

CRITICAL ILLNESS INSURANCE – THOUGHT LEADERSHIP RESEARCH

A SUMMARY OF FINDINGS

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BACKGROUND AND OBJECTIVES

Great-West Life, London Life and Canada Life offer Critical Illness (CI) insurance to Canadians.

Head Research was engaged to determine what Canadians know about critical insurance and the impact critical illness could have on them and their families.

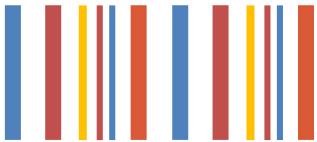




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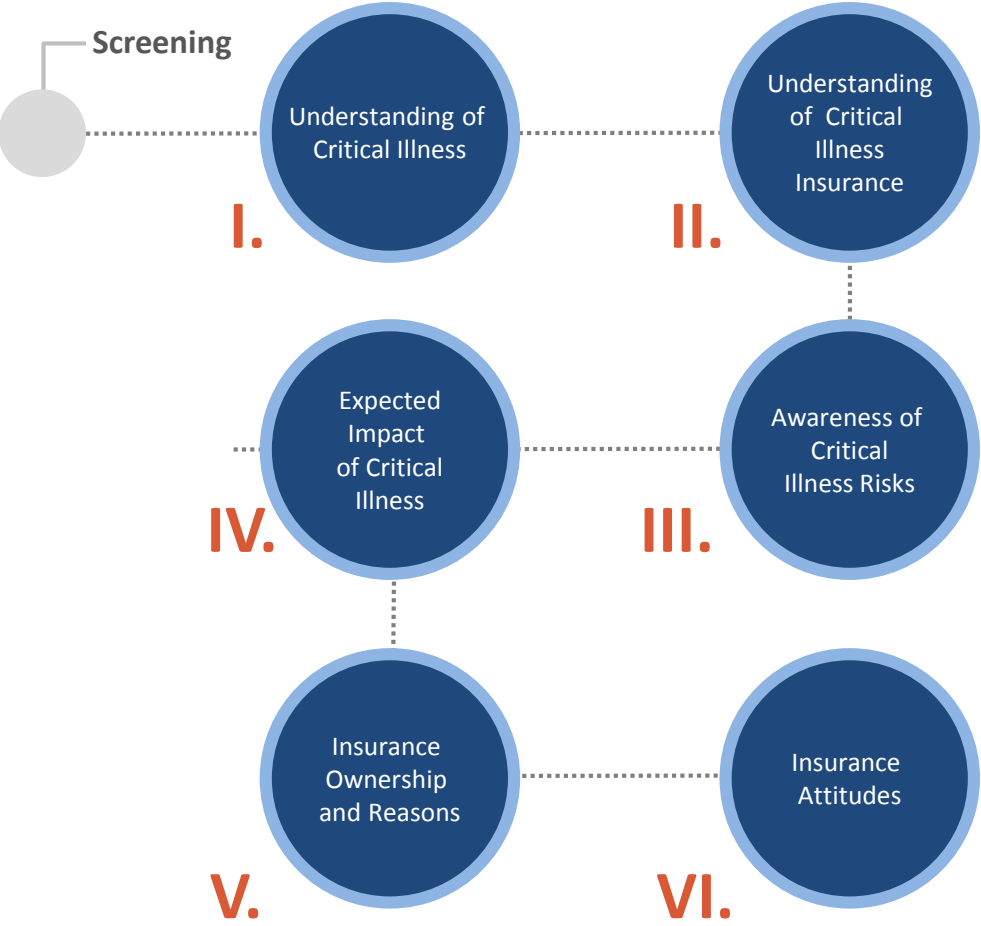
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RESEARCH METHOD

SURVEY FLOW



- N=1,786 online interviews were conducted with the target market for CI insurance:
 - Working adults, or partners of working adults
 - Aged 18 to 65
 - With a household income of \$30,000 or more (the average household income of the sample was \$100,000)
 - Primary or shared decision-maker for personal insurance
- To support regional-level media releases, regional sample boosts were implemented to ensure a minimum of 500 interviews in each of Quebec and Ontario, and 300 interviews in each of British Columbia and Atlantic Canada. Data reported at the national level has been weighted, by province, to remove these boosts and, therefore, be nationally-representative
- Throughout this report, differences between sub-groups of respondents (such as between consumers who live in Quebec vs. Ontario) are shown when they are both statistically significant and meaningful. These differences are shown in two ways:

– Call-out boxes such as:



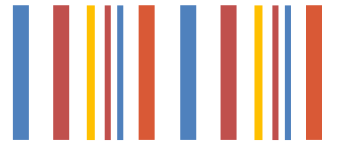
indicate that the data in the call-out box is significantly different to that of all other categories combined. So, in this example, the rating in Quebec is higher than that of consumers who do not live in Quebec

– Data in tables shown with arrows such as:

Males	89
Females	94 ↑

indicate that the data with the arrow is significantly higher than the data in the other category (or the average of the other categories) shown. So, In this example, the data for females is higher than that for males

- The general survey questionnaire flow is shown on the left side of this page



KEY FINDINGS

1. Anxious

Working Canadians know that the **financial and emotional impact** of a critical illness would be **devastating**. **Over 8 million** working Canadians are at risk of going into debt, delaying retirement or downsizing their home in order to cope with a critical illness

- Working Canadians recognize that a critical illness in their family would have very serious financial consequences
- The main financial impacts are loss of income, inability to meet living expenses as well as the inability to pay a child's medical bills
- To cope with a critical illness, 62% of working Canadians say they would have to get into debt, delay retirement or downsize their home in order to cope with a critical illness. This equates to 8.37 million working Canadians at risk¹
- Over half of working Canadians would have to continue working if their partner or child became ill
- The biggest worry for parents about becoming critically ill, outside of the financial consequences, is not being able to spend quality time with their children

2. Aware

Working Canadians are **realistic** about their **risk** of experiencing a **critical illness** – for many, it is an experience that hits close to home, as half know someone in their family who has suffered from a CI

- When presented with statistics about the risk of critical illness occurring in one's lifetime, at least half were aware of these truths
- Working Canadians know that the risk of experiencing a critical illness is very real – 3 out of 4 know someone who has suffered a CI. For half, this is a direct reality, as they have seen a family member experience the consequences of a critical illness
- Furthermore, the majority (70%) of working Canadians is aware that their risk of suffering from a critical illness is the same as that of the average Canadian

3. Confused

Misconceptions about critical illness and CI coverage are a key issue.

