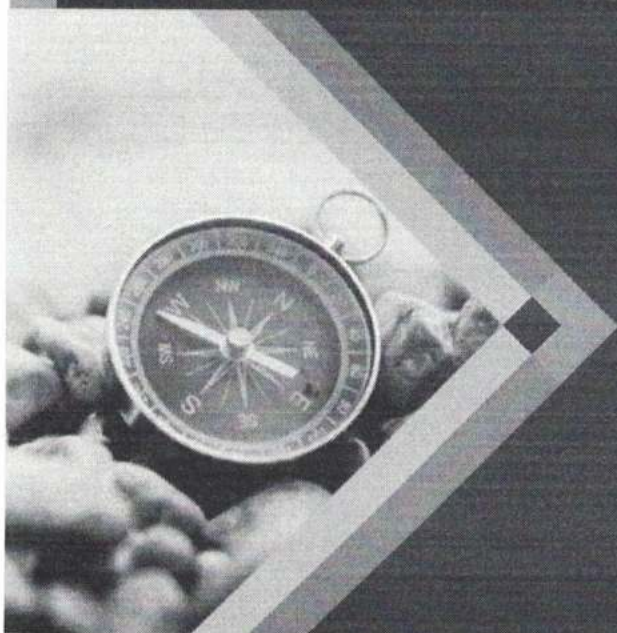


CUSTOM RESEARCH PROPOSAL FOR THE CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE

Insurance Needs Among Canadians

Revised August 2023



www.limra.com | www.loma.org

Background and Objectives

The Canadian Association of Financial Institutions in Insurance (CAFII) is seeking to understand the prevalence of insurance products among Canadian households. As such, CAFII has engaged LL Global Inc. (LIMRA) to conduct custom research to test the following hypotheses:

- Canadians are uninsured/underinsured, with the percentage that are uninsured/underinsured increasing in lower income bands.
- A higher percentage of Canadians in lower income bands have credit protection insurance.
- Credit protection insurance plays a disproportionately important role in the marketplace for lower income bands, and without it these Canadians would be at higher risk.

Methodology

LIMRA will conduct a 12-minute online quantitative survey of at least 1,000 Canadian consumers who are financial decision-makers. The survey will be available in English and Canadian French. LIMRA and CAFII will collaborate on the survey questions, and based on conversations to date, LIMRA anticipates covering the following:

- Identify Canadians with a mortgage or HELOC.
- Based on the Canadian population, about 25% of the population is considered lower income (below \$50,000 household income), about 35% of Canadians have a mortgage, and about 27% have a HELOC. Given that the minimum household income to qualify for a mortgage is likely to be approximately \$60,000, the sample will be segmented into the following household income bands:
 - Lower income:
 - <\$60,000
 - Middle income:
 - \$60,000-\$79,999
 - \$80,000-\$99,999
 - \$100,000-\$124,999
 - Higher income:
 - \$125,000-\$149,999
 - \$150,000-\$199,000
 - \$200,000+
- Set minimum quota of 400 responses among the lower income (<\$60,000) segment for statistical reliability.
- Set a minimum quota where 50% of each income segment must have a mortgage or HELOC.
- Weight the sample to 34% lower income, 37% middle income, and 29% higher income for representation purposes.

- For each band, identify the percentage who own each of the following insurance products:
 - Mortgage or HELOC life insurance
 - Mortgage or HELOC disability insurance
 - Mortgage or HELOC critical illness insurance
 - Mortgage or HELOC job loss insurance
 - Employer benefits life insurance
 - Term life insurance
 - Whole life insurance
 - Other life insurance
 - No life insurance
- For those with insurance, identify family status (single, married, common law, children, other dependents) and the reason for purchasing insurance (income replacement, short term need, etc.).
- Identify if there are any elderly, ill, or other dependents they care for in the household.
- Ask if they know what they would do if they did not have insurance coverage and something happened to them. Ask if they have emergency funds or access to other savings they would rely on instead of insurance.
- For those without insurance, ask why they have not considered or purchased insurance e.g., can't afford it, have other financial priorities, unsure how much to get, etc.

The survey will also capture demographic information such as age, gender, province, and postal code (up to three digits).

Deliverables

Major deliverables LIMRA will provide to CAFII include:

- Survey instrument
- One tabulation book of survey data
- PowerPoint report of findings and recommendations
- Virtual presentation of results to CAFII management and Research & Education Committee, the CAFII Board, and regulators and policymakers via recorded webinar

All deliverables will be cobranded LIMRA and LOMA and CAFII. CAFII will have the right to use the research publicly, issue a press release about it, and post findings on its website. Research results will remain confidential until CAFII publishes the study. If CAFII chooses to release the study, LIMRA will have the right to use the research publicly, including for its membership, as long as it remains cobranded.

Timing and Fees

LIMRA understands that CAFII would like to have results by November 1, 2023, and anticipates being able to complete this project within 11 weeks, as outlined below. This timeline assumes timely responsiveness from CAFII and its other stakeholders such as its management and the Research & Education Committee.

Milestone	Estimated Timeline
Hold project kick off call	Week 1
Develop survey questionnaire	Weeks 2-3
Finalize, translate, program and test survey	Weeks 4-5
Launch survey and collect data	Weeks 5-7
Clean, weight, and analyze data	Week 7
Compile findings into summary report	Weeks 8-10
Deliver results	Week 10
Present results via webinar	Week 11

LIMRA estimates the cost to complete this study to be \$40,000 USD +/- 10%. LIMRA will invoice CAFII the amount equal to half of total estimated fees at project commencement, and the remaining balance at project completion. Although there is no travel expected for this project, fees do not include travel expenses which are additional and will be billed at cost. If the project is placed on hold and/or cancelled, LIMRA will invoice CAFII for work completed to date. Other billing arrangements can be discussed.

Acceptance of Proposal

To accept this proposal, please sign and return to Lai-Sahn Hackett at lhackett@limra.com.

The Canadian Association of Financial Institutions in Insurance

Signed: 

Name: KEITH MARTIN

Title: CO-EXECUTIVE DIRECTOR, CAFII

Date: 5 September, 2023

LIMRA CUSTOM RESEARCH

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 Custom 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.

LIMRA Custom Research Team

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