



Credit Protection Insurance



October 2018

Study Objectives and Methodology

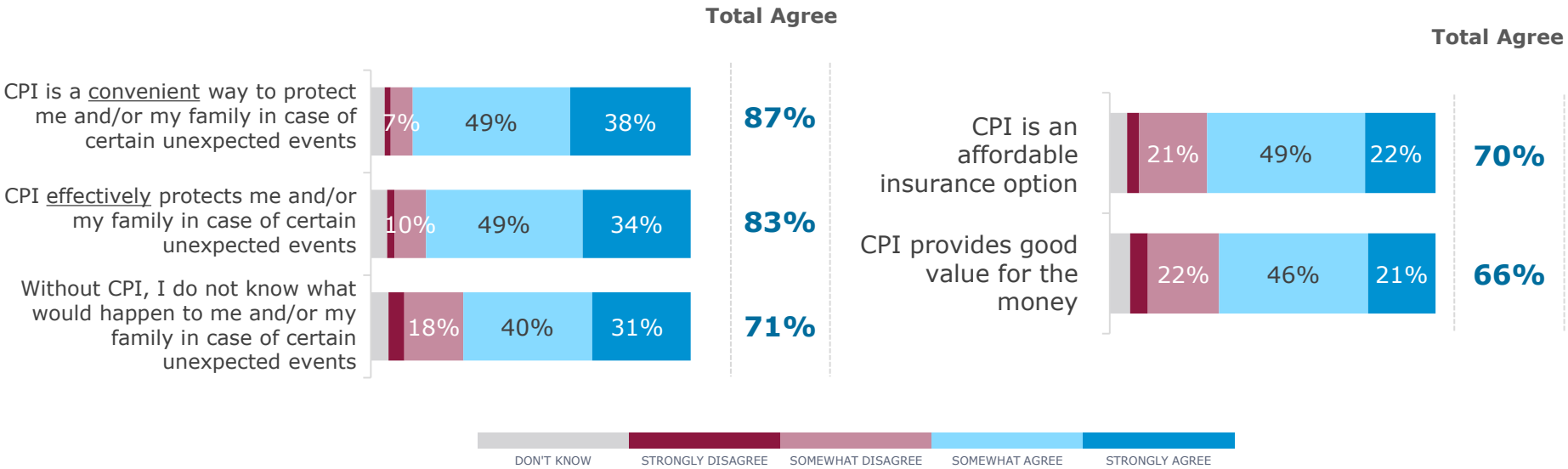
- The Canadian Association for Financial Institutions in Insurance (CAFII) would like to get a better understanding of Canadian consumers' views of Credit Protection Insurance.
- The specific objectives of this study are to quantitatively test:
 - The general perception of Credit Protection Insurance among holders and non-holders on number of factors, including value for money and ability to cover expenses
 - Level of confidence in Credit Protection Insurance in the event of a claim
 - Experience and satisfaction with purchasing Credit Protection Insurance
 - Incidence of making a claim on Credit Protection Insurance
 - Experience and satisfaction with the claim's process
- Survey conducted nationally between **October 3th and 16th, 2018**, using an online methodology.
- Stratified sample among **1,490* Canadians aged 18 and over, who fit into the following categories :**
 - Who have a mortgage or Home Equity Line of Credit and currently have Credit Protection Insurance: N= 1003
 - Who have a mortgage or Home Equity Line of Credit and do not have Credit Protection Insurance: N = 424
 - Who have made a credit protection insurance claim: N = 286



Holders of Credit Protection Insurance Perception of Product

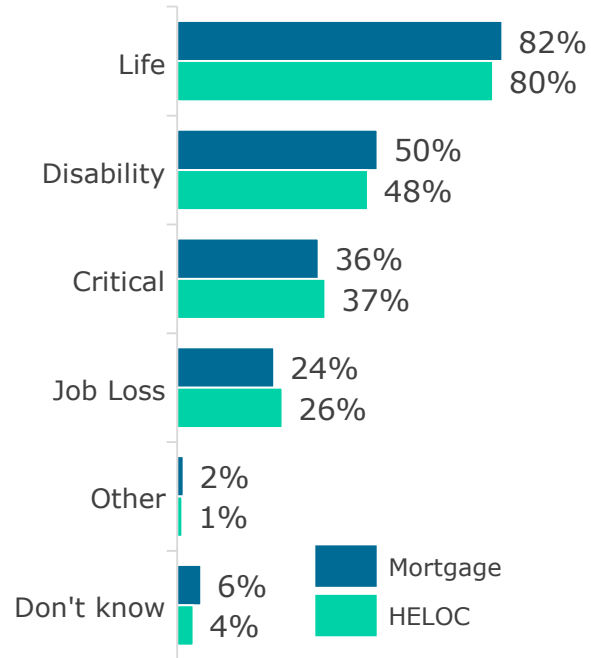
Strong majority feel that CPI is a convenient and effective way to protect them or their family, but fewer feel as strongly about the value

Agreement with Statements Regarding Credit Protection Insurance

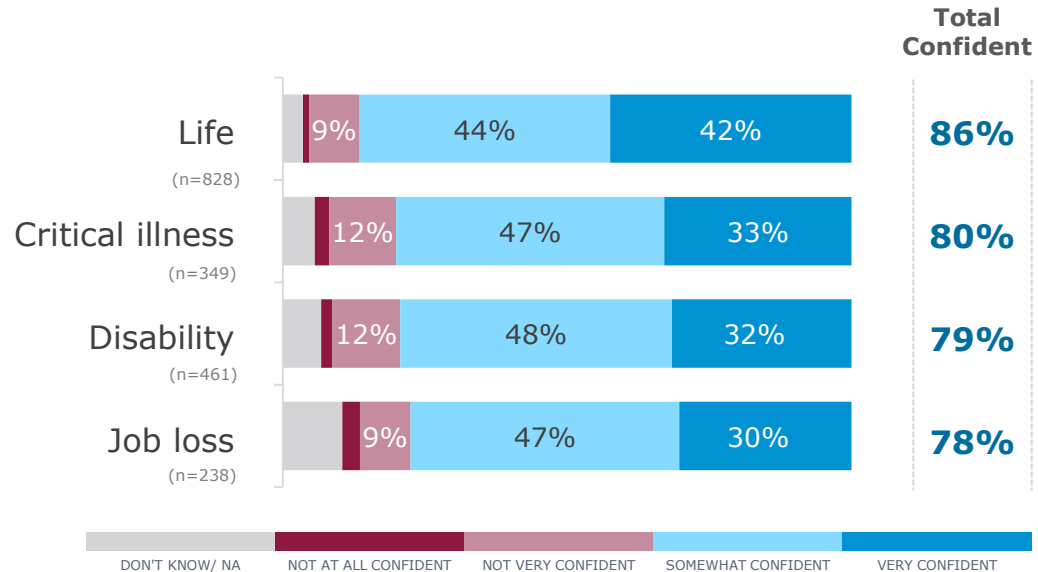


Overall, large majority of holders are confident that their CPI benefit claims will be paid