- Almost half of working Canadians believe that a critical illness is a terminal or life threatening illness. They confuse the notion of critical with serious – when, in reality, an illness can be serious without being critical
- Only 6 in 10 working Canadians have heard of critical illness insurance, and understanding of the product is limited. Some misconceptions include:
 - Many are unclear that payments are made in the form of a lump sum
 - One third believes that CI insurance is paid as a proportion of one's income
- The industry needs to educate consumers about how CI insurance can benefit them

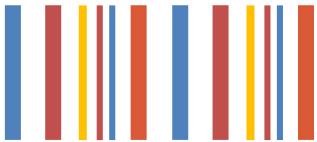
1. See page 11 for details of calculation



IMPACT OF CRITICAL ILLNESS AND COPING STRATEGIES

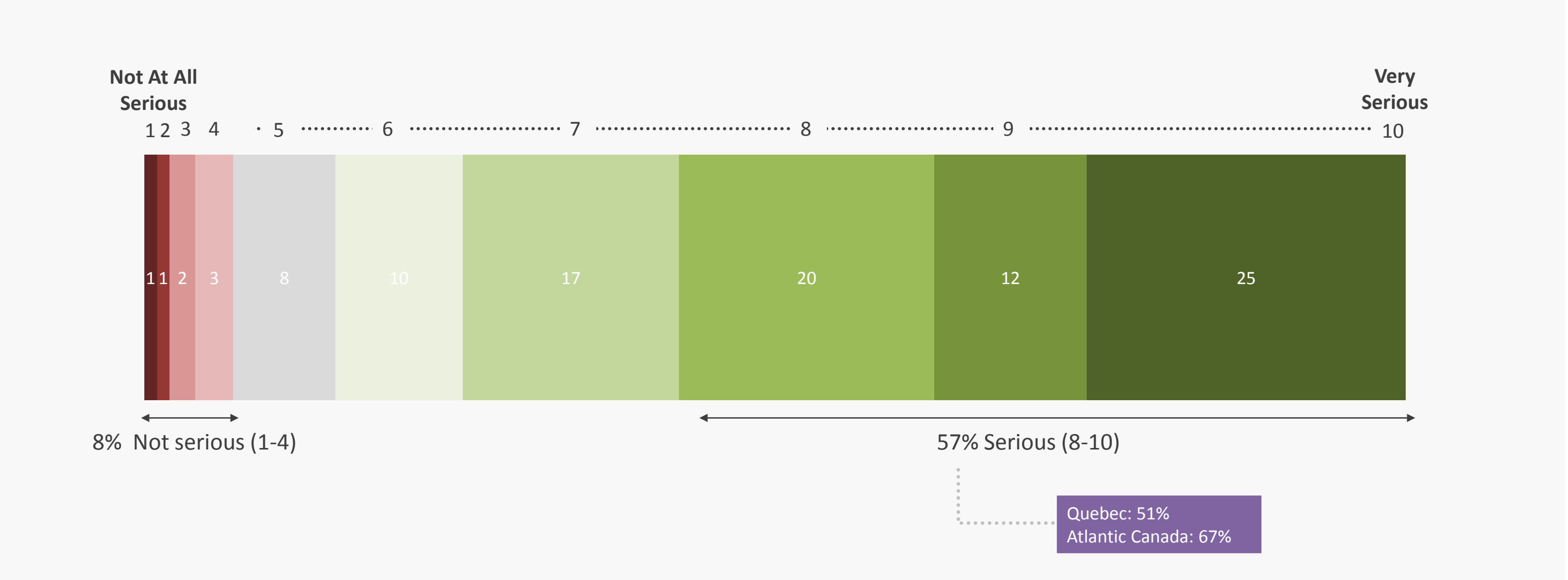
“ Though working Canadians expect the impact of a critical illness in their family to be severe, few seem to have a well-thought out plan of how to cope. Many would rely on taking on debt, downsizing their home, or delaying retirement. ”



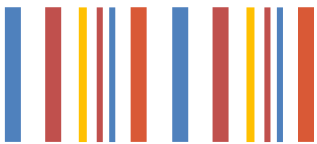


OVER HALF (57%) OF WORKING CANADIANS BELIEVE THE FINANCIAL IMPACT OF EITHER THEMSELVES OR THEIR PARTNER SUFFERING A CRITICAL ILLNESS WOULD BE VERY SERIOUS

If you (or your partner) became critically ill, how serious do you think the financial impact on you would be?
%

