Understanding Canadians in terms of Insurance Needs and Usage

Proposal for

cafii | acifa

The Canadian Association of
Financial Institutions in Insurance | L'association canadienne des
institutions financières en assurance

June 2024

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One of Canada's longest-standing full-service research firms, focussed on providing strategic, actionable, and realistic advice to our clients

Corporate Profile

- **Since 1985**, one of Canada's premier public opinion and market research firms

- Teams in Toronto, Ottawa, Montreal, Saskatoon, Calgary, and Vancouver, with **global, multi-national capabilities**

- Comprehensive toolbox of quantitative and qualitative **methodologies and analytical** techniques, and constantly innovating with **new cutting-edge approaches** to design, sampling, and analysis

- **Customized, creative research solutions** – no cookie cutters

- Design-through-deliverables engagement from **team** of widely-recognized and respected **senior research veterans** who are passionate about developing **long-term advisory partnerships**, helping clients make better decisions

- Deep expertise, extensive experience in **public opinion/public affairs research**, including work for many insurance companies, financial institutions and associations, such as CAFII, IFIC, Bank of Montreal, Bank of Canada, TD Bank, Allstate Insurance, Aviva and Pembridge.

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A senior team with deep expertise and extensive experience conducting public opinion/public affairs research for insurance companies, financial institutions and associations

Senior Team Members

Lesli Martin, Senior Vice President: A research industry veteran of more than 20 years, Lesli leads many of Pollara's major client accounts as well as many of our research model and product initiatives. Over the years, Lesli has earned a reputation for client service excellence that is second to none – in no small part driven by her experience as a manager of research departments at several storied Canadian brands. Lesli has worked with a number of financial institutions and associations such as CAFII, IFIC, Bank of Canada, Bank of Montreal and FSRA. Lesli is a Certified Analytics & Insights Professional (CAIP). Prior to joining Pollara, she was a senior researcher and account lead at Leger and comScore, and led research departments at Sears, Cossette, and Great Gulf Homes. She has published numerous research-based articles, and her research has been reported in most Canadian media outlets. Lesli holds a BA in Business Communication from Brock University.

Reem Hassan, Associate Vice President:

Based in Saskatchewan, Reem is an empathetic and analytical researcher who applies an extensive degree of expertise and global perspective to all of her research projects. For the past decade, she had enjoyed investigating and applying groundbreaking new research methods to projects. She provided research-based strategic advice on product launches, advertising campaigns, and countless re-branding initiatives. Her clients appreciate her keen interest in deeply understanding the dimensions of their business situation in order to provide them with a tailored solution, comprehensive analysis, and succinct recommendations. Reem has completed the Market Research Society (MRS UK) Advanced Certificate in Market Research and holds a Bachelor's degree with double majors in Marketing and Strategic Management from the German University in Cairo.

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The Pollara team has collectively conducted public affairs/public opinion research for hundreds of clients, including multiple projects with insurance companies, financial institutions and associations.

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Relevant Experience

- The Pollara team has collectively conducted public affairs/public opinion research studies and programs for hundreds of clients – including hundreds of issues management and communications studies (often of a sensitive nature), hundreds of federal and provincial government studies, and numerous transit/transportation studies. Some particularly relevant studies include:

  - **CAFII** – CPI Research 2018, 2021, 2022, Travel Health Insurance Study 2016, 2018
  - **IFIC** – Mutual Fund and ETF Investor Study 2006 -2024
  - **Pembridge** – Broker Study 2008-2023
  - **BMO Bank of Montreal and BMO Harris** – Multiple projects 2010 - 2024
  - **Insurpoll** – Syndicated Study of Home and Auto Insurance
  - **Insurance Bureau of Canada (IBC)** – Multiple projects 2010-2024

Research Plan

WHAT WE KNOW:
What insurance means to Canadians

- **Canadians tend to be uninsured or underinsured** – this is particularly true of low-income Canadians when it comes to life insurance.

  - *BUT – the incidence of having CPI is similar regardless of income level*

- While many **believe insurance is important** and feel their family would have trouble covering living expenses without their salary, they don't have it and overall, do not feel financially knowledgeable.

  - *The majority with life insurance feel they have enough and do not need more, but actually are considered underinsured, with less than 7 years salary in coverage*

- CPI could be a great solution for the uninsured or underinsured homeowner.