Type of Coverage Purchased

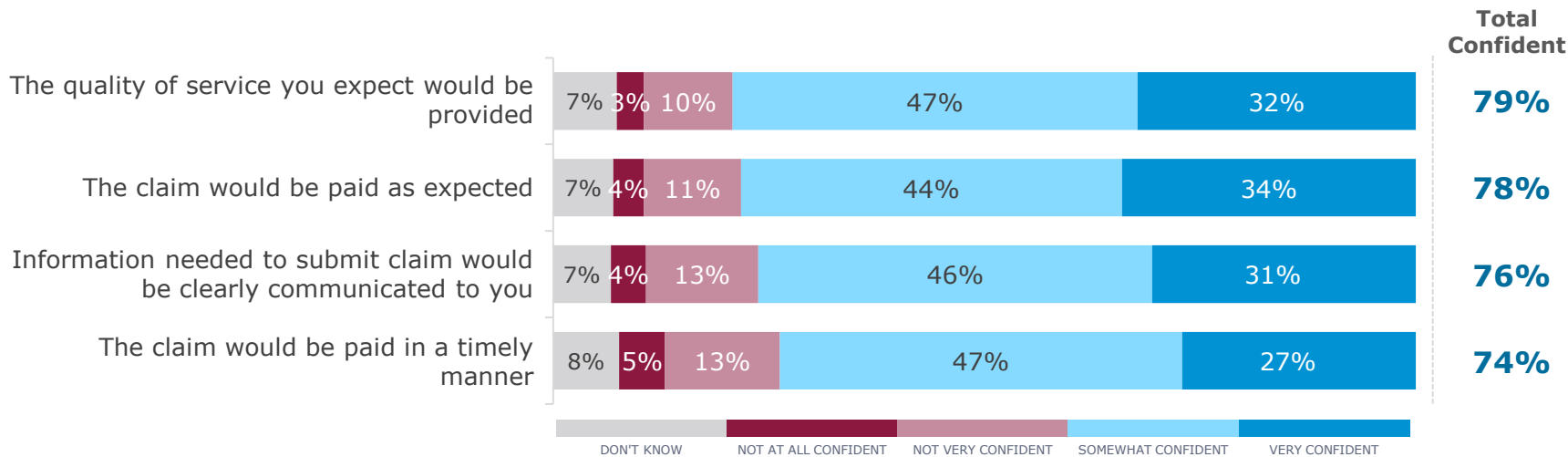


Confidence that Claim Would be Paid



More than three-quarters are at least somewhat confident in their CPI in the event of a claim

Confidence in Credit Protection Insurance

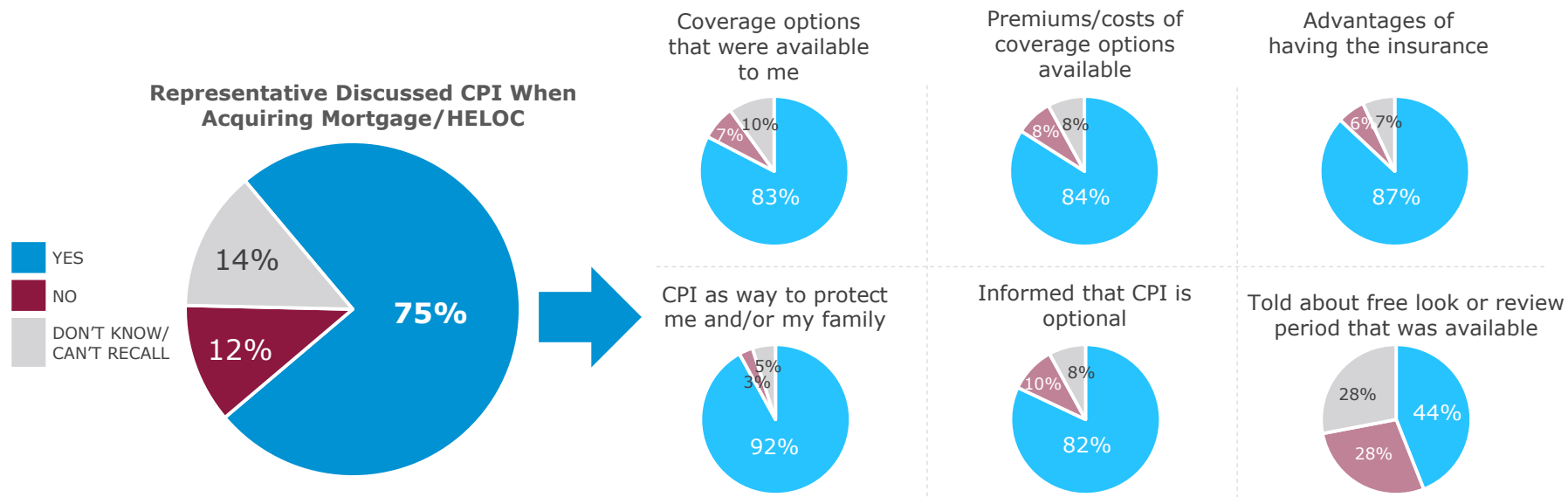




Holders of Credit Protection Insurance Purchase Experience and Satisfaction

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Most were given information about various factors pertaining to CPI by their financial institution representative

