



Credit Protection Insurance

cafii acifa

The Canadian Association of
Financial Institutions in Insurance

L'association canadienne des
institutions financières en assurance

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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

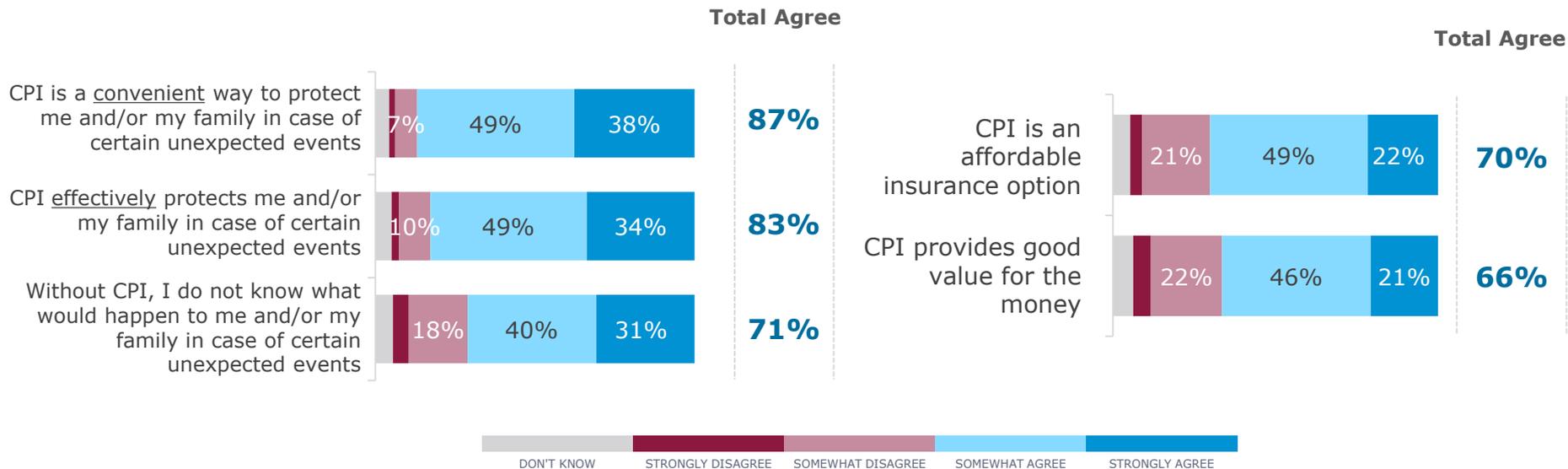


Holders of Credit Protection Insurance Perception of Product

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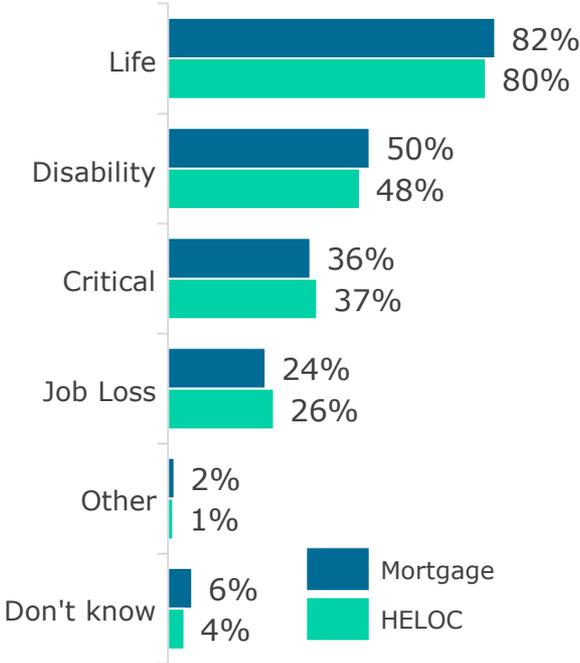
Strong majority feel that CPI is a convenient and effective way to protect them or their family, but fewer feel as strongly about the value

Agreement with Statements Regarding Credit Protection Insurance

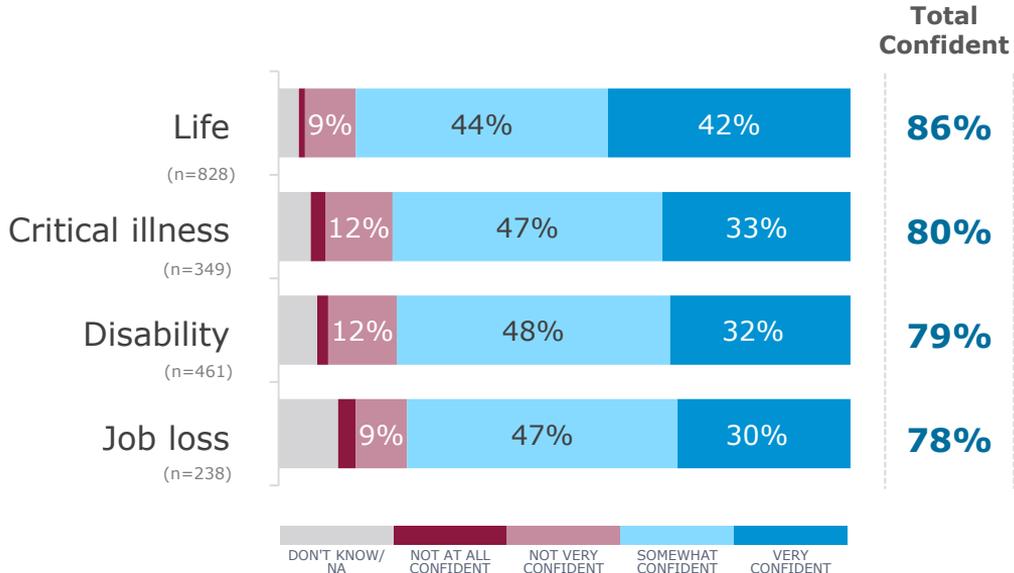


Overall, large majority of holders are confident in the knowledge of what their insurance will pay