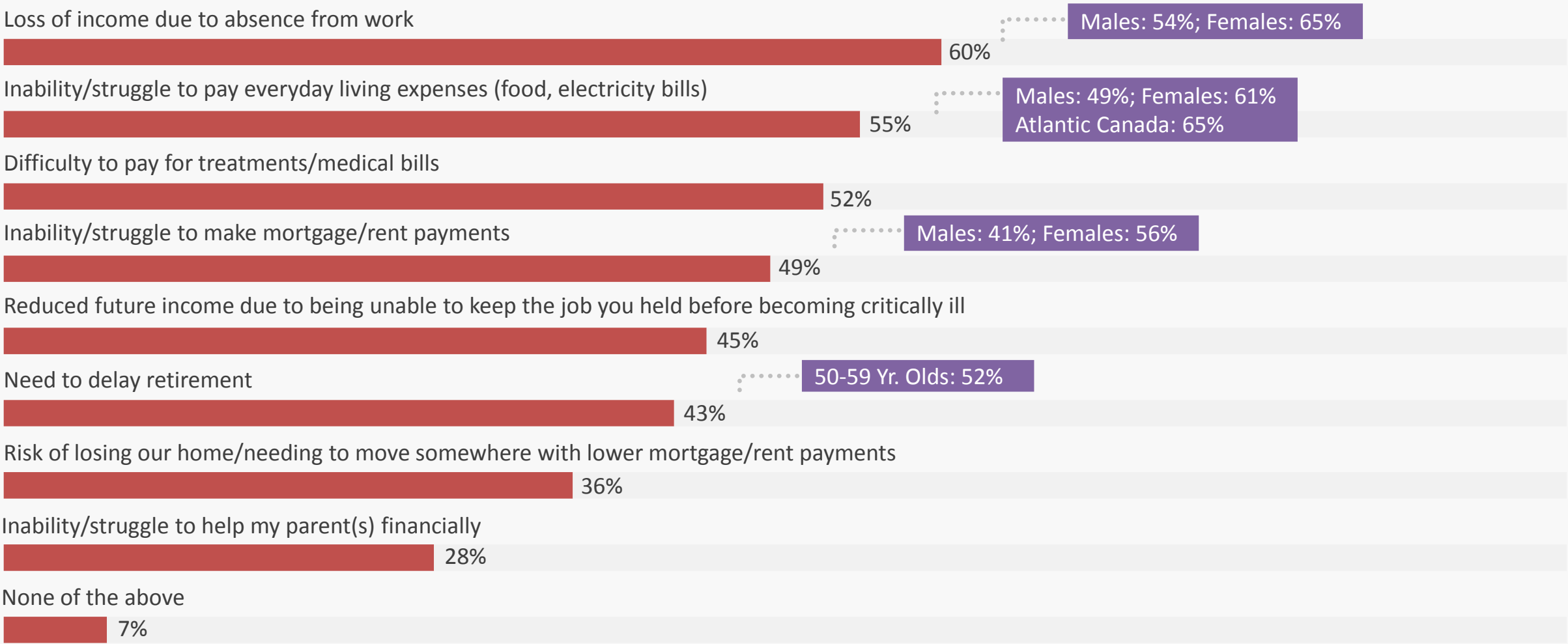


Q180. Base: Total (N=1,786).



IF FACED WITH A CRITICAL ILLNESS, WORKING CANADIANS ARE MOST CONCERNED ABOUT LOSS OF INCOME (60%) AND AN INABILITY TO MEET LIVING EXPENSES (55%)

What would you be most worried about facing if you (or your partner) became critically ill?
%



Q190. Multiple responses allowed. Base: Total (N=1,786).



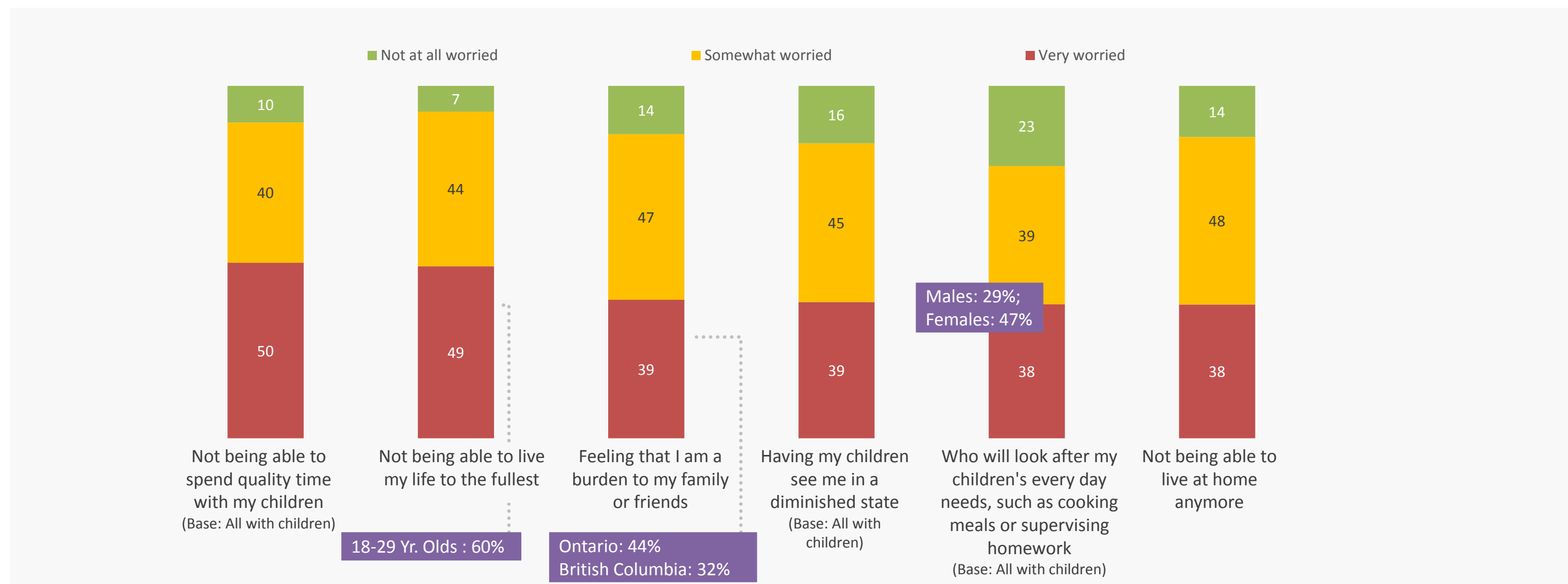
NOT BEING ABLE TO SPEND QUALITY TIME WITH THEIR CHILDREN (50% VERY WORRIED)

