

TO: Keith Martin, CAFII

FROM: Lesli Martin

DATE: July 7 2022

RE: **Creditor Insurance Research Wave 2 - Proposal**

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Dear Keith,

On behalf of Pollara Strategic Insights, thank you for the opportunity to again collaborate with CAFII on this important project to examine Creditor Insurance in Canada.

The proposal brief contains a summary of our understanding of the research objective, our recommended approach, scope and costs.

I hope this document meets your immediate needs and I look forward to discussing this with you in more detail.

Sincerely,



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## BACKGROUND AND OBJECTIVES

In 2018, Pollara worked with CAFII to conduct research on Credit Protection Insurance (CPI). The objective of this research was to understand Canadian consumers' views of CPI. Specifically, this research uncovered the following:

- Perceptions of CPI on a number of factors including value for the money, trustworthiness and ability to cover needed expenses
- Incidence of having CPI
- Reasons for purchasing or not purchasing CPI
- How Creditor's Insurance was purchased
- Satisfaction of purchase experience
- Incidence of making a claim on CPI
- Satisfaction with claims experience.

CAFII would like to repeat this research to understand how views of credit protection insurance have changed in the past four years. While key measures included in this study will remain the same to allow for tracking of results, we recommend re-visiting the survey to determine if areas of questioning are perhaps no longer relevant, or if other issues should be added. Particularly, we will consider the addition of some question areas from research conducted by Pollara and CAFII in 2021 on digital processes and methods.

## METHODOLOGY

In order to understand views of CPI as well as the purchase experience of this product, and to track this information to the study conducted in 2018, Pollara Strategic Insights recommends using the same methodology that was used for the first wave of study. That is, the research will be conducted using an online survey with Canadians who currently have a mortgage or a Home Equity Line of Credit (HELOC), whether or not they have creditor insurance.

As with the first study, we recommend conducting 1000 surveys with mortgage/HELOC holders who have credit protection insurance and 400 surveys with mortgage/HELOC holders who do not have credit protection insurance. With this same methodology, we will conduct up to 200 surveys with those who have made a claim on creditor insurance. By surveying all three groups, we will obtain a fulsome picture of the CPI consumer landscape – both among those who purchase it and those who choose not to.

### **Incidence of Life Insurance Claims**

Due to the low incidence of making a Life Insurance Claim through creditors insurance, it will be difficult to reach this sample using typical online panel research. In order to obtain information regarding incidence of claims, we recommend obtaining this information from CAFII members. Pollara Strategic Insights would obtain this information from the members on a confidential basis and would provide back a report with data presented on an aggregate basis only.

### **Survey Design**

While it is important that key questions in the survey remain the same in order to allow for tracking, it is also important to ensure the survey in Wave 2 is effective in dealing with changes that have occurred over the past 4 years and addresses all new information requirements that CAFII may have. As such, Pollara will work closely with the CAFII team to make any necessary changes to the survey, while ensuring that it remains trackable to the earlier research.

## **NON-DISCLOSURE AGREEMENT**

As with the 2018 survey, some members of CAFII (Canada Life Assurance, RBC Insurance, TD Insurance, CIBC Insurance, ScotiaLife Financial, BMO Insurance, Desjardins Financial, and CUMIS, collectively the “CAFII Members”) will confidentially supply data regarding their CPI life insurance policies solely to Pollara Strategic Insights. Pollara Strategic Insights will then aggregate this data and report it in an aggregate form only (the supply of data and the aggregate reporting is referred to as the “Initiative”). To ensure that this data is dealt with in a confidential and secure manner, and is consistent with the applicable Competition Act requirements, Pollara Strategic Insights will sign and abide with a Non-Disclosure Agreement as set out in Appendix A to this contract, for the benefit of CAFII and CAFII Members.

## COST

The cost of conducting each phase of research is as follows:

- Online survey with 1,600 Canadians – 1000 creditor insurance holders, 400 mortgage/HELOC holders without creditor insurance, 200 claimants: \$50,400 + \$6,552 HST = \$56,952
- Data analysis of Life Claimants from member information: \$1,000 + \$130 HST = \$1,130.
- **TOTAL COST (including HST): \$58,082**

These costs include all aspects of this research study, including project management and client meetings, survey design, programming, testing, fielding of survey, data analysis, final report and up to four presentations.

## APPENDIX A

### NON-DISCLOSURE AGREEMENT FROM POLLARA STRATEGIC INSIGHTS

**Competition Laws.** Pollara Strategic Insights represents and warrants that it is familiar with, has complied with, and will comply, in all respects, with applicable competition laws including the provisions of the Competition Act and will implement appropriate policies, conduct appropriate training of its employees and directors, and adopt appropriate processes for meetings and documentation to ensure that it and they will remain compliant.

