

**Agenda Item 6(o)**  
**April 4/23 Board Meeting**

**Results of Informal CAFII Member Survey Re Research On 'The Consumer Financial Resiliency and Social Resiliency Benefits of Credit Protection Insurance' (Entered Into Survey Below In Red Font)**

**From:** Brendan Wycks

**Sent:** December-21-22 1:26 PM

**To:** EOC Members

**Cc:** Board Members and Board Surrogates

**Subject:** Informal CAFII Member Survey Re Research On 'The Consumer Financial Resiliency and Social Resiliency Benefits of Credit Protection Insurance': One Response Per Member Company Requested By 5:00 p.m., Wednesday, January 11/23

**CAFII EOC Members (c.c. Board Members and Board Surrogates):**

The purpose of this message is to ask each CAFII Member company to respond to the brief informal survey below, being undertaken at the request of a CAFII Board member, the results of which should benefit our Association and all Member companies.

The rationale for this brief survey is to determine if anyone is aware of any research (primary or secondary) or related documentation/reports – perhaps in the form of a white paper – that looks at ***whether and how credit protection insurance (CPI) supports consumers' financial resiliency and/or their social resiliency*** (those terms are defined below).

CAFII therefore asks that one EOC member per Member company respond to Keith Martin and me with respect to this survey by 5:00 p.m. EST on Wednesday, January 11/23. The results will be shared with all Member companies shortly thereafter. (A reminder message about this survey request will be circulated on Wednesday, January 4/23.)

**Definition of Terms:**

- *Financial resiliency: long-term financial security and peace of mind; the ability to prepare for the future with confidence. Capacity to recover quickly from financial stresses when they occur (protect).*
- *Social resiliency: the ability to thrive long into the future. Safety, security, mental and physical well-being. Capacity to adapt and endure as stresses occur (prepare and protect).*

1. Is your CAFII Member company aware of any research (primary or secondary) or related documentation/reports – perhaps in the form of a white paper – that looks at ***whether and how credit protection insurance (CPI) supports consumers' financial resiliency and/or their social resiliency?***

☐ Yes ☒ No

If your Response is No, skip to Question 4.

("Yes" Responses Received from Zero (0) Member Company Respondents;  
No Responses Received from Twelve (12) Member Company Respondents: Assurant Canada; BMO Insurance; Canadian Tire Bank; CIBC Insurance; CUMIS/Co-operators; Desjardins Insurance; Manulife; National Bank Insurance; RBC Insurance; Scotia Insurance; TD Insurance; Valeyo)

Additional Comments from Andrea Stuska, TD Insurance (permission obtained to disclose her identity as source of these comments):

*While there is research and information around the benefits of insurance generally, I'm not aware of anything published specifically around the social resiliency of Credit Protection Insurance.*

*I recall when we had our conversation about this before you sent out the informal survey, I shared the industry work I'm leading at the United Nations Principles of Sustainable Insurance Social Thematic Group. We are working on a framework for the insurance industry to close the insurance protection gap in Canada and help make insurance more affordable and accessible for all Canadians. It is difficult to discuss social or financial resiliency without understanding and addressing protection gaps in communities where barriers to access continue to persist.*

*In this vein, I've provided a few resources below that discuss protection gaps and who is most affected. Please note this is not an exhaustive list but I think it will help direct, and inform, CAFII members to useful resources in advance of any further discussions on the issues.*

*As you are aware, regulators and other groups are increasingly examining this topic internationally as well as here in Canada:*

[Geneva Association The Role of Insurance in Promoting Social Sustainability](#)

[https://www.eiopa.europa.eu/document-library/report/thematic-review-credit-protection-insurance-cpi-sold-banks\\_en](https://www.eiopa.europa.eu/document-library/report/thematic-review-credit-protection-insurance-cpi-sold-banks_en)

[FSRA Research to help improve the lives of vulnerable consumers](#)

[AMF Actions to Protect Vulnerable Clients](#)

*I expect this will continue in 2023 and beyond and we are likely to see more activity on these issues as a result of Mark White appointed to Chair of the Market Conduct working group at the IAIS.*

*The implementation arm of the IAIS on inclusive insurance is A2ii (Access to Insurance Initiative):*

<https://www.iaisweb.org/activities-topics/financial-inclusion/>

<https://a2ii.org/en/home>

2. If Yes to Question 1, is the relevant research/white paper/report that you are aware of in the public domain, such that you can provide CAFII with a copy of it or direct us to where it can be accessed?

☐ Yes ☐ No

If your Response is Yes, please attach a copy of the research/white paper/report; or provide the URL/link to where it can be accessed; and then skip to Question 4.

*(Question #2 Not Applicable to the Twelve (12) Member Company Respondents, given their No Response to Question #1.)*

3. If you response to Question 2 is No – i.e. the relevant research/white paper/report that you are aware of is proprietary or otherwise confidential – are you able to provide a ‘Highlights Summary’ to CAFII, which could then be shared with other CAFII Member companies?

☐ Yes ☐ No

If Yes, please dialogue with Keith Martin and Brendan Wycks about the optimal format, conditions, etc. for CAFII’s obtaining and sharing of the requested Highlights Summary with other Member companies.

*(Question #3 Not Applicable to the Twelve (12) Member Company Respondents, given their No Response to Question #1.)*

4. Regardless of your responses to the preceding questions, does your Member company regard the topic/subject matter of ***whether and how credit protection insurance (CPI) supports consumers’ financial resiliency and/or their social resiliency*** as an area which CAFII should consider investing in as a research project, perhaps via an independent consultancy white paper akin to the recent CAFII-commissioned Deloitte Canada paper on ‘Best Practices in the Digitization of Credit Protection Insurance in Canada’?

☒ Yes ☐ No

If your Response is No, skip to final Question 6.

(“Yes” Responses Received from All Twelve (12) Respondent Member Company Respondents)

*Additional Comment Received from Assurant Canada: Given the focus of the FCAC on financial literacy as evidenced by the National Financial Literacy Strategy: 2021-2026 which has as its ultimate goal “financial resilience”, any independent research we can produce that demonstrates how CPI supports consumers financial/social resilience would be an important/beneficial finding for CAFII members.*

5. If your response to Question 5 is Yes, does your Member company view the topic/subject matter of **whether and how credit protection insurance (CPI) supports consumers’ financial resiliency and/or their social resiliency** as an urgent research priority for CAFII?; or as a more regular/routine research priority that should be considered alongside other options available for the Association’s research initiative(s) funded by its Annual Operating Budget?

☒ **X** Urgent Research Priority (1)

☐ **X** Regular/Routine Research Priority (12)

(Response of “Urgent Research Priority” Received from One (1) Member Company Respondent; Response of “Regular/Routine Research Priority” Received from Eleven (11) Member Company Respondents)

*Additional Comment Received from TD Insurance: We are very interested in the outcome of research into this topic. We would see it as an "urgent" priority, rather than a "regular/routine" priority and our preference would be to see it sooner rather than later. I would also add that I anticipate more research coming out from a variety of sources on related issues that could help inform the basis of a more specific research initiative for CAFII.*

*Additional Comment Received from National Bank Insurance: While we consider this an important issue which probably warrants a research study, I believe it would be worthwhile to tie this into our strategic plan (which we can adjust if necessary) such that our plan remains our overarching guide as to broader CAFII initiatives.*

*Additional Comment Received from BMO Insurance: The merit of both options should be explored by the EOC. Following this review, the EOC should provide a recommendation to the Board at its next meeting. (The proposed research has value. Not sure it really matters how it’s categorized, ranked or funded.)*