AND NOT BEING ABLE TO LIVE LIFE TO THE FULLEST (49% VERY WORRIED) ARE THE BIGGEST WORRIES

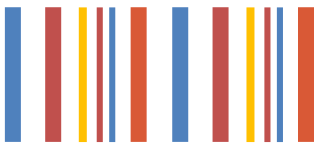
WORKING CANADIANS HAVE ABOUT BECOMING CRITICALLY ILL

To what extent are you worried about facing each of the following, if you (or your partner) became critically ill?

%. Top 6 Worries of 13 shown (bottom 7 shown on following page)

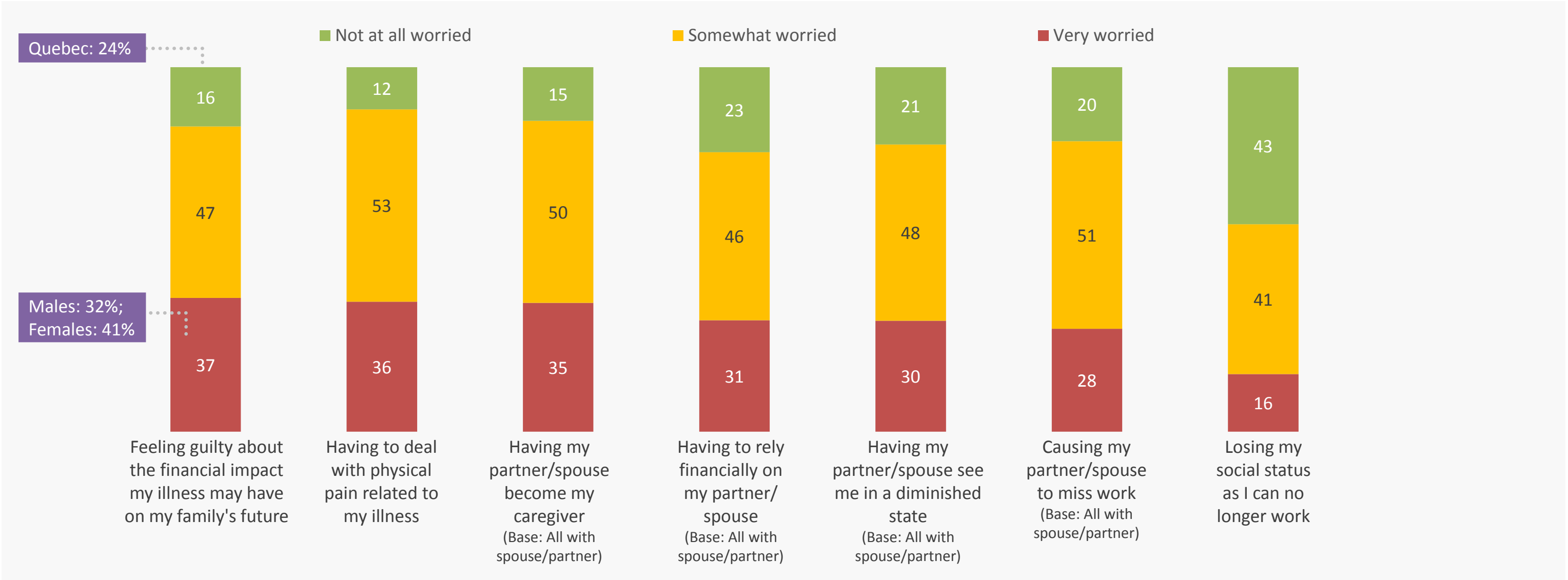


Q195. Base: Total (N=1,786); All working adults with a spouse/partner (n=1,202); All working adults with children (n=797).



FOUR IN 10 (37%) WORKING CANADIANS ARE VERY WORRIED ABOUT THE FINANCIAL IMPACT THAT BECOMING CRITICALLY ILL WOULD HAVE ON THEIR FAMILY’S FUTURE

To what extent are you worried about facing each of the following, if you (or your partner) became critically ill?
%. Bottom 7 Worries of 13 shown (top 6 shown on previous page)