Type of Coverage Purchased

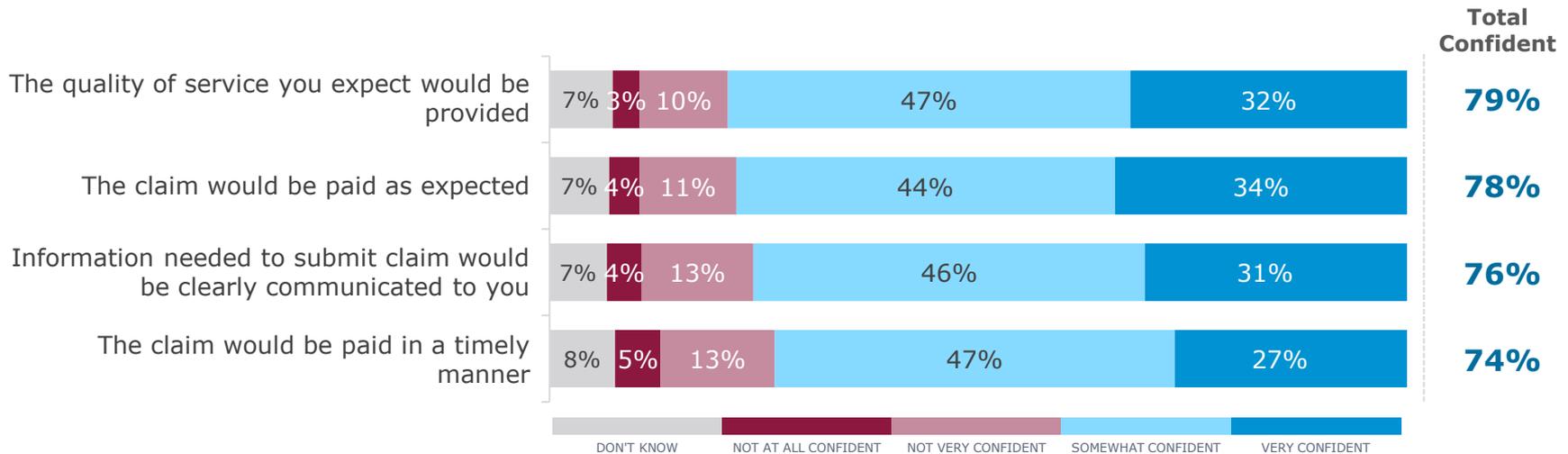


Confidence in Knowledge of Payment Amount



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

Confidence in Credit Protection Insurance



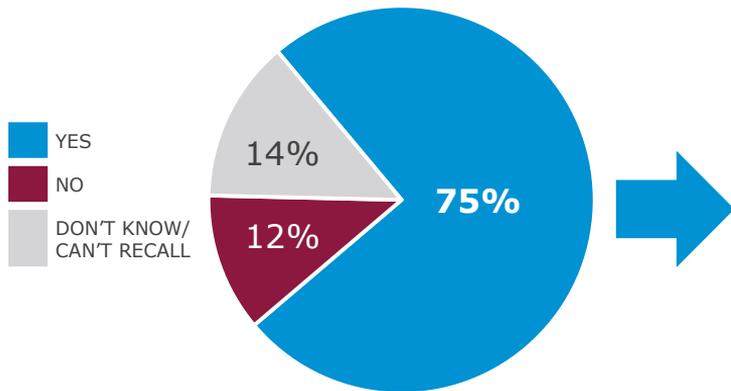


Holders of Credit Protection Insurance Purchase Experience and Satisfaction

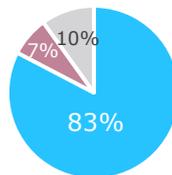
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Most were given information about various factors pertaining to CPI by their financial institution representative

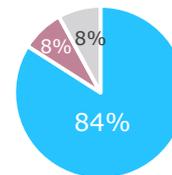
Representative Discussed CPI When Acquiring Mortgage/HELOC



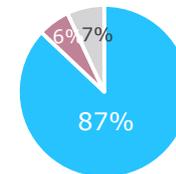
Coverage options that were available to me



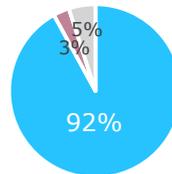
Premiums/costs of coverage options available