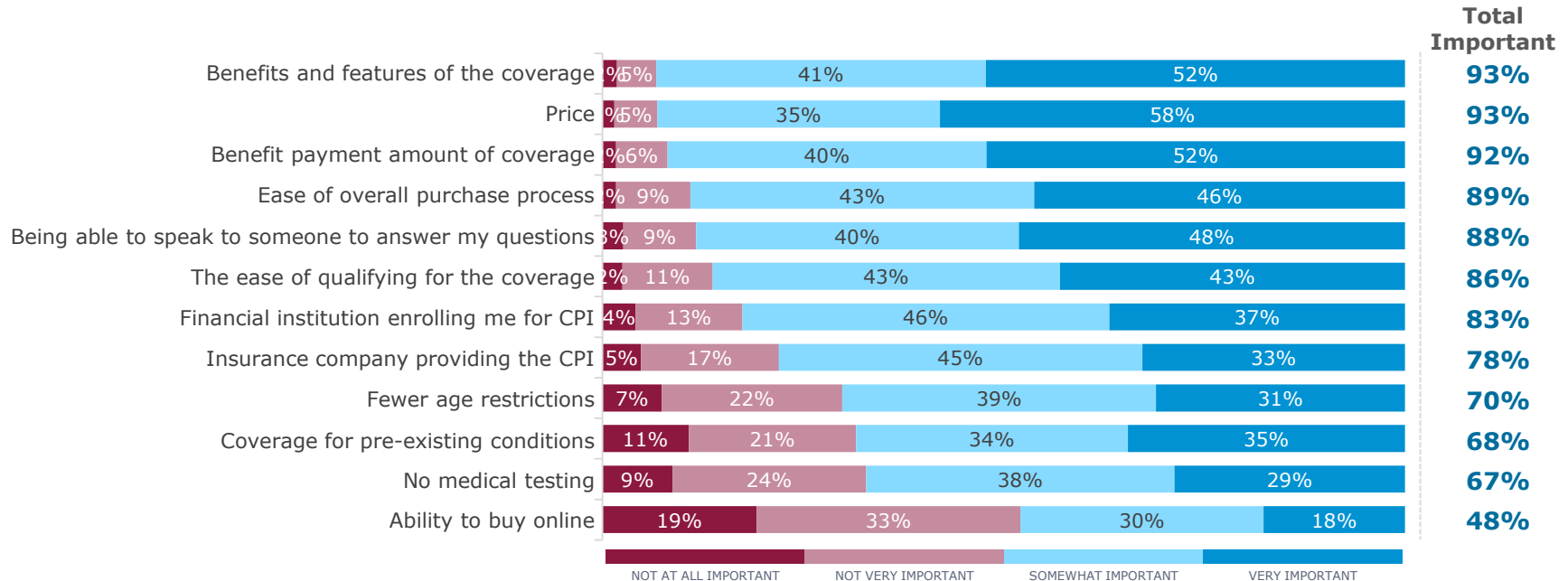


AB3. Thinking back to when you got your mortgage/ HELOC, did a representative of the financial institution talk to you about Credit Protection Insurance? Base: Combined Mortgage / HELOC CPI Holder (N=1003)

AB4. Did a representative of your financial institution talk to you about each of the following factors of the available Credit Protection Insurance? Base: Combined Mortgage / HELOC CPI Holder & Talked to Rep (N=761)

Price, benefits, features and payment amount of coverage are most important considerations for CPI purchase

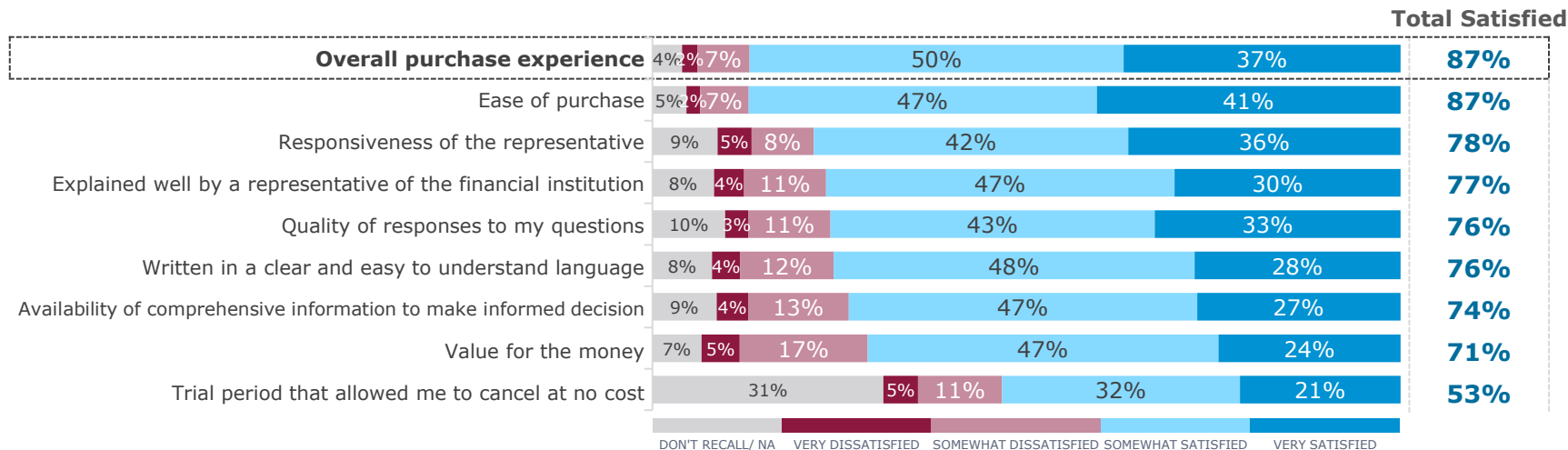
Importance of Factors when Purchasing Credit Protection Insurance



AB9. When you researched and/ or purchased Credit Protection Insurance for your mortgage/ HELOC, how important were the following factors: ?
 Base: Combined Mortgage / HELOC CPI Holder (N=1003) , Other (n=379)

Satisfaction with overall purchase experience as well as specific elements is high, however, low recall and satisfaction for the trial period

Satisfaction with Purchase Experience



AB11. Overall, how would you rate your level of satisfaction with the purchase experience, when you purchased your Credit Protection Insurance for your mortgage/ HELOC?