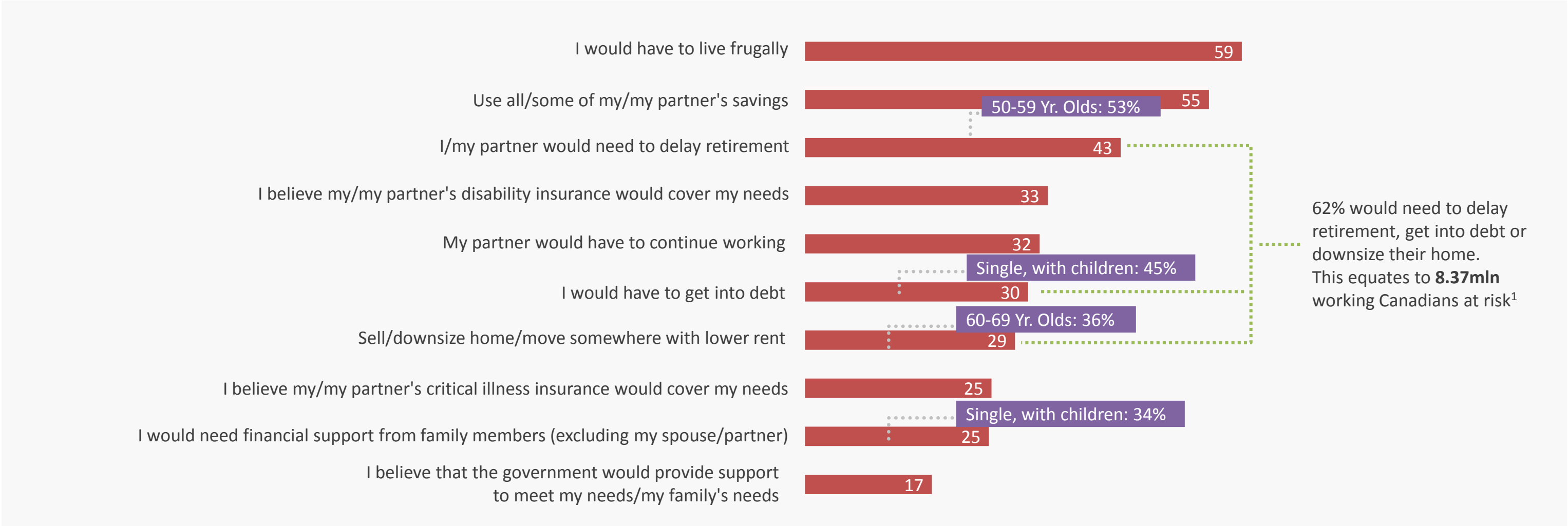


Q195. Base: Total (N=1,786); All working adults with a spouse/partner (n=1,202); All working adults with children (n=797).

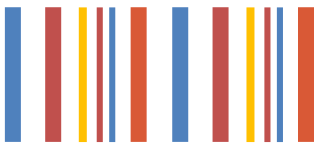


THE MOST COMMON EXPECTED STRATEGY FOR WORKING CANADIANS TO COPE FINANCIALLY IF THEY BECAME CRITICALLY ILL IS TO CUT BACK ON EXPENDITURES (59%). SIX IN 10 (62%) WOULD NEED TO DELAY RETIREMENT, GET INTO DEBT OR DOWNSIZE THEIR HOME

If you became critically ill how would you cope financially?
%. All strategies mentioned by 10% or above

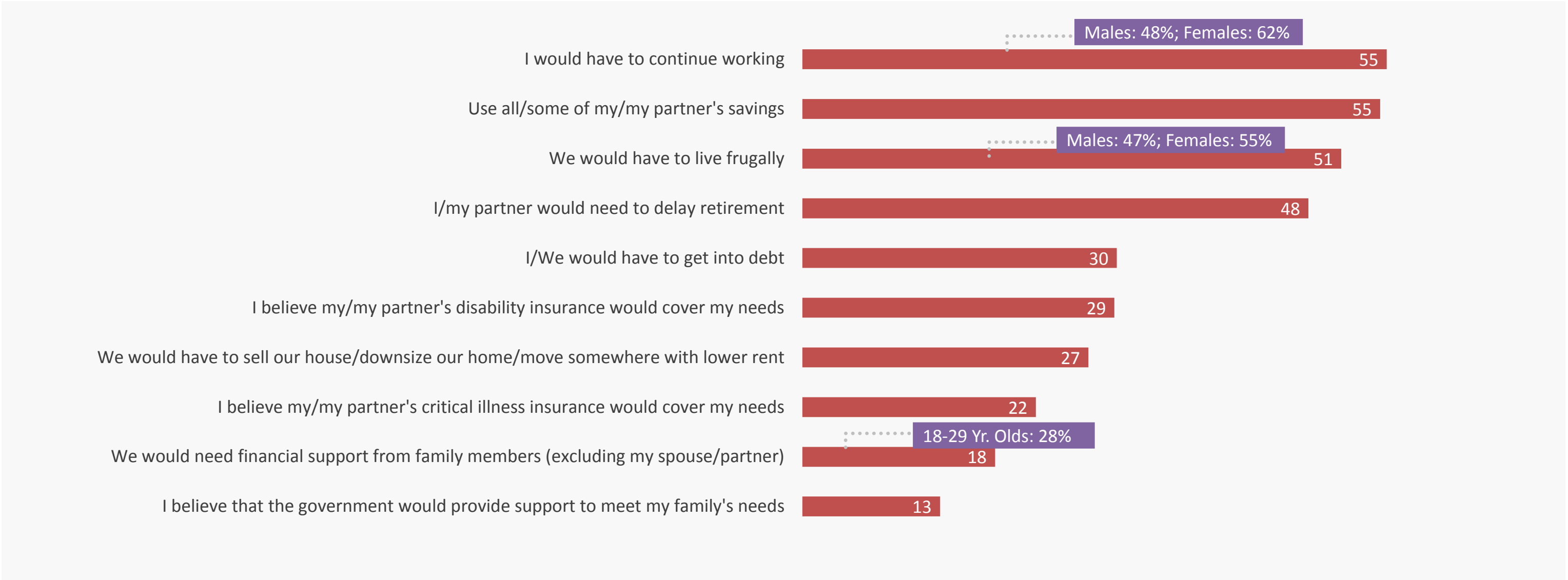


Q205. Multiple responses allowed. Base: Total (N=1,786).
¹. Approximately 15 million working Canadians: <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/labr66a-eng.htm>.
Approximately 90% of households have a household income of \$30,000 or more (i.e. the qualification for our target sample).
<http://www.statcan.gc.ca/tables-tableaux/sumsom/l01/cst01/famil106a-eng.htm>
15 million multiplied by 90%, multiplied by 62% (see data above) = 8.37 million