**General Provisions.** Pollara Strategic Insights agrees and undertakes to maintain in strict confidence any data or information provided by CAFII and CAFII Members ("Confidential Information") by virtue of the Initiative, to restrict access to the Confidential Information only to those employees engaged in the Initiative and who have a need to know for the purposes described herein to the exclusion of any other employees who do not provide services in connection with the Initiative, and use the Confidential Information for no other purposes than those set out herein (except if required otherwise by applicable laws, court or governmental agency). Moreover, Pollara Strategic Insights agrees to not use or attempt to use the Confidential Information in any way that would be in violation of any applicable law or in any manner that could be deemed anticompetitive. Pollara Strategic Insights will be liable for any failure by its employees to comply with the terms of this agreement.

All Confidential Information will remain the exclusive property of the applicable disclosing party, and Pollara Strategic Insights will have no rights, by license or otherwise, to use the Confidential Information except as expressly provided in this agreement.

Pollara Strategic Insights will not use Confidential Information for any purpose other than evaluation and implementation of the Initiative. Pollara Strategic Insights will not disclose, make available to, or provide or permit access to or use of any Confidential Information, by a third party except as permitted by this agreement. Pollara Strategic Insights agrees that it will establish safeguards to ensure that all data is uniquely identified as to the Initiative participant to whom it belongs and all Confidential Information will be secure from unauthorized access and/or use.

In the event of any actual or suspected security breach involving Confidential Information Pollara Strategic Insights will immediately notify CAFII and CAFII Members, immediately allocate required resources to address and cure the breach and implement all reasonable mechanisms to mitigate the risk and prevent future occurrences, including cooperating in all reasonable respects with CAFII and CAFII Members to minimize the impact of the security breach or loss and any damage resulting therefrom.

Upon written request from CAFII or a CAFII Member, Pollara Strategic Insights will promptly return or destroy, and verify in writing its destruction of all material, in any form, embodying a disclosing party's Confidential Information.

This agreement will be governed by and construed in accordance with the laws in force in the Province of Ontario, and the parties attorn to the nonexclusive jurisdiction of the courts of Ontario.

**Confidentiality and Data Privacy.** Each party shall protect all confidential information which the other party provides to it (whether orally, in writing or in any other form) against unauthorized access, use, disclosure, destruction, loss or alteration using at least the same degree of care that a party uses to protect its own confidential and/or proprietary information, but in no event less than a reasonable degree of care.

Each party's obligations will not apply to information: (i) already known to it at the time of disclosure; (ii) in the public domain or publicly available; (iii) available from a third party who is under no such obligation of confidentiality; or (iv) independently developed by it. Each party may disclose confidential information to its legal advisors to protect its own legitimate interests and to comply with any legal or regulatory requirements. If any court, regulatory authority, professional body or legal process requires the recipient to disclose information covered by this confidentiality obligation, then the recipient may make any such disclosure; provided that the recipient will, if permitted by law, advise the other party promptly of any such requirement and cooperate, at such other party's expense, in responding to it.

Irrespective of where Pollara Strategic Insights receives or holds individually identifiable personal information ("Personal Data") on behalf of any of the other parties, Pollara Strategic Insights confirms that, acting as data processor it will take appropriate technical, physical and organizational/administrative measures to protect that Personal Data against accidental or unlawful destruction or accidental loss or unauthorized alteration, disclosure or access. Pollara Strategic Insights will only use that Personal Data for the purposes of providing services to the other parties or for other reasonable purposes which are related to the services Pollara Strategic Insights provides, unless the parties instruct otherwise. The other parties and Pollara Strategic Insights shall each comply with the provisions and obligations imposed on each of them by applicable data privacy legislation and regulations.

**Limitation of Liability.** If Pollara Strategic Insights services do not conform to the requirements agreed between all parties, Pollara Strategic Insights will be notified promptly and it shall re-perform any non-conforming services at no additional charge or, at Pollara Strategic Insights option, refund the portion of the fees paid with respect to such services.

If re-performance of the services or refund of the applicable fees would not provide an adequate remedy for damages, the aggregate liability of Pollara Strategic Insights and its employees, directors, officers, agents and subcontractors (the "related persons") to the parties whether in contract, tort (including negligence), breach of statutory duty or

otherwise for any losses arising from or in any way connected with our services shall not exceed in aggregate the greater of (a) \$250,000 or (b) the total amount of the fees paid to Pollara Strategic Insights for the services provided pursuant to this agreement, unless otherwise agreed in writing. Nothing in these terms shall exclude or limit the liability of Pollara Strategic Insights or its related persons in the case of: (a) death or personal injury resulting from our or our related person's negligence; (b) willful misconduct; (c) fraud; or (d) other liability to the extent that the same may not be excluded or limited as a matter of law. In no event shall Pollara Strategic Insights or any of its related persons or affiliates be liable for any incidental, special, punitive, or consequential damages of any kind (including, without limitation, loss of income, loss of profits, or other pecuniary loss).

Where Pollara Strategic Insights are jointly liable with another party, Pollara Strategic Insights shall to the extent permitted by law only be liable for those losses that correspond directly with its share of responsibility for the losses in question.



Lesli Martin  
Pollara Strategic Insights