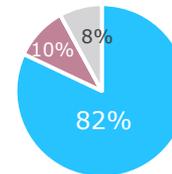
Advantages of having the insurance



CPI as way to protect me and/or my family

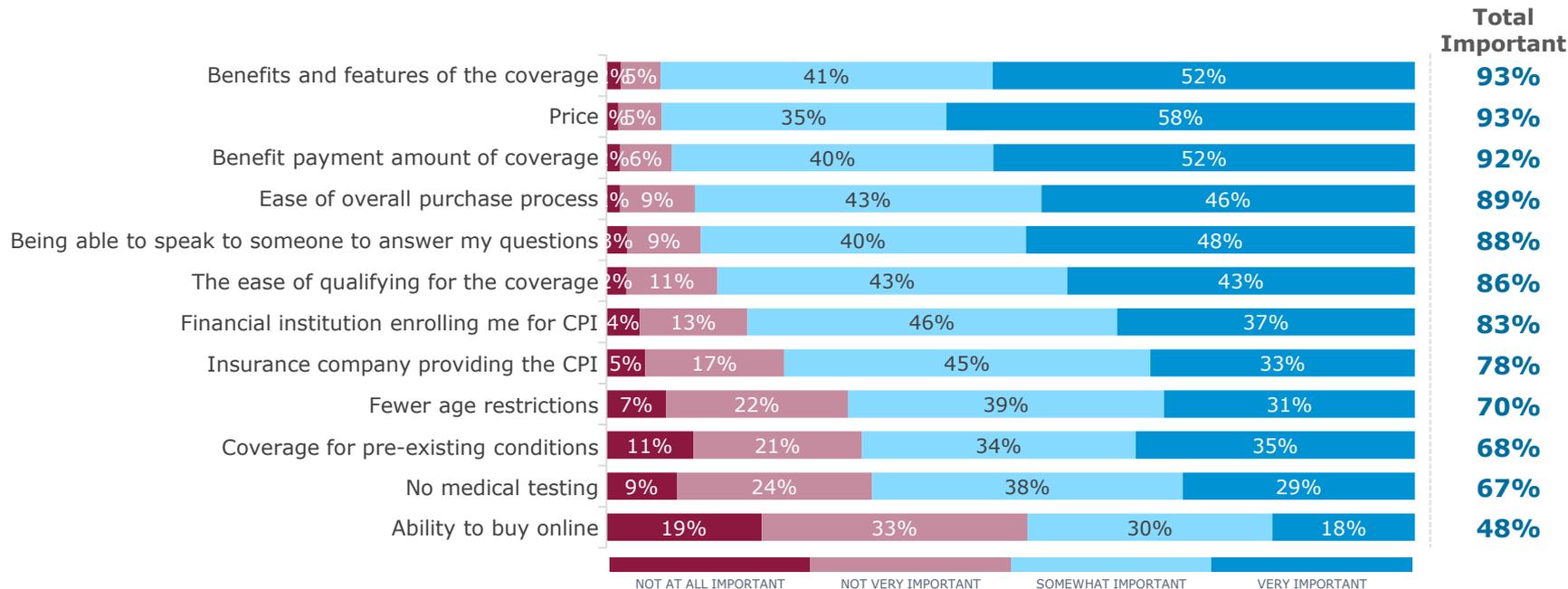


Informed that CPI is optional



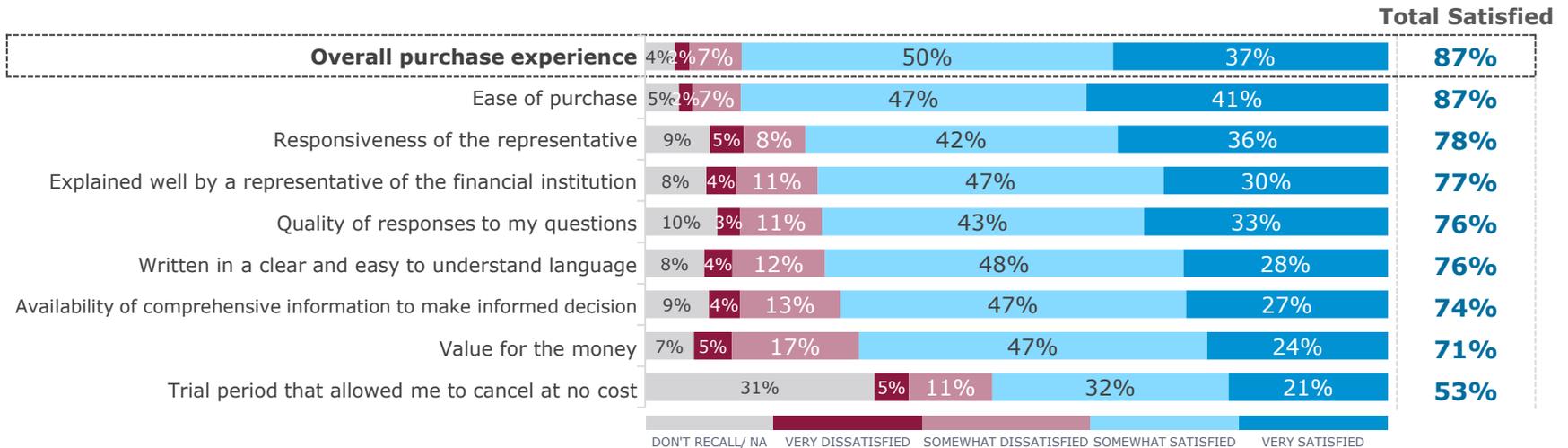
Price, benefits, features and payment amount of coverage are most important considerations for CPI purchase