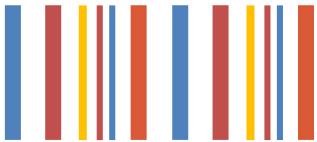


IF THEIR PARTNER BECAME CRITICALLY ILL, OVER HALF OF WORKING CANADIANS (55%)
WOULD NEED TO CONTINUE WORKING TO BE ABLE TO COPE FINANCIALLY

If your spouse/partner became critically ill, which of the following, if any, would you have to do to cope financially?
%. All strategies mentioned by 10% or above

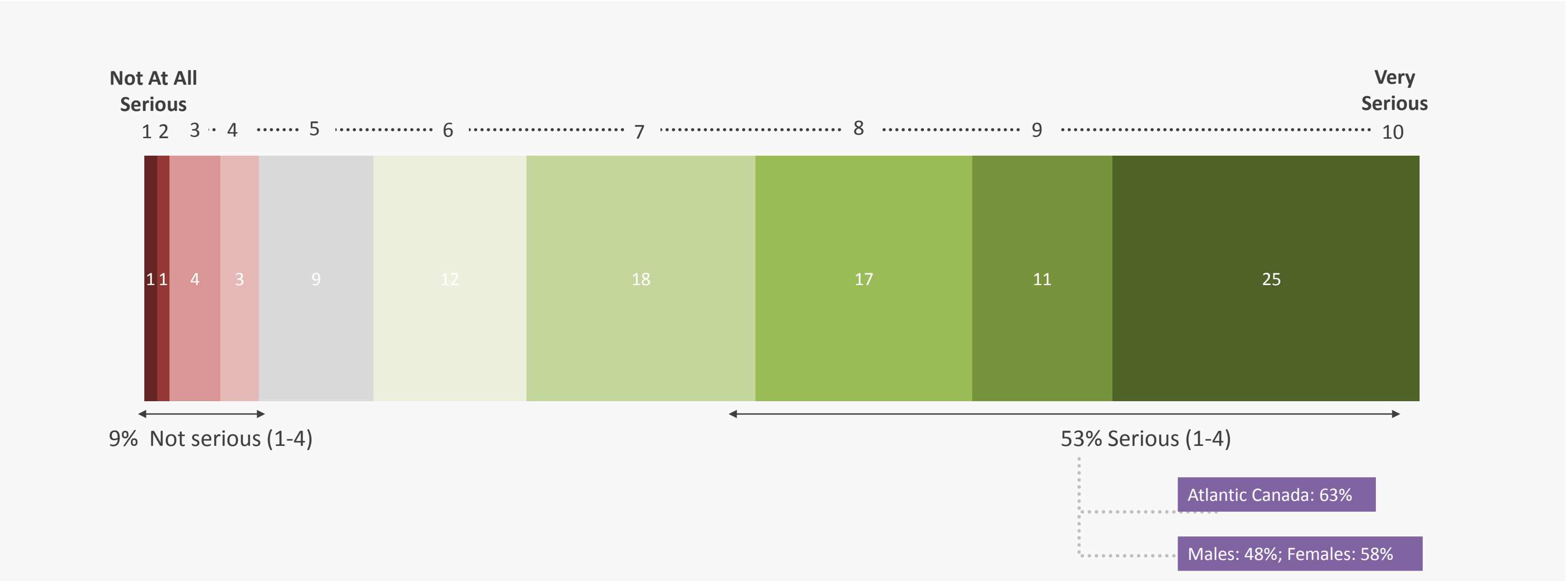


Q206. Multiple responses allowed. Base: All with a spouse or partner (n=1,202).

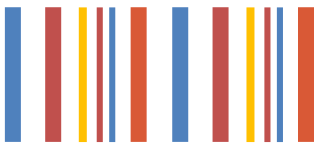


HALF (54%) OF WORKING CANADIANS WOULD BE SERIOUSLY AFFECTED FINANCIALLY
IF THEIR CHILD BECAME CRITICALLY ILL

If your child/step-child became critically ill, how serious do you think the financial impact on you would be?
%

