

CAFII

2014 External Communications Strategy

Revised October 28, 2013



Executive Summary

Overall Communications Strategy

- Support achievement of CAFII's strategic objectives by communicating and effectively engaging with key external audiences
- Demonstrate the value of the insurance solutions and channels offered by CAFII members by creating greater awareness and understanding
- Gain control of the "communications agenda" and change perceptions among key audiences

2014 External Communications Objectives

- Build on CAFII's current proactive communications strategy with regulators, while broadening audience focus and resource allocation to include policy-makers
- Ensure all audiences are well-informed about both the benefits of Creditor Insurance and alternate distribution channels
- CAFII and its members are seen to be advocates for alternate distribution channels and easy access to insurance solutions
- Be better prepared and positioned to respond strategically and effectively to the media and consumers

	Regulators and Policy-Makers	Media	Public and Consumer Interest Groups
Current State	<ul style="list-style-type: none"> •CAFII has strong relationships, a good reputation and regular interaction with regulators. •Inconsistent relationships with policy-makers 	<ul style="list-style-type: none"> •Little or no interaction with media and varying views amongst members about 'how far should we go?' •Selectively reactive with media 	<ul style="list-style-type: none"> •Enhanced CAFII web site serves a passive communications vehicle for Key Messages about Creditor Insurance and alternate distribution
	Short to mid-term objectives Proactive Advocacy	Mid to long-term objectives Prepared And Selectively Proactive	Mid to long-term objectives Prepared And Selectively Proactive
Future Vision	<ul style="list-style-type: none"> •CAFII interacts even more frequently with regulators and regularly with policy-makers, through a variety of approaches. •They are fully aware of the needs of Canadians regarding Creditor Insurance and the role CAFII members play in providing ease of access to valuable products. 	<ul style="list-style-type: none"> •The benefits of Creditor Insurance are clearer. •Myths regarding Creditor Insurance are dispelled. •CAFII is seen to be a consumer advocate related to easy, convenient access to a straightforward product. •CAFII is regarded as a "go to" resource for credible information on Creditor Insurance 	<ul style="list-style-type: none"> •CAFII Members are proud to serve Canadians with products that meet their needs in terms of both protection and availability. •CAFII Members are seen as proponents of consumer access to simple, convenient insurance products; <u>and of Consumer Financial Literacy</u> •CAFII is regarded as a "go to" resource for credible information on Creditor Insurance

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Objectives

Overall Communications Strategy

- Support achievement of CAFII's strategic objectives
- Communicate and effectively engage with key external audiences
- Demonstrate the value of the insurance solutions and channels offered by CAFII members:
 - Creditor insurance
 - Alternate distribution channels (non-broker driven)
- Create greater awareness and understanding
- Gain control of the “communications agenda” and change perceptions among key audiences

2014 External Communications Objectives

- Build on past strengths by enhancing CAFII's current proactive communications strategy with regulators, while broadening the audience focus and resource allocation to include policy-makers
- Ensure all audiences are well-informed about the benefits of Creditor Insurance and alternate distribution channels
- Enhance the perception of CAFII among key audiences so that:
 - CAFII begins to be regarded as the “go to” resource for credible information related to Creditor Insurance
 - CAFII and its members are seen to be advocates for alternate distribution channels, easy access to insurance solutions, and Consumer Financial Literacy
- Be better prepared and positioned to respond strategically and effectively to the media and consumers re mis-information about Creditor Insurance products and alternate distribution channels
- Assess opportunities and tactics to begin outreach to and to influence non-FI Creditor Insurance players whose practices could give rise to PPI-type regulations, around adopting industry best practices

Current Situation:

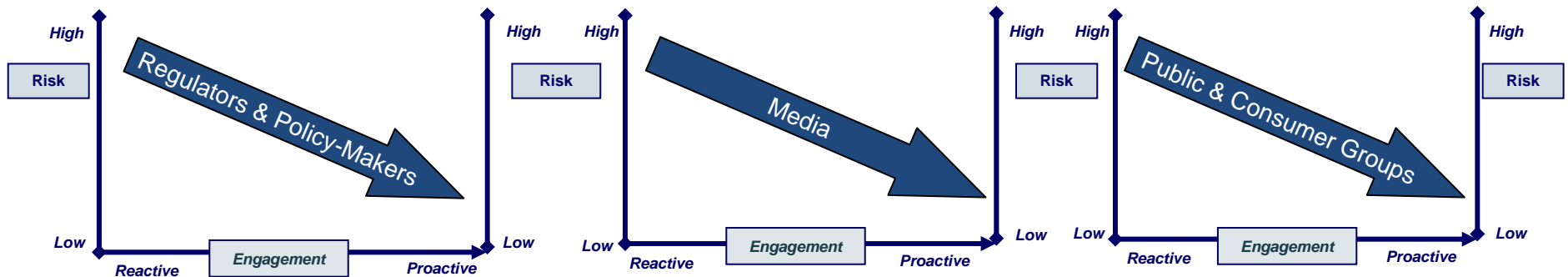
External Communications SWOT Analysis

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> • Respect from most regulators. • CAFII is a “go to” resource for regulators on issues related to Creditor Insurance and, in many cases, insurance distribution. 	<ul style="list-style-type: none"> • Limited profile with all audiences except Regulators. • CAFII is not a “go to” resource for the media, the public, consumer interest groups, or other industry players when issues arise related to Creditor Insurance. 	<ul style="list-style-type: none"> • Strengthening relationships with policy-makers on a consistent basis. • Developing relationships with some consumer interest groups and media. • Both actions would better protect CAFII members for the future. 	<ul style="list-style-type: none"> • Lack of more visible messaging may make CAFII a target for opponents.
<ul style="list-style-type: none"> • CAFII has completed occasional research that reinforces the benefits of Creditor Insurance. 	<ul style="list-style-type: none"> • CAFII currently does not have a clear consensus among members for a well-articulated strategy related to external communications to media and consumers, except for media contact contingencies. 	<ul style="list-style-type: none"> • Research will provide a valuable foundation for potential advocacy and/or rebuttal points when Bank Act consultations commence in 2015. • More frequent reinforcement of messaging to regulators and policy-makers utilizing a variety of approaches, including in-person meetings, website content and webinars. 	<ul style="list-style-type: none"> • CAFII does not control the communications agenda related to Creditor Insurance.
<ul style="list-style-type: none"> • CAFII has additional capacity to deal with adverse media developments. (i.e. Executive Director) 	<ul style="list-style-type: none"> • Existing research has a limited shelf life. 	<ul style="list-style-type: none"> • New website provides a rationale for introducing CAFII and our key messages to a broader audience. 	<ul style="list-style-type: none"> • Publicizing positive research results could provide opponents with new “intelligence.” Being more proactive may attract more negative attention.
<ul style="list-style-type: none"> • New web site initiative provides better communication potential. 	<ul style="list-style-type: none"> • Without a strong advocacy position, CAFII member employees may not be as confident in Creditor Insurance as they should be. 	<ul style="list-style-type: none"> • Enhanced advocacy may facilitate a better public awareness of Creditor Insurance and alternate distribution, and support member sales efforts. 	<ul style="list-style-type: none"> • Unexpected media or regulatory action.
<ul style="list-style-type: none"> • The external environment related to Creditor Insurance has been relatively quiet. 	<p>CAFII does not influence the practices of a segment of Creditor Insurance that regulators could target (egs. auto dealers, payday loan companies, non-FIs)</p>	<ul style="list-style-type: none"> • Potential to engage with consumer interest groups for monitoring and environmental scanning purposes. • Potential to engage with non-FI Creditor Insurance players to fend off broad brush PPI-type regulations. 	<ul style="list-style-type: none"> • Regulators might introduce broad brush new regulations for Creditor Insurance, to address concerns not being caused by CAFII members.