Importance of Factors when Purchasing Credit Protection Insurance



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



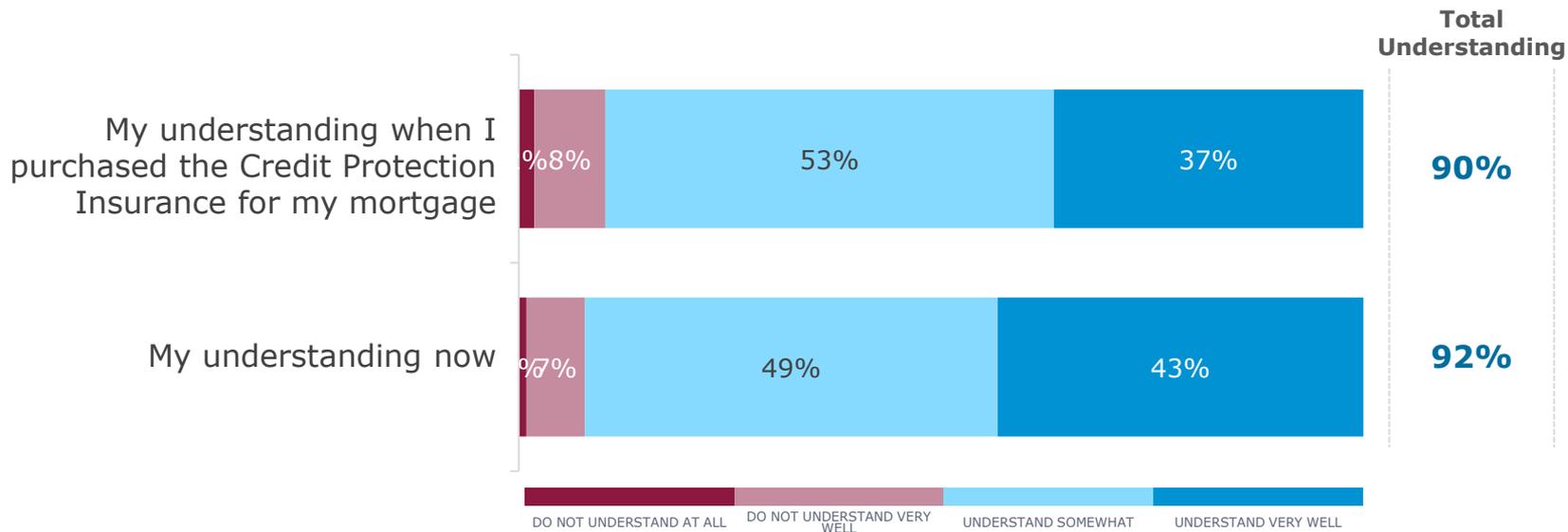


Holders of Credit Protection Insurance Documentation & Information

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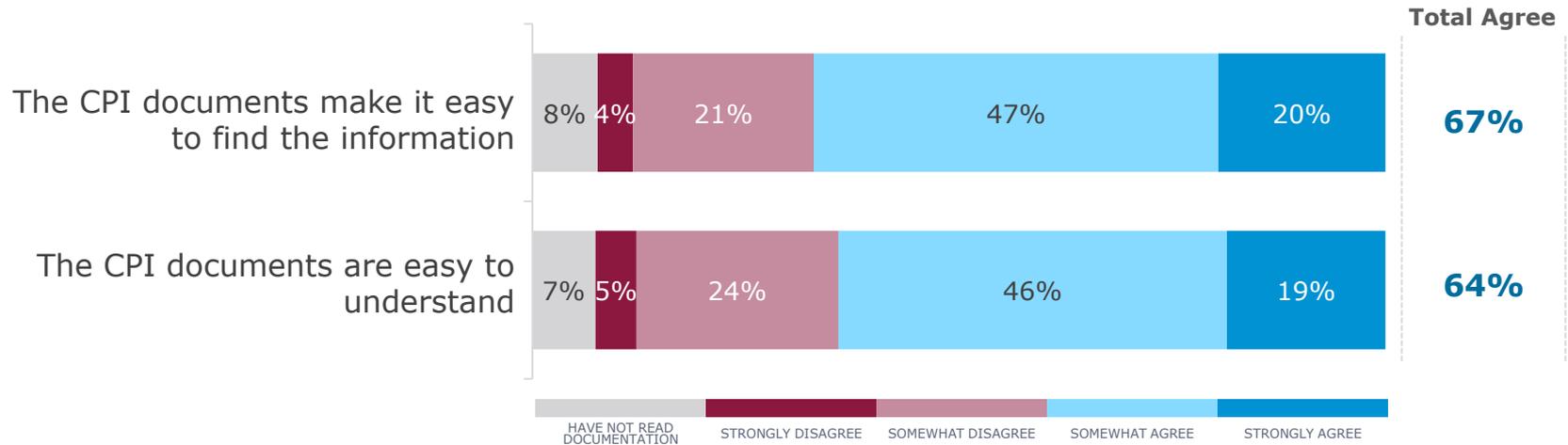
CPI holders understand the terms well enough, with the time passed between purchase and now having little or no impact on level of understanding