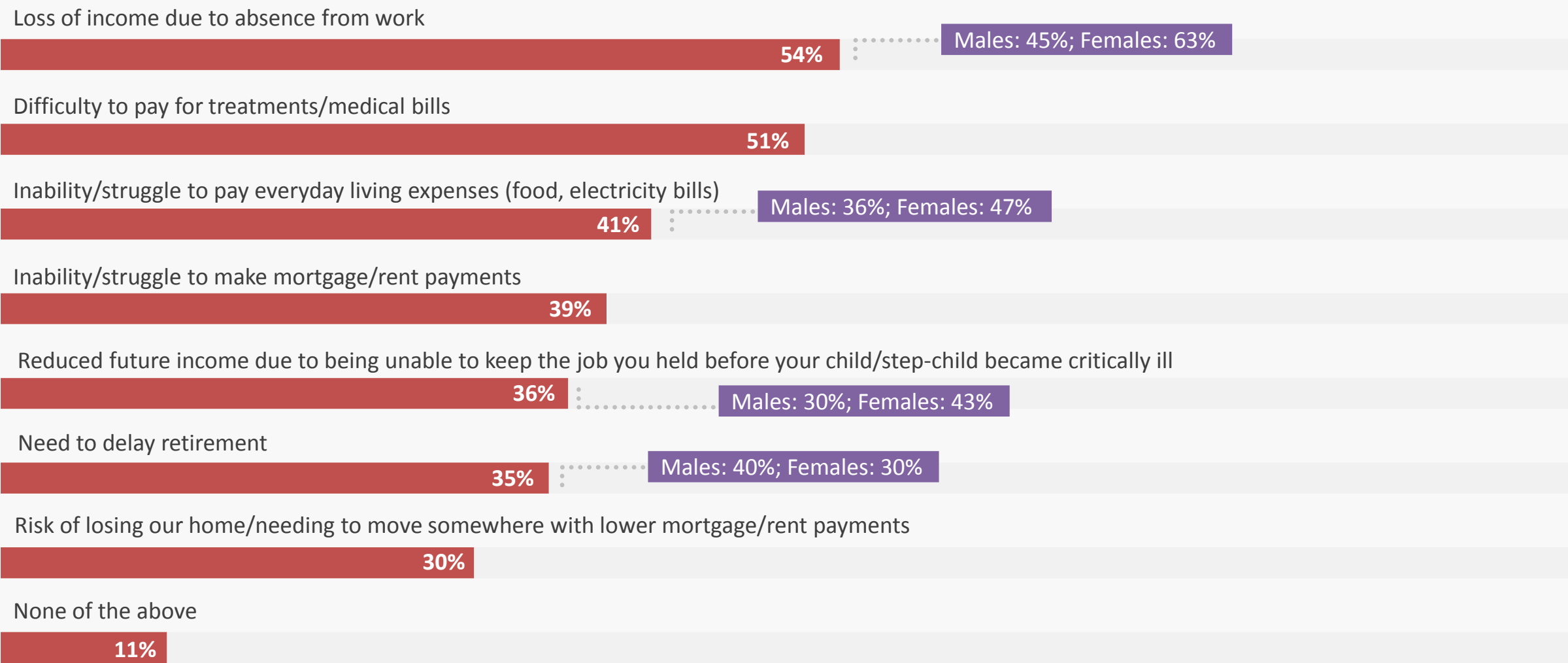


Q185. Base: All working Canadians with children (n=797).

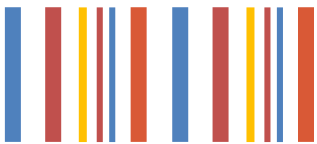


WORKING CANADIANS’ BIGGEST FINANCIAL WORRY IF THEIR CHILD BECAME CRITICALLY ILL IS A LOSS OF INCOME FROM WORK (54%) AND AN INABILITY TO MEET THEIR CHILD’S MEDICAL BILLS (51%)

Which of the following financial challenges, if any, would you be most worried about facing if your child/step-child became critically ill?

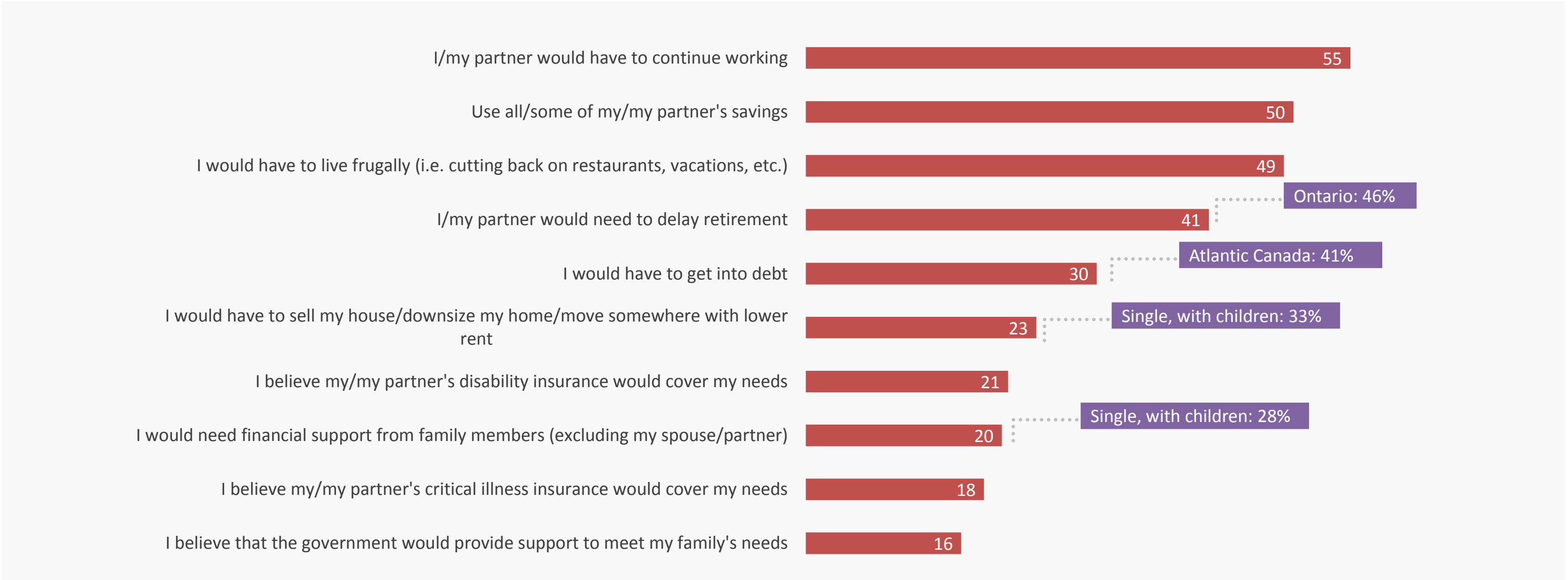


Q200. Multiple responses allowed. Base: All working Canadians with children (n=797).

