



Insurance Among Homeowners: A Deeper Dive

Custom Research Proposal for CAFII

June 2024



Project Background

- In 2023, Canadian Association of Financial Institutions in Insurance (CAFII) commissioned LL Global Inc. (LIMRA) to study Canadian insurance ownership among homeowners.
- Key findings from the study were:
 - About 80% of Canadian homeowners are traditionally uninsured or underinsured (less than 7 years of coverage).
 - 78% of Canadian homeowners with home-related credit have a large insurance coverage gap.
 - Just over 60% of Canadian homeowners with home-related credit are “at risk” of leaving their loved ones unprotected.



Goals and Objectives



- To further CAFII's mission, CAFII is seeking to conduct research that expands consumer knowledge and choices and simultaneously provides insights to advise regulatory bodies on such.
- To build on previous research and insights, LIMRA proposes a follow-up study which allows CAFII to delve deeper on the Canadian homeowner's needs and explore the motivators and deterrents involved in their decisions regarding home-related credit protection insurance (CPI).

Proposed Methodology and Design

- A qualitative study using English focus groups.
- A sample of homeowners with a mortgage/HELOC and who fall into one of two groups:
 - Low, middle and high income earners with survivorship and CPI
 - Low, middle and high income earners with survivorship and no CPI
- To recruit the sample, a screening questionnaire will be used.



Advantages of Qualitative Methodology



- Findings may provide valuable context for a deeper understanding of consumer views and actions
- Researchers: Ability to ask in-depth questions that are open-ended
- Respondents: Ability to respond freely without response constraints
- CAFII members will be able to listen in on focus groups and suggest further probes to responses **live**
- Video/Audio clips may be extracted and utilized from real Canadian homeowners

Alternative Methodology and Design

- A quantitative study in English and French.
- A sample of homeowners with a mortgage/HELOC:
 - 50% with survivorship (dependents/partners)
 - 50% with CPI
 - 50% with newer Canadians (last 10 years)
 - 20% French speaking or from Quebec
 - A distribution of various debt to income ratios (low, medium, high)



Proposed Research Questions



- What are the motivating factors that encourage the purchase of different types of CPI products?
- What are the deterring factors that discourage the purchase of different types of CPI?
- What is the shopping process when considering the purchase of CPI?
- What alternatives to CPI are considered during the shopping process? Why?
- What aspects of the CPI purchase process were easiest/most satisfying or difficult/most dissatisfying?

Deliverables

- Project Kickoff Deck
- Screening Questionnaire
- Discussion Guide
- Anonymized Transcripts of Discussions
- PowerPoint Report of Results in English
- 3 Recorded Virtual presentations of key findings and considerations to the following audiences:
 - CAFII Research Committee
 - CAFII Board of Directors
 - External invitees: Regulators and the Media



Proposed Timeline



Milestone	Estimated Timeline
Kick Off Meeting	Week 1
Discussion Guide Development	Weeks 2-4
Recruitment	Week 5
Focus Groups	Weeks 6-7
Transcription of Recordings	Week 8
Analysis and Report Development	Weeks 9-10
Initial Delivery of Results	Week 11
Additional Delivery of Results	TBD

This timeline assumes timely responsiveness and availability of CAFII team and study participants.

Proposed Fees

LIMRA estimates the cost to complete this project to be \$40,000-\$45,000 USD.

Fees subject to +/- 10% contingency.

Fees do not include travel and translation expenses which are additional and will be billed at cost.

Additional presentations, analysis, data cuts, and consultation on the data will be billed at an hourly rate of \$300 USD per hour.



Why LIMRA for This Project?



- Through its membership, LIMRA is well positioned to provide unparalleled insights for this project.
 - The insights and data from the past CAFII and LIMRA research collaborations.
 - The Canadian industry and research expertise to design a project that delivers actionable findings.
 - The informed perspective needed to confirm, challenge, or expand your thinking.



Q&A

Our Organization and Brands



Life Insurance

Annuities

**Workplace
Benefits**

LIMRA Applied Research Solutions

As the premier trade association for the insurance and financial services industries, with over 700 members, including 22 members in the Fortune 100, LIMRA has a privileged view into proven best practices and emerging trends. The breadth and depth of the data flow across the industry and our unique position within it enables us to provide you with insights no one else can provide. LIMRA combines industry knowledge and research expertise that translates into a thorough understanding of the marketplace and thoughtful research design and methodology.

CUSTOM RESEARCH

LIMRA's Applied Research team partners with you to conduct quantitative and qualitative research to capture the specific insights you need to support decision making across all product lines and distribution channels. Custom research can help you improve the customer experience, design a new product, test a product concept, explore new markets, and more.

CONSORTIA RESEARCH

Consortia research allows members to partner with and through LIMRA to cost-effectively research hot topics. Consortia research gives companies the opportunity to play an active role with other organizations to investigate a common area of need, including exploring opportunities in emerging markets, determining the market potential for new products, understanding the buying process, positioning with producers, and more.

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