Understanding of Credit Protection Insurance Terms



Comprehension of the CPI documentation is moderate

Comprehension of Documentation



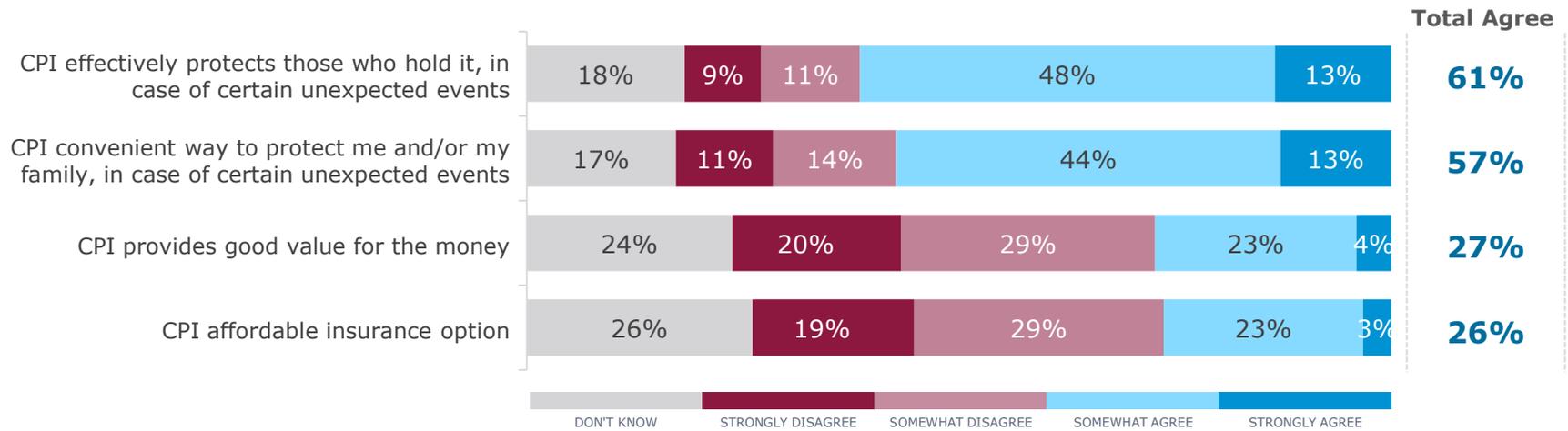


Non-Holders of Credit Protection Insurance

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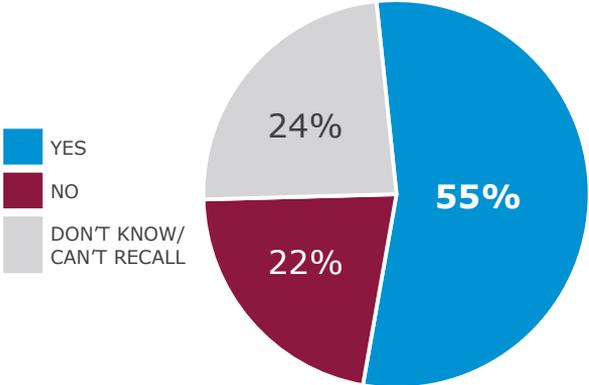
Despite non-CPI holders somewhat agreeing that CPI is effective and convenient, almost half feel it is not affordable or worth it's value for money

Agreement with Statements Regarding Credit Protection Insurance

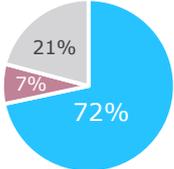


Just over half recall their representative offering them CPI when getting their mortgage or HELOC

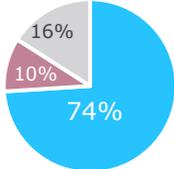
Representative Offered CPI When Acquiring Mortgage/HELOC



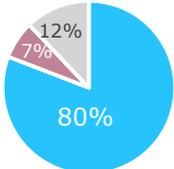
Coverage options that were available to me



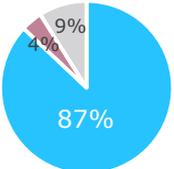
Premiums/costs of coverage options available



