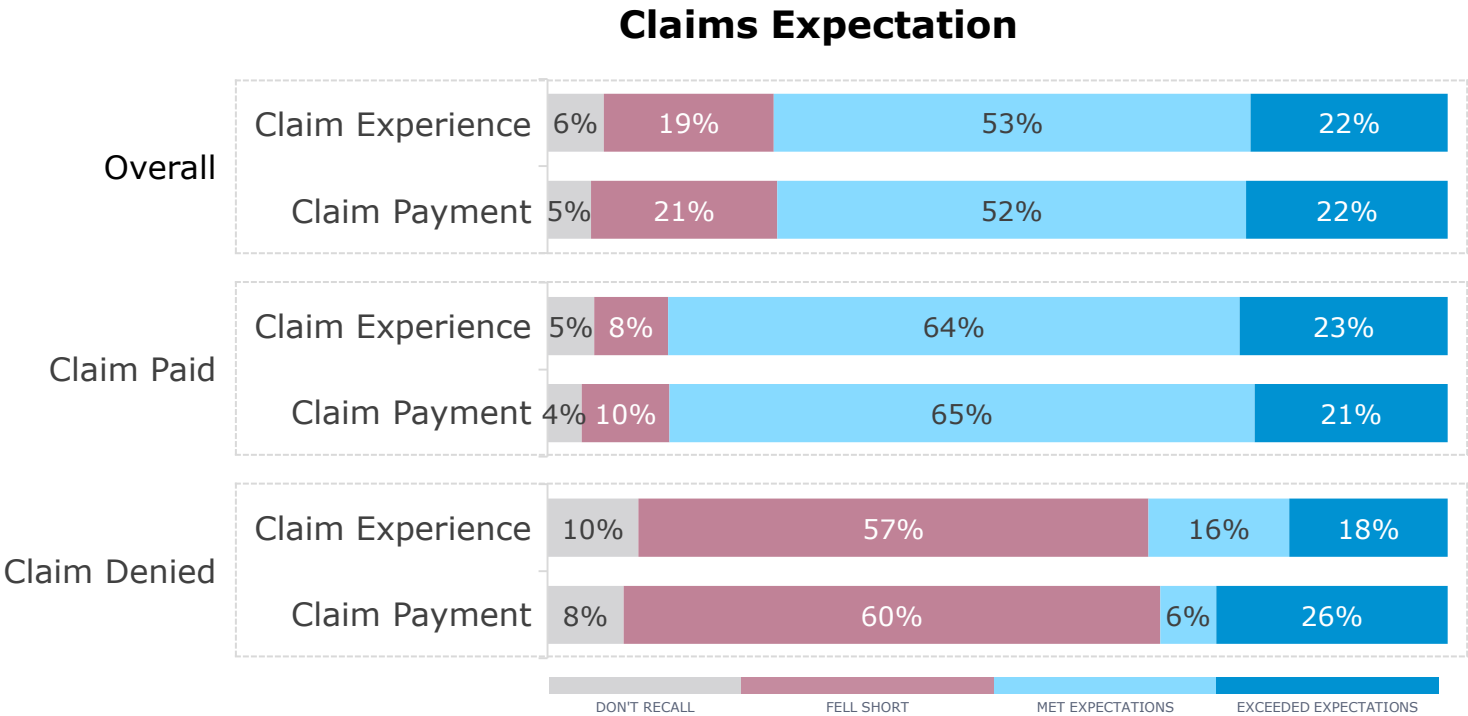
**\* CAUTION – LOW BASE**

# Eight out of ten are satisfied with their entire claim experience, regardless of type of claim

Satisfaction with Claims Experience



# Expectations with claim experience and payment were met amongst those whose claims were paid, while fell short for those whose claims were denied