AB12. More specifically, how satisfied were you with the following elements of the purchase process? Base: Combined Mortgage / HELOC CPI Holder (N=1003)

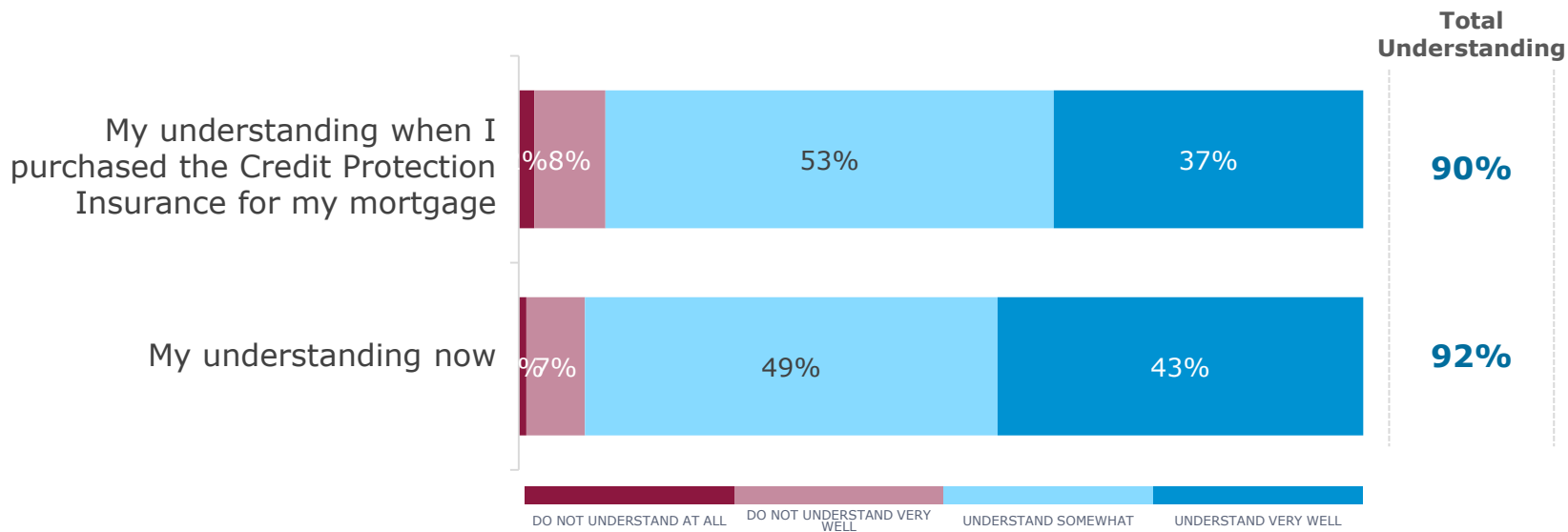


Holders of Credit Protection Insurance Documentation & Information



CPI holders understand the terms well enough, with the time passed between purchase and now having little or no impact on level of understanding

Understanding of Credit Protection Insurance Terms

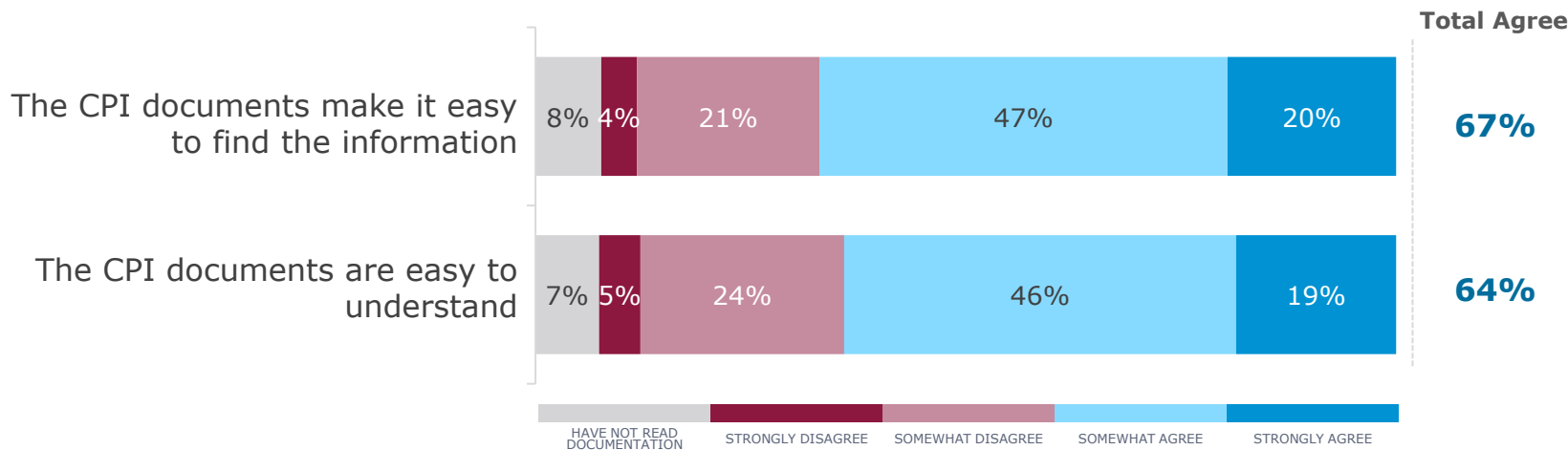


AB6. Again, considering the Credit Protection Insurance for your mortgage/HELOC, what was your level of understanding of important terms (e.g. how much would be covered and what unexpected events would be covered) when you first purchased this insurance; and what is your level of understanding now?

Base: Combined Mortgage / HELOC CPI Holder (N=1003)