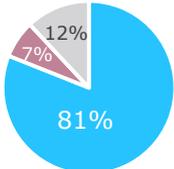
Advantages of having the insurance



CPI as way to protect me and/or my family

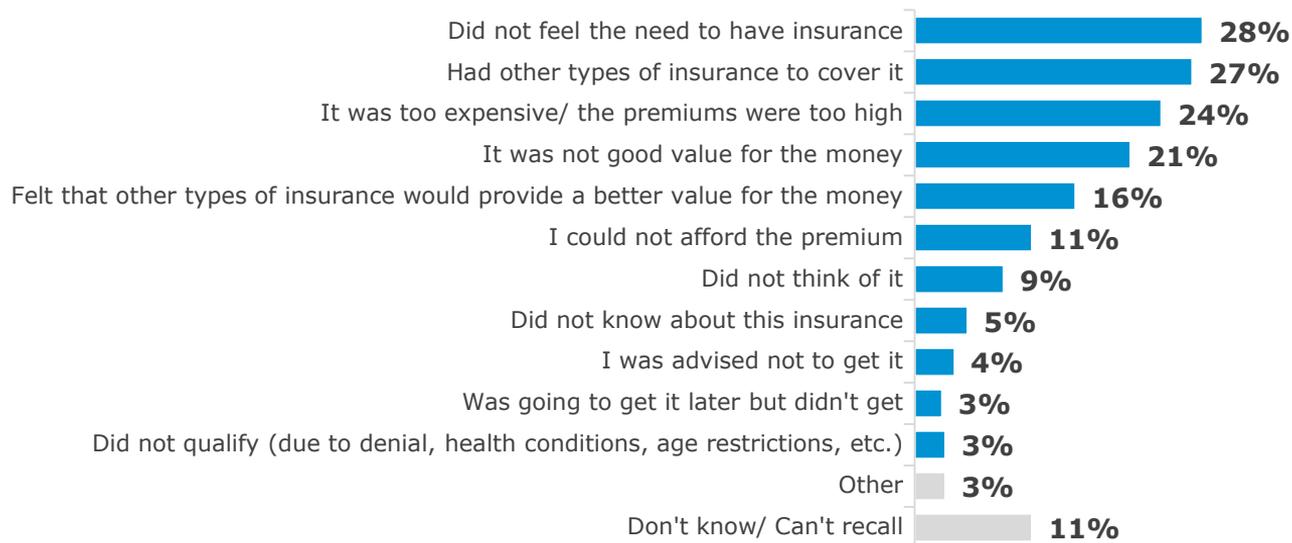


Informed that CPI is optional



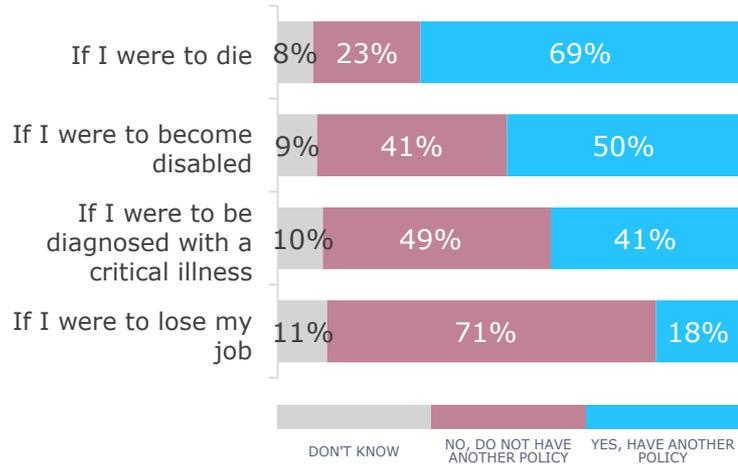
Reasons for not getting CPI are varied – either not having need for it or having another insurance covering their debts

Reasons for Not Buying Credit Protection Insurance

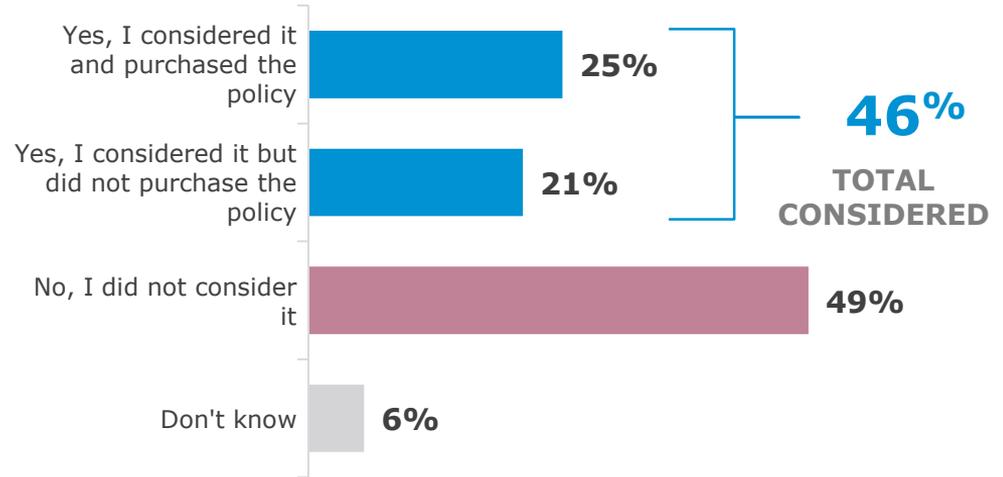


Majority have coverage in case of death or disability, however critical illness and job loss coverage is lacking

Coverage in case of Unexpected Events



Purchasing Term Life instead of Credit Protection Insurance

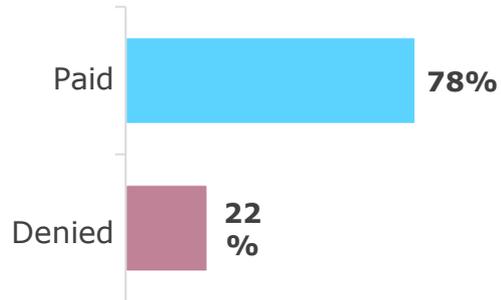




Section 3: Claims – Experience and Satisfaction

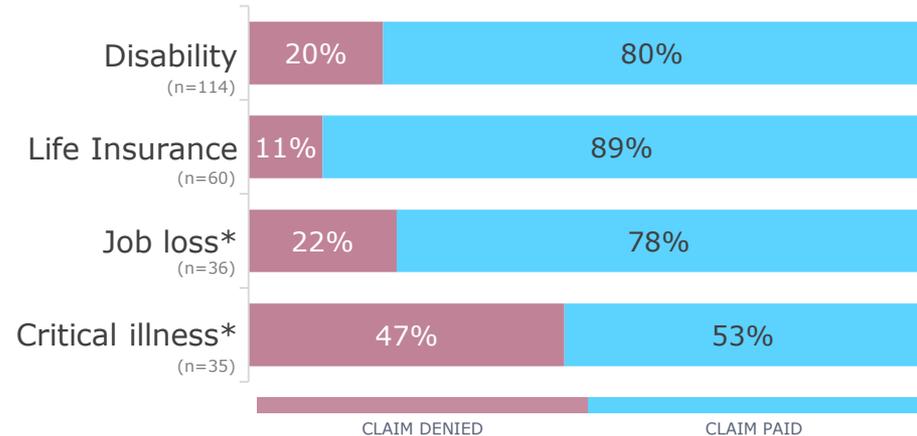
More than three-quarters of processes claims were paid