External Communications Audiences and Approaches: Current State and Future Vision

	Regulators and Policy-Makers	Media	Public and Consumer Interest Groups
Current State	CAFII has strong relationships, a good reputation and regular interaction with regulators. Inconsistent contact and relationships with policy-makers	Little or no interaction with Media and varying views amongst members about 'how far should we go?' Prepared to be selectively reactive with media	No specific current objective or strategy
	Selective use of CAFII research in: •Regulatory submissions •Meetings occasioned by regulatory consultations	Selective use of CAFII research in "defence scenarios" currently contemplated	New website contemplates content designed for the public
Future Vision	Short- to Mid-term Objectives •CAFII interacts even more frequently with regulators and policy-makers through a variety of approaches. •They are fully aware of the needs of Canadians regarding Creditor Insurance and the role CAFII members play in providing ease of access to valuable products.	Mid- to Long-term Objectives •The benefits of Creditor Insurance are clearer. •Myths regarding Creditor Insurance are dispelled. •CAFII is seen to be a consumer advocate for easy, convenient access to a straightforward product; <u>and for Consumer Financial Literacy</u>	Mid- to Long-term Objectives •CAFII Members are proud to serve Canadians with products that meet their needs in terms of both protection and availability. •CAFII Members are seen as proponents of consumer access to simple, convenient insurance products; <u>and of Consumer Financial Literacy.</u>
	•Targeted research is regularly conducted on strategic issues •Research is regularly leveraged. •Messages for other stakeholders are tested with regulators and policy-makers. •Assess opportunities and tactics to begin outreach and influence non-FI Creditor Insurance players whose practices could give rise to PPI-type regulations	•CAFII (and not others) is the "go to" place for credible information related to Creditor Insurance. •Detailed research findings are available to support messaging.	•Better information and facts are available regarding Creditor Insurance and alternate distribution.

Future State Engagement with Key Audiences: From Reactive to Proactive – How Far to Move?



Future Vision			
Target Audience & Approach	Regulators and Policy-Makers	Media	Public and Consumer Interest Groups
	Proactive Advocacy	<i>Prepared and Selectively Proactive</i>	<i>Prepared And Selectively Proactive</i>
Rationale	<ul style="list-style-type: none"> •Reduces risk and increases opportunities to influence. •Receptive to understanding the value that Creditor Insurance and alternate distribution channels provide to under-served consumers, despite strong broker advocacy •Absence of this advocacy and CAFII messaging could lend credibility to broker messaging amongst this audience 	<ul style="list-style-type: none"> •<u>CAFII has not previously engaged with media, and therefore has no earned credibility with this audience</u> •<u>If CAFII remains solely reactive and makes first media appearance in a defensive posture, that will be a long-lasting, negative impression</u> •<u>A reactive-only approach is the high risk strategy</u> •<u>Starting to engage proactively is the only way to build credibility with media and enter the marketplace in the right way</u> 	<ul style="list-style-type: none"> •<u>CAFII has not previously engaged with the public or consumer interest groups, and therefore has no earned credibility with this audience</u> •<u>If CAFII remains solely reactive and has a defensive posture in first exposure with public and consumer groups, that will be a long-lasting, negative impression</u> •<u>A reactive-only approach is the high risk strategy</u> •<u>Starting to engage proactively is the only way to build credibility with the public and consumer interest groups and enter the marketplace in the right way</u>
Future Vision	<ul style="list-style-type: none"> •CAFII is increasingly proactive in its strategic use of facts and research findings to advocate for Creditor Insurance and the related public policy benefits of providing ease of access to simple insurance products 	<ul style="list-style-type: none"> •<u>CAFII is well-prepared to respond to media inquiries and to be selectively proactive, using strategic Key Messages and scenario-based Stock Answers, based on facts and research. CAFII takes advantage of media exposure opportunities where it "controls the pen" and earns "go to" credibility through selective proactive engagement.</u> 	<ul style="list-style-type: none"> •<u>CAFII is well-prepared to respond to public and consumer interest group inquiries and to be selectively proactive, using strategic Key Messages and scenario-based Stock Answers, based on facts and research. Having earned credibility with this audience, CAFII proactively engages on a selective basis. The Association and its members are seen as advocates for Consumer Financial Literacy.</u>

11/28/2013

Draft for Discussion Purposes

Future State:

2014 External Communications Tactics

Regulators and Policy-Makers

Proactive Advocacy

- Expand Regulator contact to include policy-makers
- Enhanced Regulator and Policy-Maker Visit Plan
- Regulator events /webinars
- Proactive written contact
- Strategic submissions
- Enhanced web content
- 'Regulator Kit'
- Targeted research to support messaging
- Commitment to face-to-face meetings with targeted regulators and policy-makers plus ongoing written contact
- Assess opportunities to influence non-FI Creditor Insurance groups on industry best practices

Media

Prepared and Selectively Proactive

- Respond strategically and selectively to media and social media misinformation
- Apply approved Media Protocol
- Deploy targeted Key Messages, written from a Consumer Financial Literacy lens
- Develop Media section on website.
- Develop "About Creditor Insurance" Media Kit, for friendly media.
- Participate in "pen control" media opportunities
- Build and sustain CAFII credibility by using independent research for Media Release content on targeted insurance topics,

Public and Consumer Interest Groups

Prepared and Selectively Proactive

- Enhanced targeted web site:
- Key Messages
 - FAQs
 - Revamped "Contact Us"
 - Consumer testimonials
 - Search Engine Optimization to drive traffic to CAFII site
 - Leverage targeted research to support messaging
 - Monitoring/environmental scanning of consumer interest groups
 - CAFII engages proactively, on a selective basis, with the public and consumer interest groups, mainly in support of Consumer Financial Literacy

Q4 of 2014

For each audience, revisit and assess strategy, level of engagement, and tactics for 2015

Measures of Success

We will know we have been successful when.....

Regulators and Policy-Makers

This Audience:

- Accepts and acts on policy recommendations and positions advocated by CAFII in a great majority of cases
- Recognizes CAFII as a credible, well-prepared “go to” resource on matters pertaining to Creditor Insurance and alternate distribution
- Regulators and Policy-Makers differentiate between CAFII members and other non-FI players that ‘dabble’ in certain forms of Creditor Insurance (egs. car dealers; payday loan companies; retailers)
- Becomes more fully aware of the benefits and value of Creditor Insurance to a broad, under-served segment of Canadian consumers
- Recognizes CAFII and its members as leading industry advocates and providers of convenient consumer access to simple, straightforward insurance products
- Has “first name basis” relationships with key CAFII representatives
- Knows that CAFII will meet with them regularly (minimum every 18 months) to maintain a face-to-face relationship, and will have ongoing written and phone contact
- Knows that interaction will be informative and worthwhile and include new industry insights, updates on important issues, and/or significant and reasonable “asks”
- Looks forward to receiving the results of CAFII’s independent research on insurance issues, and respects the credibility of the data
- Non-FI Creditor Insurance Players look to CAFII as the “go to” source re industry practices; some/all have become Associate members; and practices of concern to regulators are modified

Media

CAFII has:

- Made progress on changing media perceptions about Creditor Insurance through well-prepared handling of reactive media situations; acting and communicating to correct misinformation published about Creditor Insurance; and selective dissemination of well-developed Media Kit materials
- Delivered Key Messages and Stock Answers that resonate with media and are quoted in resulting media coverage
- Participated in “pen control” media communication opportunities and maximized the utility and impact of the resulting exposure
- Launched a program of Media Releases based on independent, third party consumer research on targeted insurance topics, and measured its effectiveness
- Monitored media coverage and social media posts; and responded when appropriate, thereby achieving initial progress on dispelling media myths about Creditor Insurance and alternate distribution channels
- Begun to be seen as a consumer advocate identified with the Association’s tagline: “Making Insurance Simple and Accessible for all Canadians” and as a proponent of Consumer Financial Literacy

The Public and Consumer Interest Groups

CAFII has:

- Leveraged enhanced information on the web site for responding to questions about Creditor Insurance and alternate distribution
- Web site stats that show consistent growth in traffic, especially to consumer testimonials
- When and if appropriate, engaged proactively with the public and/or consumer interest groups around Consumer Financial Literacy or other targeted insurance topics
- Become identified with the Association’s tagline: “Making Insurance Simple and Accessible for all Canadians” and as a proponent of Consumer Financial Literacy