Comprehension of the CPI documentation is moderate

Comprehension of Documentation



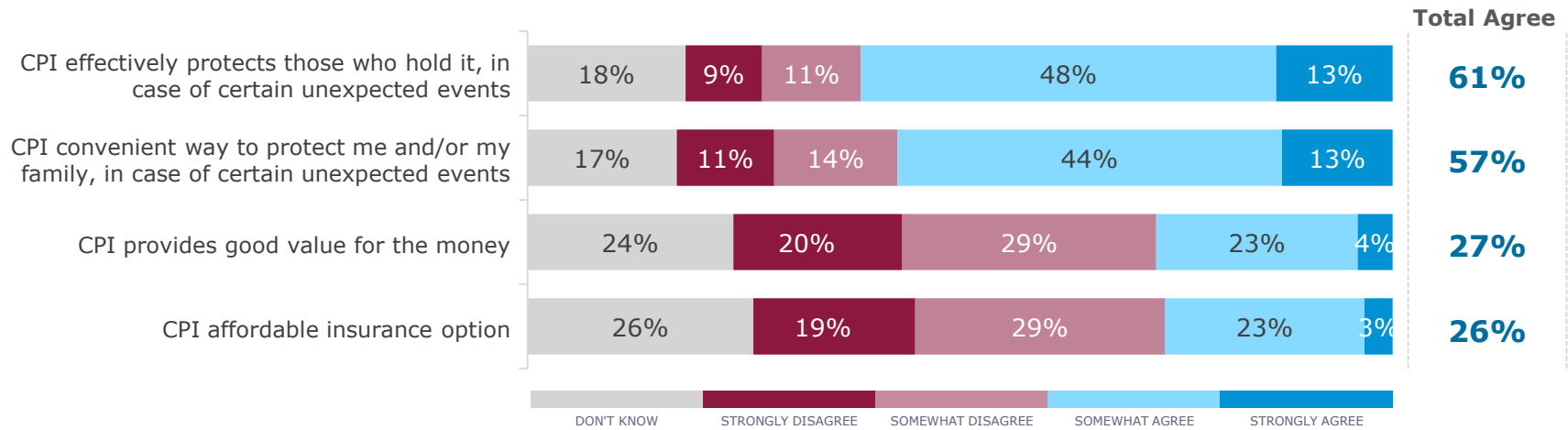


Non-Holders of Credit Protection Insurance

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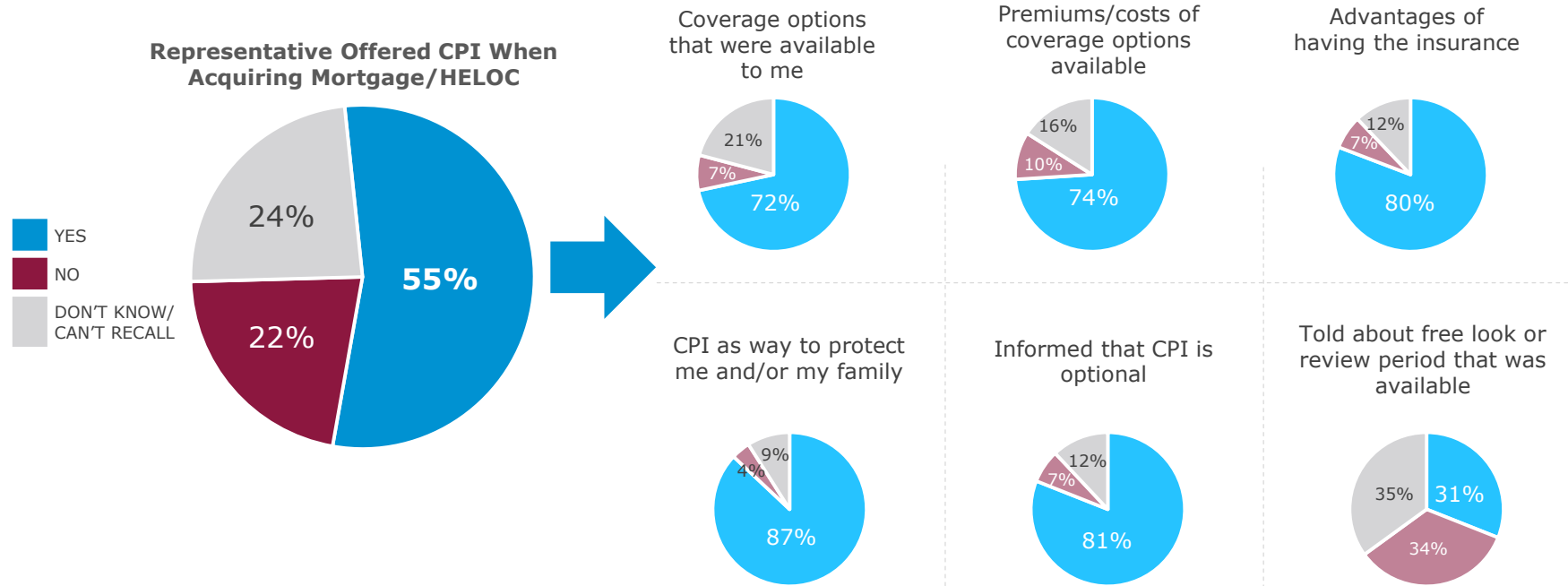
Despite non-CPI holders somewhat agreeing that CPI is effective and convenient, almost half feel it is not affordable or worth it's value for money

Agreement with Statements Regarding Credit Protection Insurance



C1. While you do not currently hold Credit Protection Insurance on your mortgage or Home Equity Line of Credit, we would like to understand your feelings about these products. To what extent do you agree or disagree with each of the following statements about Credit Protection Insurance? Base: NON-CPI (N=424)

Just over half recall their representative offering them CPI when getting their mortgage or HELOC

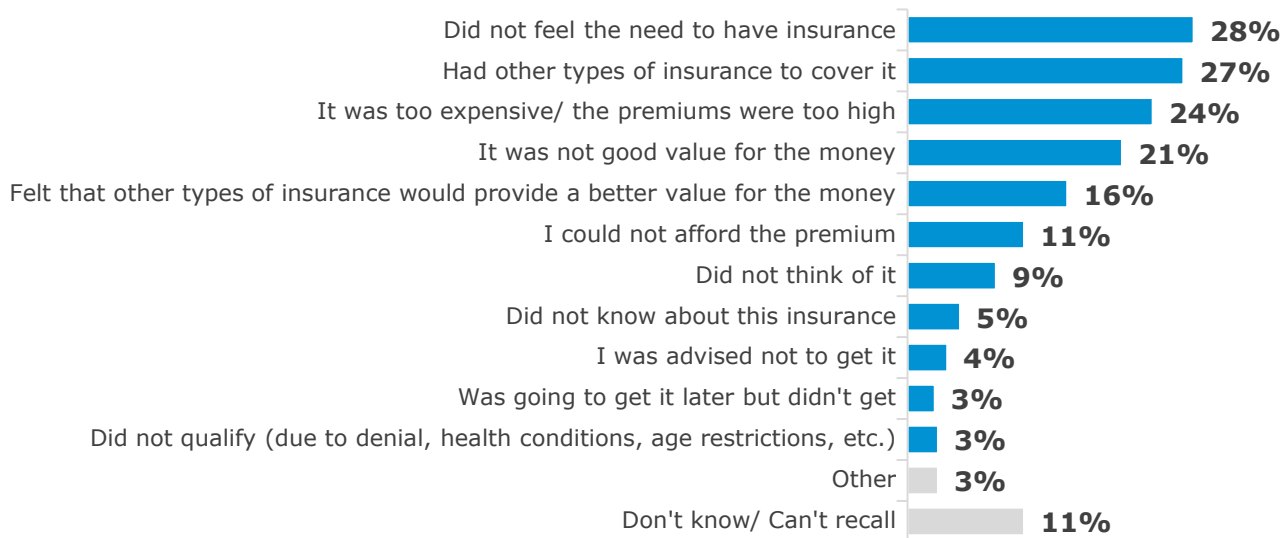


C2. Thinking back to when you got your mortgage or Home Equity Line of Credit, did a representative of the financial institution offer you Credit Protection Insurance? Base: Mortgage / HELOC NON-CPI (N=424)