Results of claim submission among Processed Claims



Claims Still Being Processed: 14%

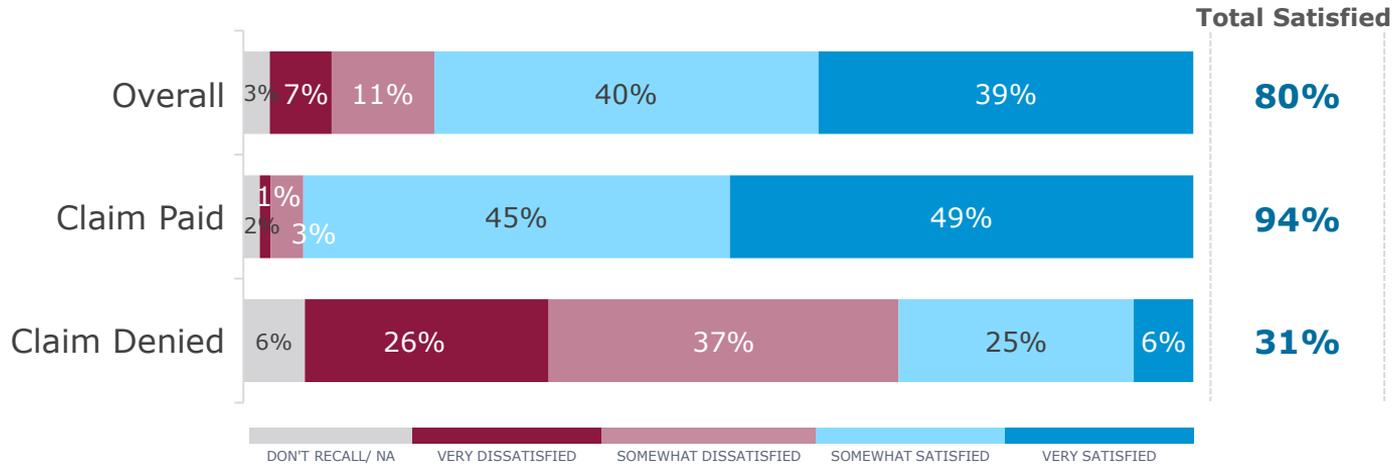
Results of claim submission among Type of Claims Processed