APPENDICES

APPENDIX A: 2014 Communications Tactics

- Regulators and Policy-makers
- Media
- Public and Consumer Interest Groups

APPENDIX B: Implementation Timelines For New Tactics – Regulators and Policy-Makers

APPENDIX C: Key Message Map : Benefits/Value of Creditor's Insurance

Samples for illustration purposes – to be confirmed once plan approved

Appendix A: 2014 Communications Tactics

Regulators and Policy-Makers

- ✓ Continued strong proactive focus on this key audience, broadened to include Policy-Makers in addition to Regulators
- ✓ Majority of activity is provincially focused, with selective activity against federal authorities, i.e. Financial Consumer Agency of Canada (FCAC)
- ✓ Maximize use of face-to-face interaction opportunities, as the warmest and most effective channel to build relationships and deliver key messages
- ✓ Strategic use of all written contacts (submissions, regulatory newsletters, etc.) as an opportunity to reinforce communications objectives

Communication Tactics	Details
Proactive Face-to-Face Interaction	<p><i>Continued Activity, with enhanced focus:</i></p> <ul style="list-style-type: none"> • Invitations to CAFII Speaker and Networking events • Pre-consultation and consultation meetings with regulators • Enhanced Regulator Visit Plan, focused on dedicated, face-to-face meetings with each provincial regulator at least once every 18 months, in Toronto or their location - Leverage regional meetings where common interest exists - Periodic liaison meetings with provincial regulator executive teams, as needs/issues arise <p><i>New/Enhanced Activity:</i></p> <ul style="list-style-type: none"> • Identify key provincial and federal policy-makers and develop a Policy-Maker Visit Plan, with targeted key messages • Meet with relevant provincial policy-makers, in conjunction with regulator meetings • Attendance at industry conferences, symposia, and related events where regulators and policy-makers will be present • Assess options to engage and influence non-FI Creditor Insurance players around regulatory risk discussions and industry education, including targeting them as possible Associate Members of CAFII
Proactive Written Communications	<p><i>Continued Activity, with enhanced focus:</i></p> <ul style="list-style-type: none"> • Timely, high quality regulatory submissions emblazoned with new CAFII branding • Webinars for CCIR and the CISRO community (on annual basis at a minimum) • Regulatory Newsletter, distributed to regulators and policy-makers as an information resource • Regular phone contact by Executive Director to source newsworthy developments • Interaction with related Associations (i.e. CLHIA, CBA) to ensure Key Messages are aligned yet still tailored to reflect CAFII's perspective <p><i>New/Enhanced Activity:</i></p> <ul style="list-style-type: none"> • Sponsor more frequent independent consumer research on key CAFII issues to provide content for submissions and proactive Releases . (i.e.. inclusion of two or three targeted questions on quarterly omnibus survey, eg. Pollara's syndicated "InsurPoll") • Strategically share results with regulators and policy-makers in timely, focused manner through both written Releases and educational webinars • Regulator Kit of briefing documents focused on CAFII's key messages (both electronic and paper distribution) • Leverage enhanced, regularly updated web site content which provides CAFII-branded regulator and policy-maker-focused resources

Appendix A: 2014 Communications Tactics

Media

- ✓ Focus on gradual transition to a “Prepared and Selectively Proactive” strategy, to begin earning credibility and bona fides with this Key Audience
- ✓ Focus on developing air-tight Key Messages to fuel confidence in being selectively proactive; and on using third party research to buttress messages
- ✓ Reassess strategy as part of 2015 communications planning