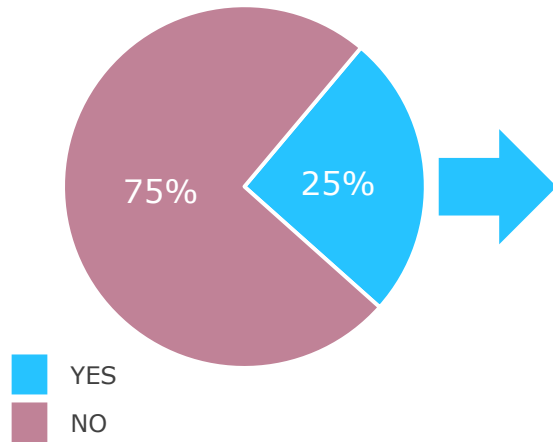




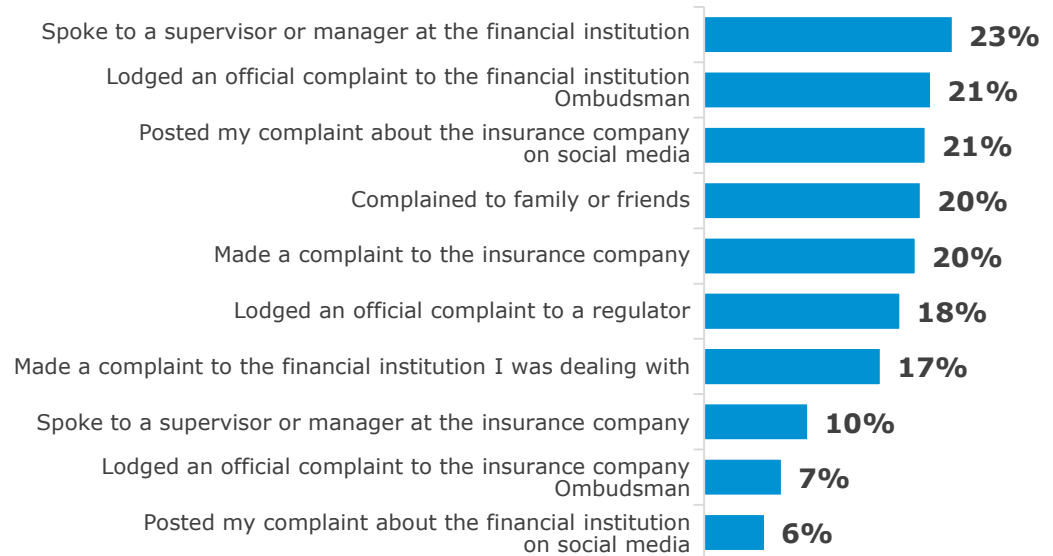
# Complaints

# One-fourth of claimants complained against the claim process, commonly approaching the financial institution rather than the insurance company

## Made A Complaint During Claim process



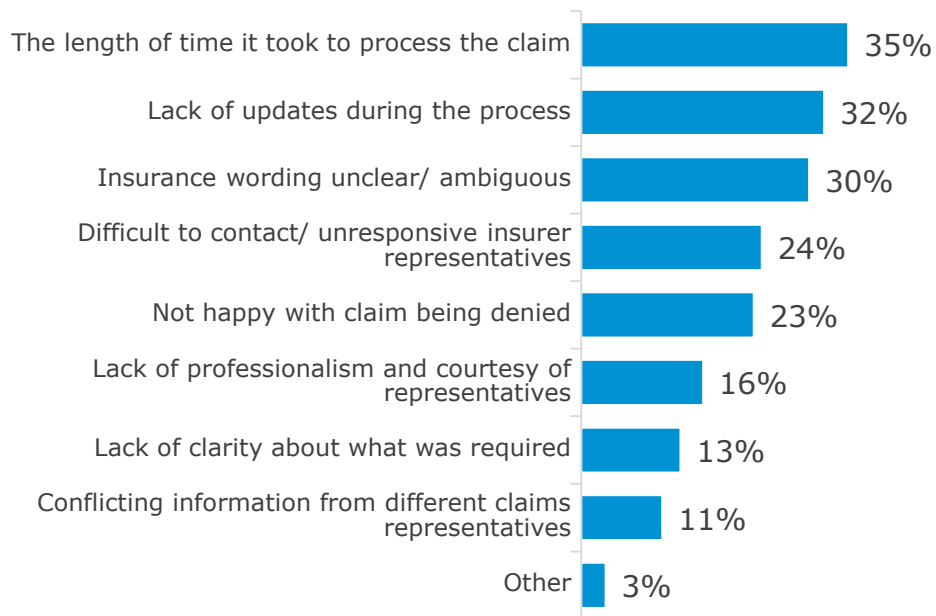
## How Complaint was Made



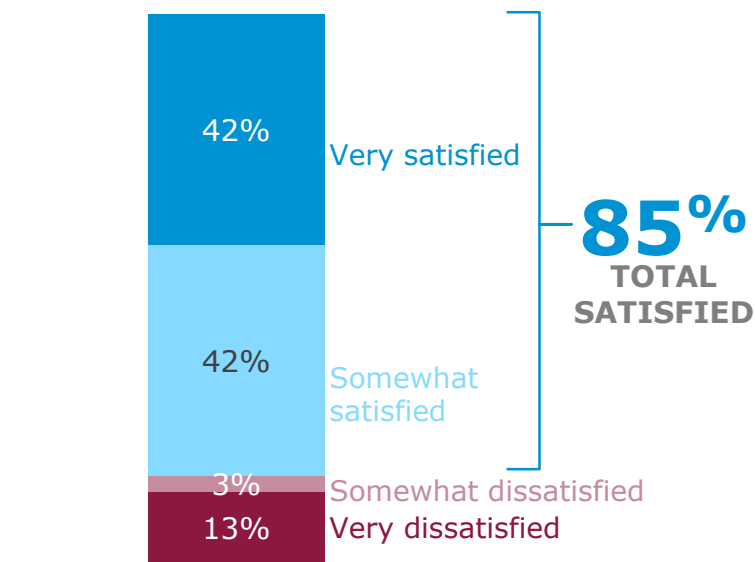


# Major reason for complaint was time taken to process and lack of updates; however there is satisfaction with how the complaints were handled

## Reason for Complaint



## Satisfaction with How Complaint was Handled





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