C3. Did a representative of your financial institution talk to you about each of the following factors of the available Credit Protection Insurance? Base: NON-CPI / Talked to Rep (N=226)

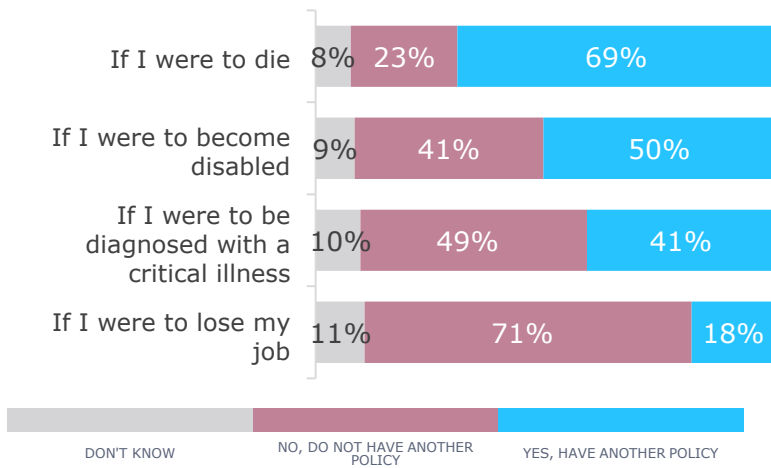
Reasons for not getting CPI are varied – either not having need for it or having another insurance covering their debts

Reasons for Not Buying Credit Protection Insurance

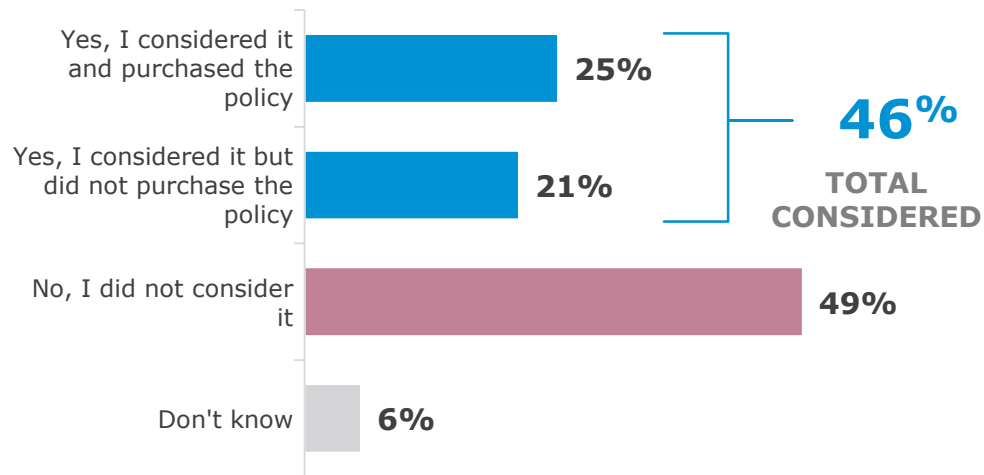


Majority have coverage in case of death or disability, however critical illness and job loss coverage is lacking

Coverage in case of Unexpected Events



Purchasing Term Life instead of Credit Protection Insurance

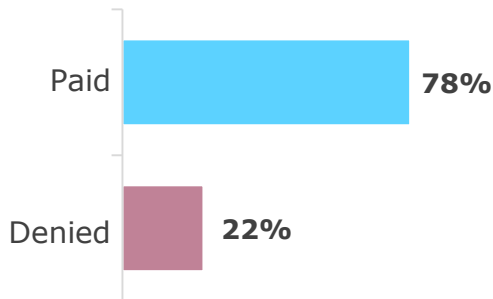




Section 3: Claims – Experience and Satisfaction

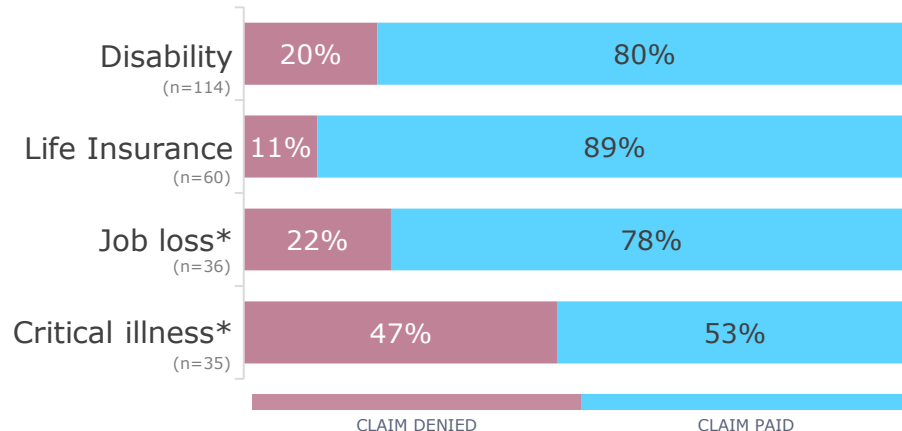
More than three-quarters of processes claims were paid