Communication Tactics	Details
<u>Prepared and Selectively Proactive</u>	<p><u>New /Enhanced Activity:</u></p> <ul style="list-style-type: none"> • <u>Develop a broad inventory of Key Messages which can also be used with other Key Audiences and develop potential story scenarios with up-to-date scripted responses (share with CAFII members for their own use)</u> • <u>Develop a series of short, non-provocative articles on various aspects of the case for Creditor Insurance and Alternate Distribution, written as much as possible from a Consumer Financial Literacy lens. Use this content for “pen control” media communication opportunities, a Media Kit, the website, and other applications</u> • <u>Leverage independent consumer research on targeted insurance topics to provide content for a program of feature-style Media Releases; and dissemination of findings to other audiences</u> • <u>Identify “friendly” media representatives</u> • <u>Respond to media requests for information and interviews, in accordance with Board-approved Media Protocol</u> • <u>Monitor media coverage and social media posts (English and French) re Creditor’s Insurance and related CAFII-relevant issues</u> <ul style="list-style-type: none"> – <u>Strategically and selectively respond to published misinformation about Creditor’s Insurance products, using Key Messages and Stock Answers</u> • <u>Provide media training session for Executive Director and available Board members, based on approved Key Messages and Stock Answers</u> • <u>Create “About Creditor Insurance” Media Kit from web-based resources, for ready dissemination when need arises</u> <ul style="list-style-type: none"> – <u>some overlap with Regulator Kit content, so likely dual application of information pieces developed</u> – <u>Develop Media-focused section on CAFII web site</u> • <u>Revisit and assess this Communications Strategy in Q4 2014 to determine if CAFII wishes to continue a “Prepared and Selectively Proactive” approach or transition to more proactive media communications tactics beginning in 2015</u>

Appendix A: 2014 Communications Tactics

The Public and Consumer Interest Groups

- ✓ Focus on gradual transition to a “Prepared and Selectively Proactive” strategy, to begin earning credibility and bona fides with this Key Audience
- ✓ Focus on developing air-tight Key Messages to fuel confidence in being selectively proactive; and on using third party research to buttress messages
- ✓ Reassess strategy as part of 2015 communications planning

Communication Tactics	Details
<u>Prepared and Selectively Proactive</u>	<p>New/Enhanced Activity:</p> <ul style="list-style-type: none"> • Increase reliance on the recently enhanced website to communicate with this audience: <ul style="list-style-type: none"> – Ensure Key Messages and FAQs are added to the website and easily accessible to the public – Source member company testimonial videos or short stories citing the positive impact of Creditor Insurance. – Enhance “Contact Us” section to facilitate consumer questions about Creditor Insurance, or about CAFII and its members. Ensure responses to questions are provided on a timely basis – Invest in Search Engine Optimization (SEO) services to drive consumers with “Creditor Insurance” and related queries to the site • Leverage independent consumer research on key CAFII issues (developed primarily for use with Regulators /Policy-Makers and Media) to provide content for responding to Public and Consumer Interest Group information requests • Monitor the agendas and activities of key Consumer Interest Groups for environmental scanning purposes: <ul style="list-style-type: none"> – i.e.. Consumers Council of Canada; Consumer’s Association of Canada; Public Interest Advocacy Centre, etc. – identify opportunities to provide value-added information (eg. “Creditors Insurance: Are Consumers Being Well Served?” report prepared by Consumers Council of Canada for Office of Consumer Affairs, Industry Canada, March 2009) <p><u>• When and if appropriate, engage proactively with the public and/or consumer interest groups around Consumer Financial Literacy or other targeted insurance topics</u></p> <p><u>• Revisit and assess this Communications Strategy in Q4 2014 to determine if CAFII wishes to continue a “Prepared and Selectively Proactive” approach or transition to more proactive communications tactics beginning in 2015</u></p>

Appendix B: Implementation Timelines For New Tactics

Regulators and Policy-Makers

(Sample only. To be revised – along with Implementation Timelines for other Key Audiences – once Communications Strategy approved and Tactics finalized)