WHAT WE KNOW:
Credit Protection Insurance

- Canadians see **CPI as a valuable and effective means of protection**
  - It is a quality, trustworthy product;
  - Most who made a claim had it paid and were satisfied with the process

- **Important factors of CPI**: amount of coverage, person to answer questions, ability to qualify

- However, **almost half of homeowners with credit do not have CPI**
  - Unsure of its affordability or value for money
  - Do not recall being told about it
  - Do not think it is necessary, despite being underinsured

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WHAT WE NEED TO KNOW

- **Gaps in our knowledge**:
  - Canadians think Life Insurance is important, but do not have it
  - While they feel positively about CPI, they have chosen not to get it
  - Income plays a role, but even high incomes tend to be underinsured

- **We need to understand why**:
  - who obtains the correct amount of insurance and who does not,
  - what could influence the purchase of insurance (life or CPI) among those who are not or are underinsured,
  - where can these people be reached

Strategic Insights

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Segmentation analysis will allow us to identify specific and distinct groups within the Canadian population and determine how insurance can meet their needs

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HOW WE WILL DO IT

Segmentation Study:

A technique used to divide a broad target market into smaller, more homogeneous groups based on various criteria such as demographics, psychographics, behaviour, or needs.

What the Survey will Include

Demographics

- Age
- Gender
- Income/Investible assets
- Home ownership
- Household composition
- Level of debt
- Education
- Employment Status

Financial Attitudes and Perceptions

- Perceived economic status (getting ahead, just getting by, falling behind)
- Household income vs. cost of living
- Primary financial concerns
- Financial literacy
- Use of financial tools and supports

Behavioural Analysis of Insurance

- Use of insurance, including type and amount
- Purchase behaviours
- Perceptions of levels of insurance needed
- Perceived importance of insurance

Concept Test

- Provide overall definition of CPI to determine awareness and interest
- Provide specific benefits of CPI to determine appeal and level of influence
- Test cost impacts if possible

Information Sources

- Understand where Canadians go for financial advice/information
- Determine levels of trust for specific sources

METHODOLOGY

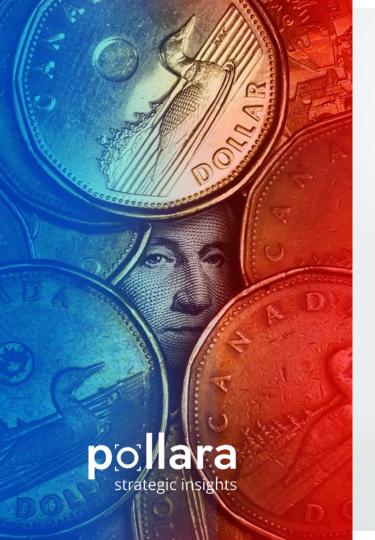**Online Survey of 3,500 Adult Canadians**

- 12–14-minute survey

- Gen Pop sample, with quotas in place to ensure national representation

- **In segmentation research, a sample of this size will allow for:**

  – Statistical Significance

  – Segmentation Heterogeneity

  – Sub-group Analysis

  – Ability to project results to Canadian population

  – Analysis of key populations – homeowners, CPI holders/non-holders, etc.

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WHAT IT WILL GIVE US

1. **A detailed description of homogenous segments of the Canadians population, based on our key factors**

2. **An actionable understanding of each group's behaviours, perceptions and influences when it comes to insurance**,

   – Concerns each has about financial stability/future

   – How they feel about insurance and the role it could play

   – What will influence each segment to consider insurance

   – How and where to communicate with each segment

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Budget
All design-through-deliverables costs

Online Survey of 3500 Canadians:

- 12–14-minute survey
- Segmentation and regression analysis
- Report and Presentation

Total Cost: $48,000 plus HST = $54,240

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Timelines & Deliverables

Timelines per wave

- Survey design, revision, approval: Approx. 2-3 weeks
- Scripting, fielding: Approx. 3-4 weeks
- Data processing: Approx. 2 week
- Analysis and reporting: Approx. 3 weeks

Analysis / Deliverables

- Advanced statistical analysis (Segmentation Analysis and Regression Analysis
- PowerPoint-based report with graphical representation of results and executive summary of findings, including recommendations re: key messages and target segments

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