Results of claim submission among Processed Claims



Claims Still Being Processed: 14%

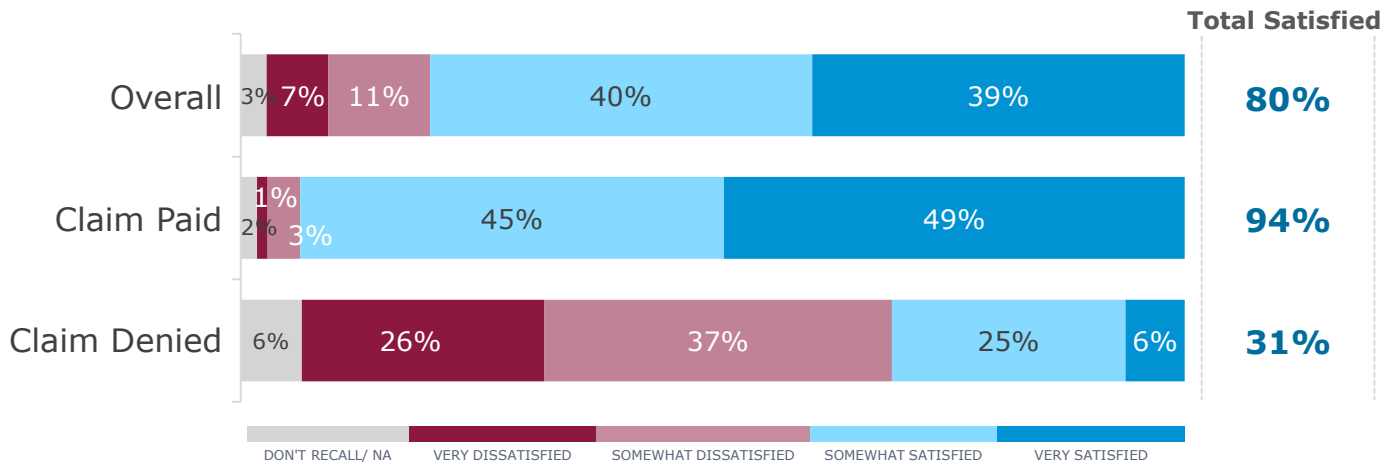
Results of claim submission among Type of Claims Processed



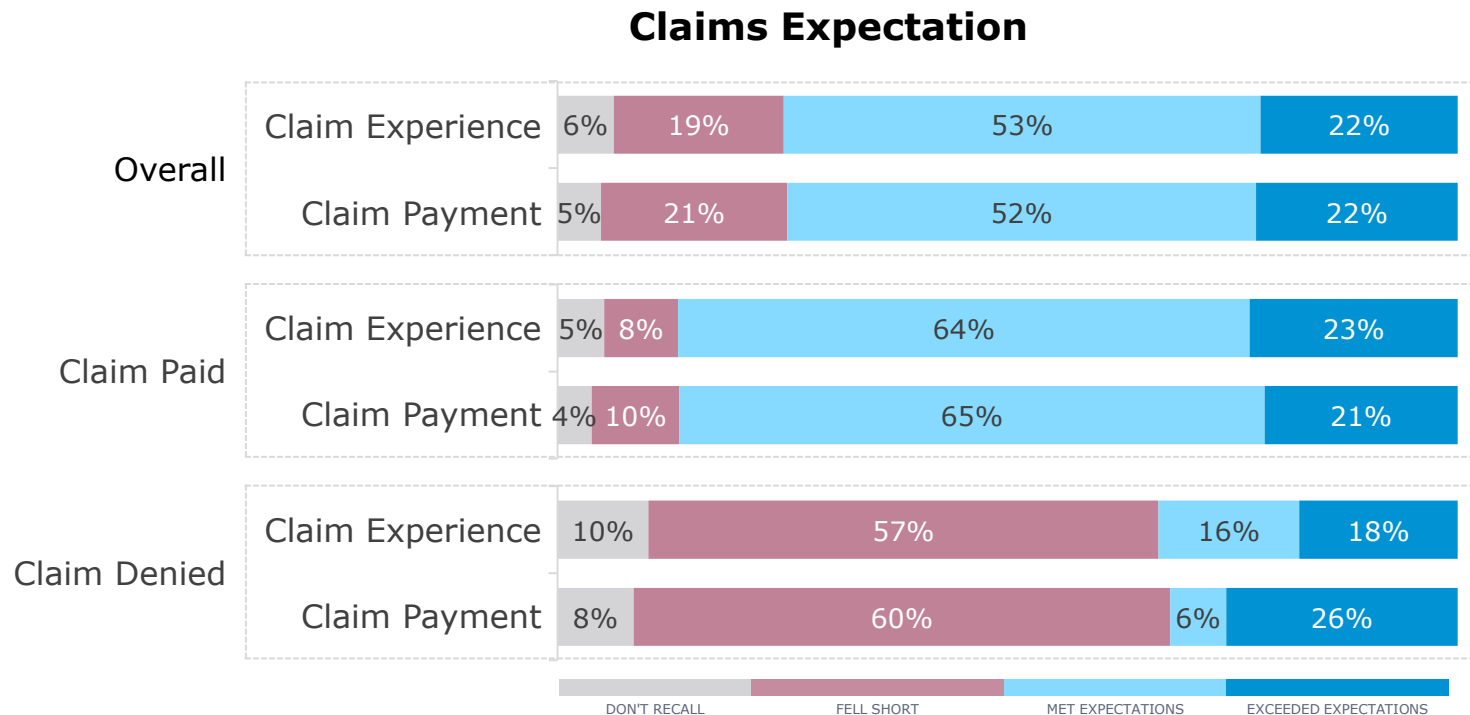
*** CAUTION – LOW BASE**

Eight out of ten are satisfied with their entire claim experience, regardless of type of claim

Satisfaction with Claims Experience



Expectations with claim experience and payment were met amongst those whose claims were paid, while fell short for those whose claims were denied



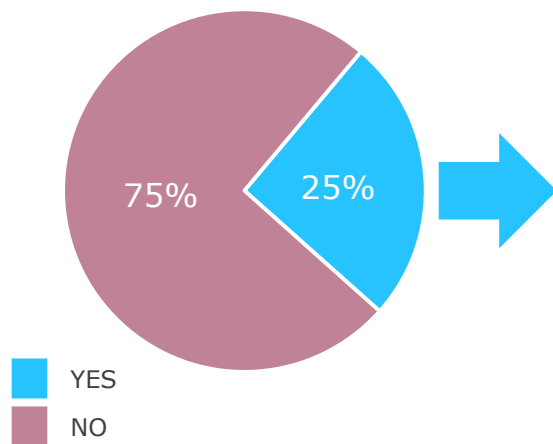
D7. Would you say that the claim payment met, exceeded, or fell short of your expectations?
D8. Overall, would you say that the claim experience met, exceeded, or fell short of your expectations?
Base: CPI Claim/ Claim Resolved (N=244); Claim Paid (N=194); Claim Denied (N=50)