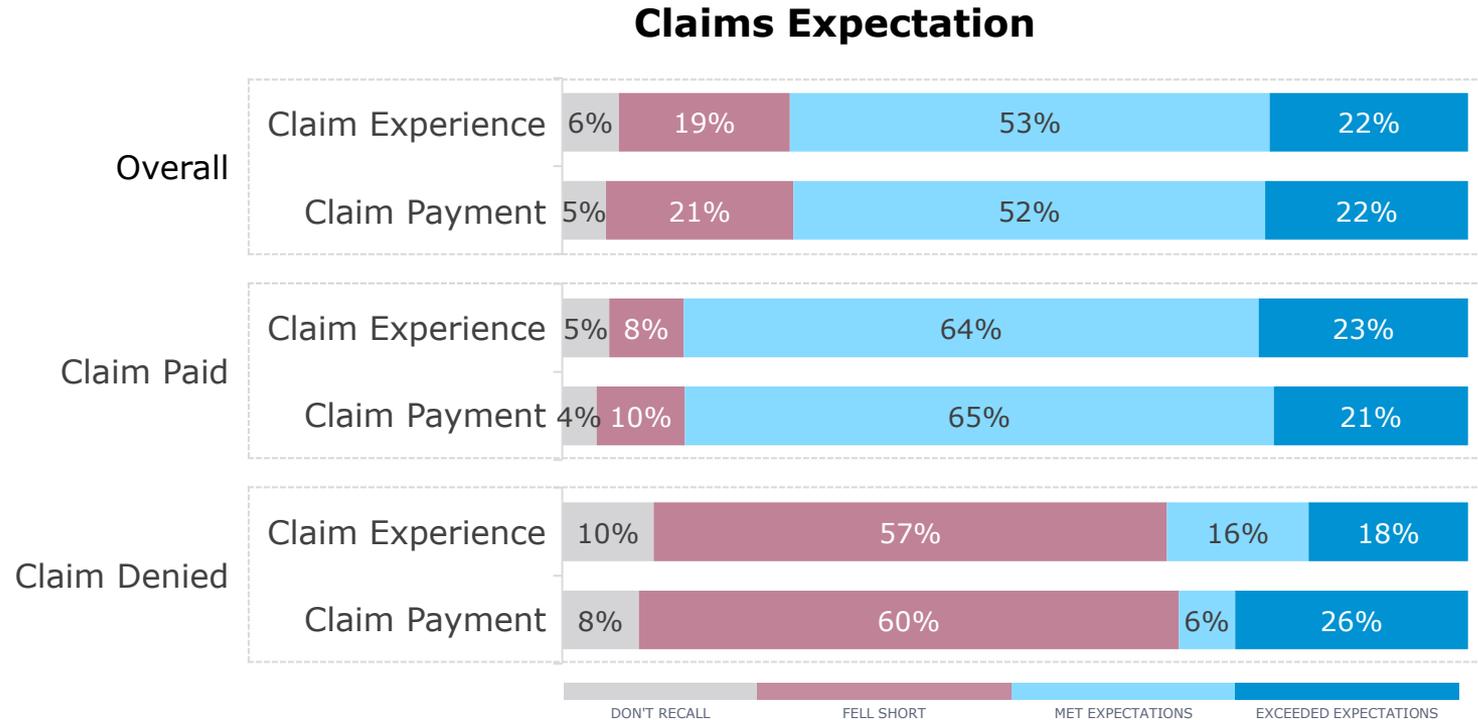
*** CAUTION – LOW BASE**

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

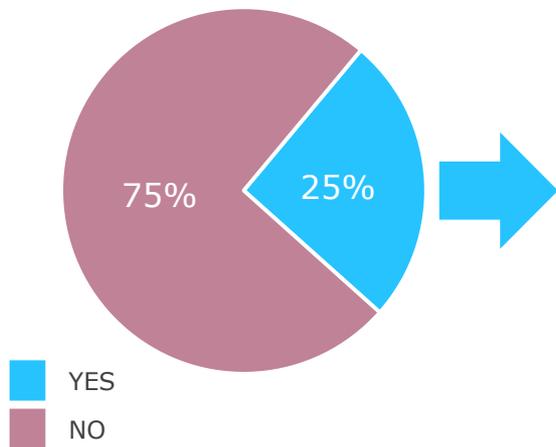




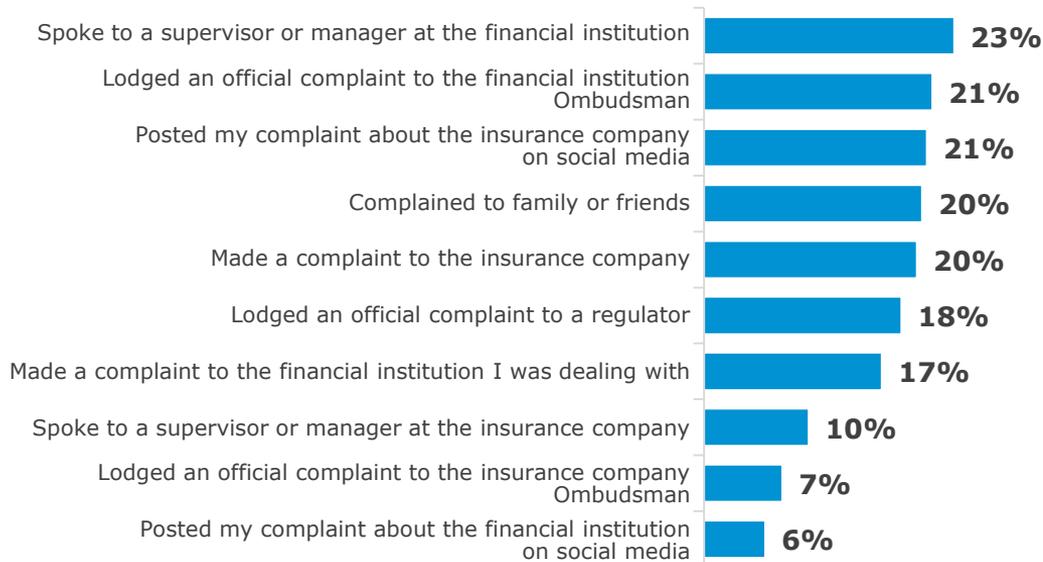
Complaints

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

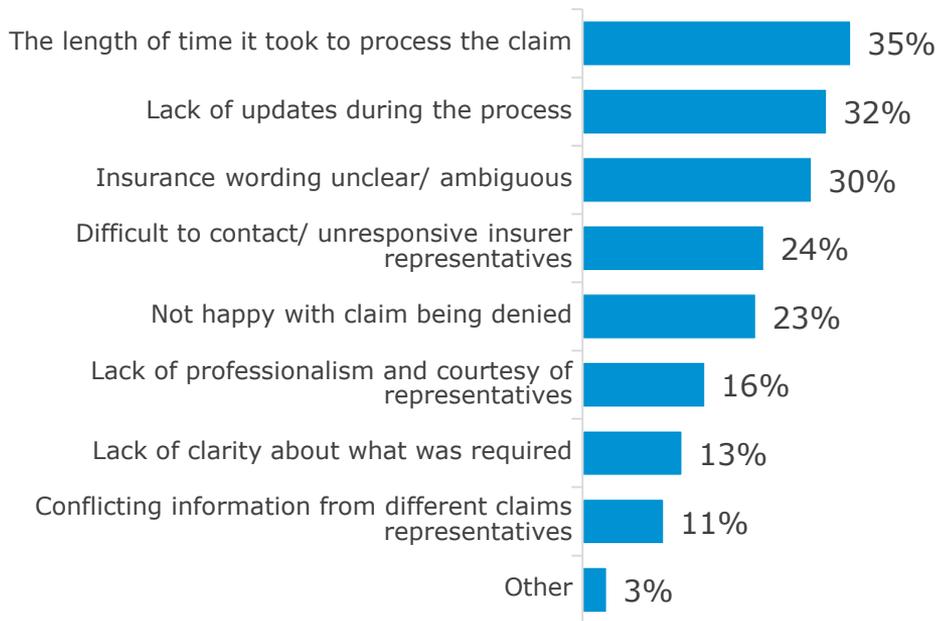


How Complaint was Made

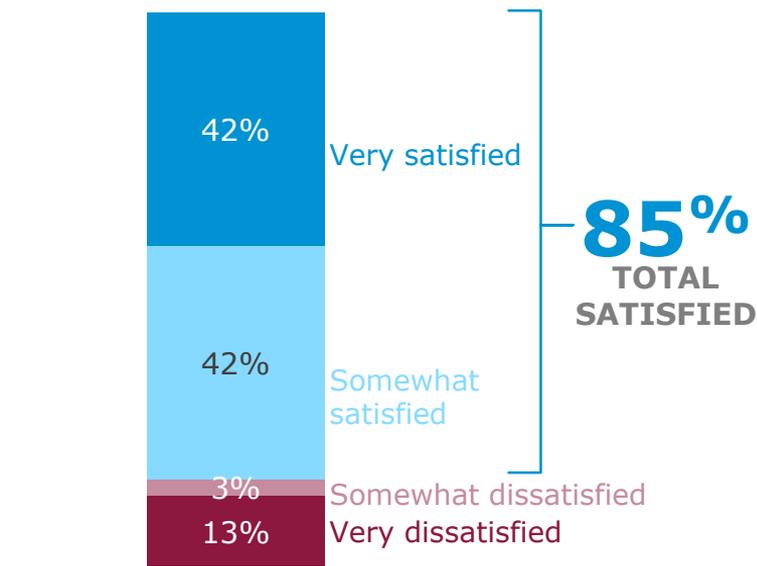


Major reason for complaint was time taken to process and lack of updates; however there is satisfaction with how the complaints were handled

Reason for Complaint



Satisfaction with How Complaint was Handled





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