				2013		2014											
				Period	oct	nov	dec	jan	feb	mar	apr	may	jun	jul	aug	sep	oct
Objective	Comms. Objective	Audience	Activity														
Engage effectively with Key Audience	Position CAFII as the “go to” resource for credible information about Creditor Insurance	Regulators and Policy-Makers	Update Regulatory Visit Plan to achieve objective of meeting face-to-face with each relevant regulator and policy-maker at least once every 18 months	X	X												
		“	Include provision for expenses re augmented Regulatory Visit Plan in 2014 Operating Budget	X	X												
		“	Compile list of industry conferences, symposia, etc. that provide a meaningful opportunity for interaction with regulators and policy-makers	X	X												
		“	Include provision for expenses re attendance and liaison meetings at industry conferences, symposia etc. in 2014 Operating Budget	X	X												
		“	Compile list of events that provide meaningful opportunity for interaction with regulators and policy-makers	X	X												
		“	Include provision for expenses re CAFII participation in relevant events in 2014 Operating Budget	X	X												
“	“	“															
Demonstrate the value of Creditor Insurance	Communicate the consumer benefits of Creditor Insurance, and positively influence perceptions, awareness, and understanding	Regulators and Policy-Makers	Develop Regulator Kit														
				X	X	X											
		“	Disseminate Regulator Kit				X	X									
		“	Formulate plan and budget for increased use of independent consumer research	X	X	X											
		(Non-FI Creditor Insurance Groups)	(Identify and engage with non-FI Creditor Insurance Groups around regulatory risk discussions and industry education; and possible Associate membership in CAFII)		X	X	X										

Appendix C:

Key Message Map - Benefits/Value of Creditor's Insurance

(Sample only for illustration purposes - Key Message Map available for each Key Message)

Net Impression Takeaway:

Overall, Creditor's Insurance is a competitive and affordable product, and meets a distinct market need.

Key Message #1	Key Message #2	Key Message #3
Creditor mortgage Insurance is affordable and competitive with term life insurance, and more advantageous for some consumers	Creditor mortgage insurance's approach to pricing and payments benefits the consumer	Creditor insurance protects specific debt obligations, thereby allowing other personal and/or group coverage to take care of other financial obligations of the consumer's family
SUPPORTING PROOF POINTS		
<ul style="list-style-type: none"> ▪ Creditor offers level premium for duration of original debt, be it 5 or 35 years ▪ Creditor pricing model of initial age and initial balance, with coverage paid on declining balance, equalizes premium over mortgage term, making coverage more affordable and accessible for younger, lower net worth, lower income borrowers ▪ While individual term life provides a consistent coverage level, annual premium cost may be prohibitive for some home buyers, particularly in early years, so they don't buy coverage ▪ Creditor may be more expensive at certain ages, as it's based solely on age bands versus male/female and smoker/non-smoker for term insurance ▪ ie...: term 10/20 may be cheaper for young female non-smokers, but term premiums increase at set intervals (every 10 or 20 years), which can be very costly in long run ▪ Over the life of a mortgage, the cost of creditor insurance is very competitive with term 10/20. 	<ul style="list-style-type: none"> ▪ Creditor offers level premium for duration of original debt, be it 5 or 35 years ▪ In most cases, same premium is charged for the life of the mortgage, based on client's age and mortgage amount at time of application, even if mortgage is renewed (so long as mortgage amount doesn't change) ▪ This spreads out the total cost of insurance coverage over life of the mortgage, making it easier to "budget expenses" and afford the needed coverage ▪ Premiums are conveniently paid via the regular mortgage payment and remain constant during term of mortgage ▪ This approach also protects consumers from increased insurance costs as they move to older, higher premium age bands 	<ul style="list-style-type: none"> ▪ Creditor insurance complements other insurance coverage by providing a family with full protection in the event of death or disability ▪ Creditor insurance is a cost-effective way to protect a mortgage or loan debt and one's credit rating ▪ By directly covering a specific debt obligation, creditor insurance frees up other individual and group life and disability benefits to protect a family's quality of life by covering such expenses as medical, education, childcare, burial, capital gains taxes, etc. ▪ 50% of Canadian adults under age 50 will experience a disability lasting between three months and two years before age 65, during which debt and new expenses must be covered ▪ Combined with individual and group disability coverage (typically maximum 70% of income), creditor insurance provides complementary coverage and full protection in the event of death or disability. All should be considered as part of an overall financial plan ▪ 59% of Canadians who have creditor insurance also own individual life insurance; 38% of them also have group life (Ipsos-Reid Canadian Financial Monitor for year ending December 2005)