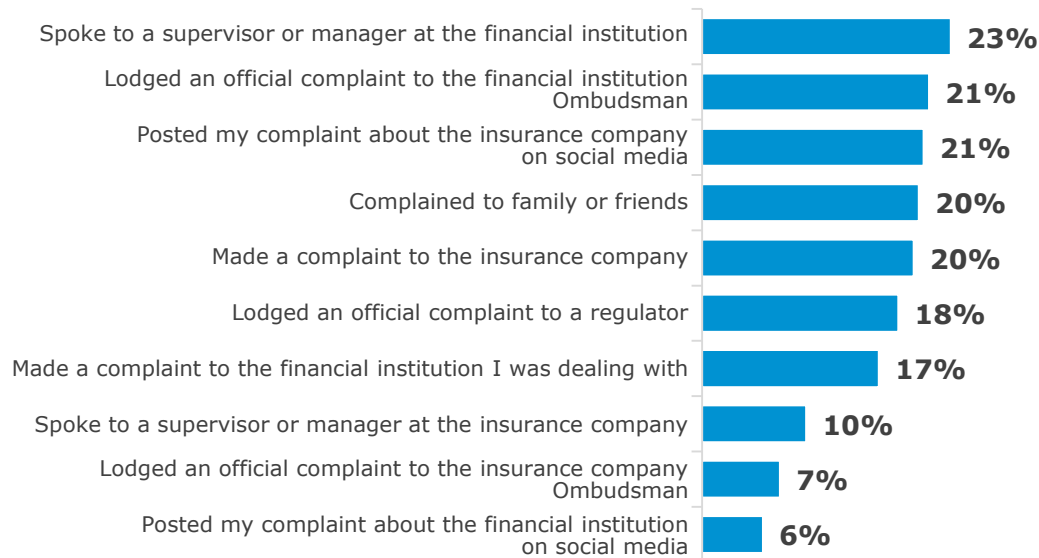
Complaints

One-fourth of claimants complained against the claim process, commonly approaching the financial institution rather than the insurance company

Made A Complaint During Claim process



How Complaint was Made

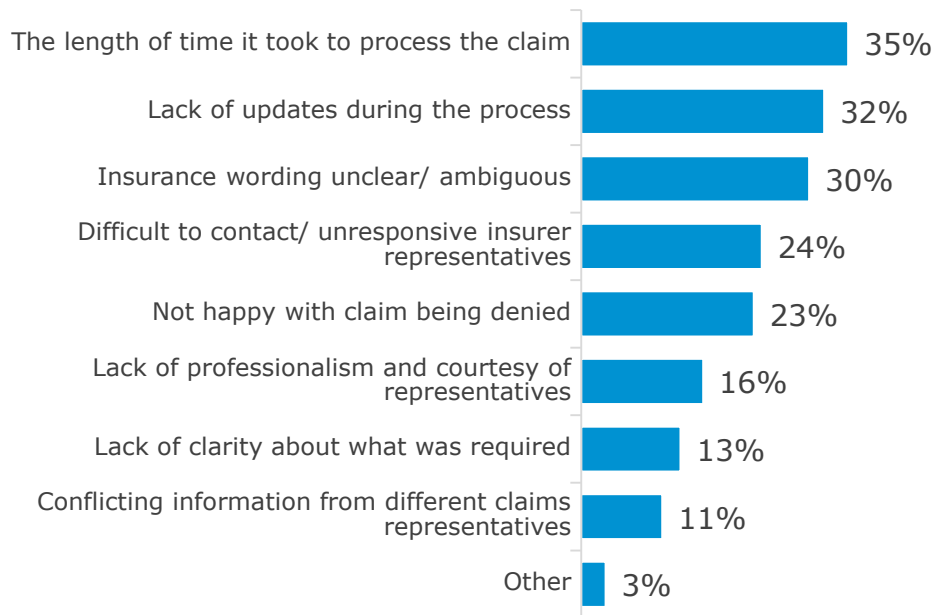


D9. Did you make a complaint about your claim at any point during or after the claim process? Base: CPI Claim/ Claim Resolved (N=244)

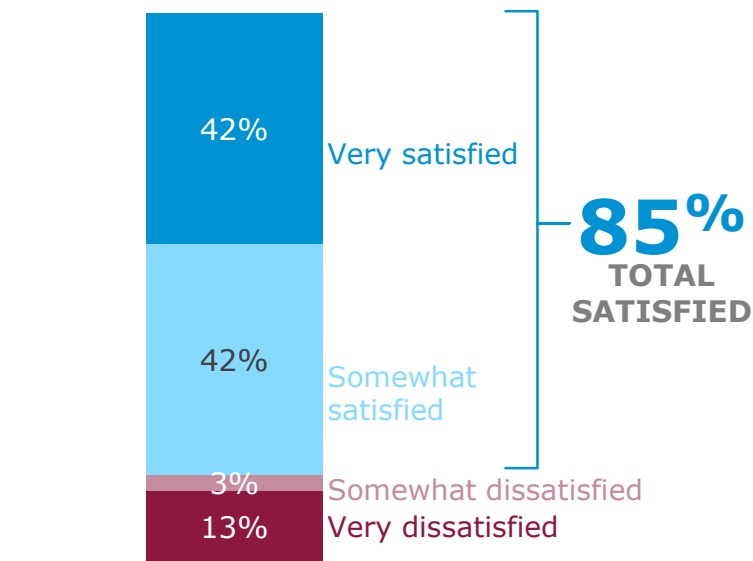
D10. How did you make this complaint? Base: CPI Claim/ Made Complaint (N=53)

Major reason for complaint was time taken to process and lack of updates; however there is satisfaction with how the complaints were handled

Reason for Complaint



Satisfaction with How Complaint was Handled



D11. What was the major reason(s) for your complaint?

D12. Were you satisfied with how the complaint was handled?

Base: CPI Claim/ Made Complaint (N=53)



Lesli Martin, Vice President

leslimartin@pollara.com

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