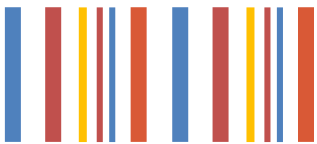


IF THEIR CHILD BECAME CRITICALLY ILL, OVER HALF (55%) OF WORKING CANADIANS WOULD NEED EITHER THEMSELVES OR THEIR PARTNER TO CONTINUE WORKING. FOUR IN TEN (41%) WOULD EXPECT EITHER THEMSELVES OR THEIR PARTNER TO HAVE TO DELAY RETIREMENT

If your child became critically ill, which of the following, if any, would you have to do to cope financially?
%. All strategies mentioned by 10% or above

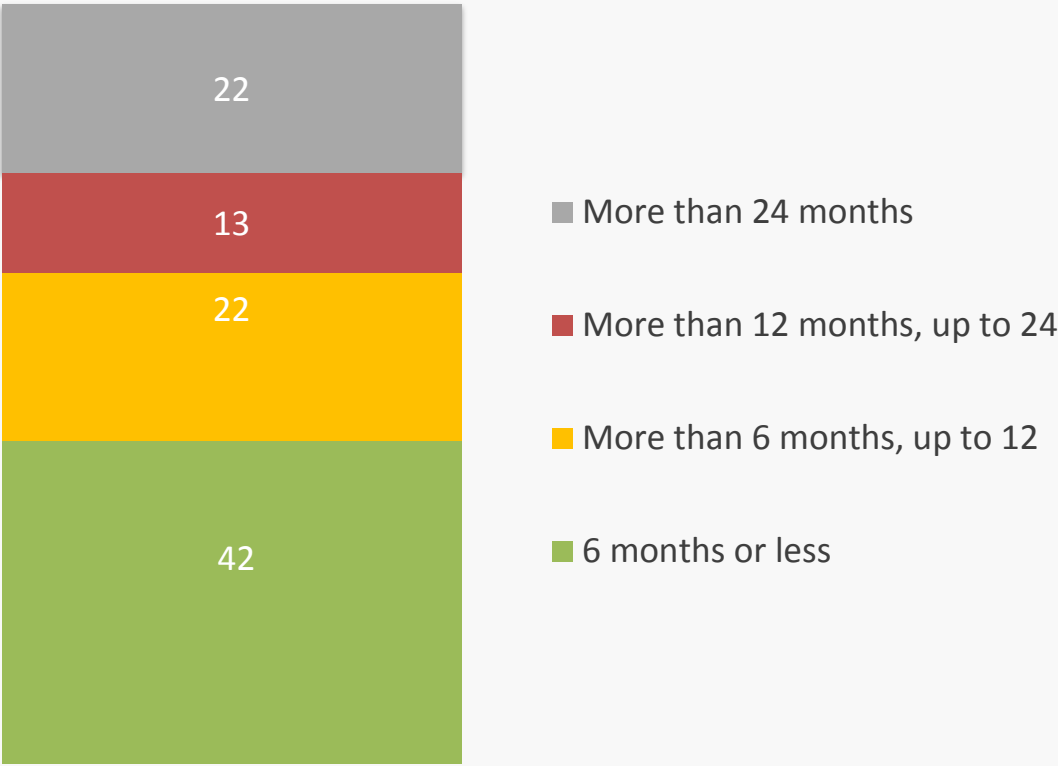


Q207. Multiple responses allowed. Base: All working Canadians with children (n=797).



IF WORK WAS IMPOSSIBLE DUE TO A CRITICAL ILLNESS, WORKING CANADIANS BELIEVE THEY COULD LAST 16 MONTHS USING THEIR SAVINGS

If you became critically ill, had to stop working and live for a period of time using only your savings and/or investments, how much time do you think you would you have before your savings ran out?
%



16 MONTHS ON AVERAGE (12 MEDIAN)

Average # of Months By Region				
Ontario	Quebec	BC	Atlantic	AB/SK/MB
15	19 ↑	16	13 ↓	15

Average # of Months by Age				
18-29	30-39	40-49	50-59	60-69
10 ↓	11 ↓	15	21 ↑	25 ↑

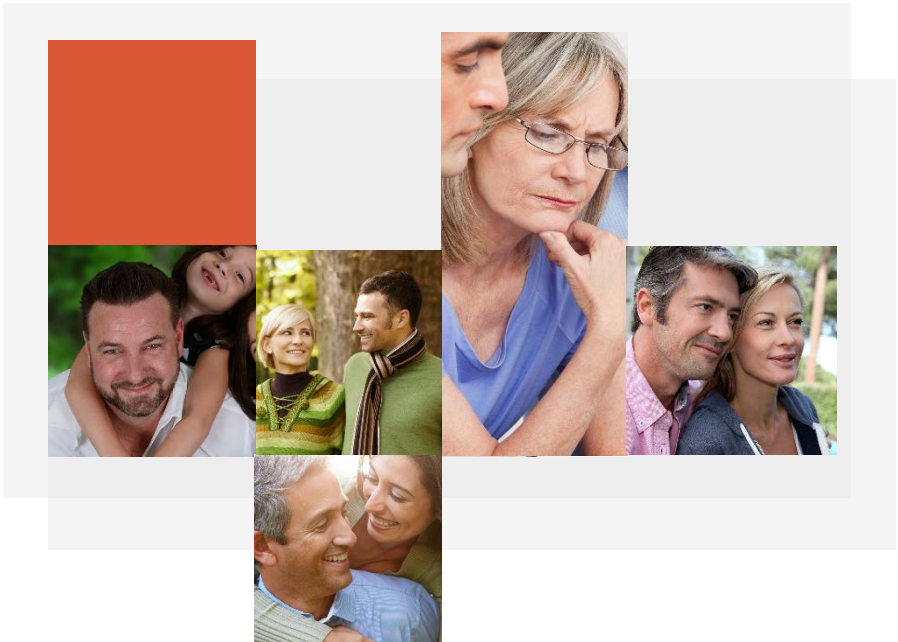
Q270. Base: Total (N=1,786).

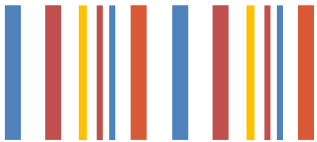
↑↓ Significantly higher/lower than the average of the other groups shown



PERCEPTIONS OF CRITICAL ILLNESS RISK

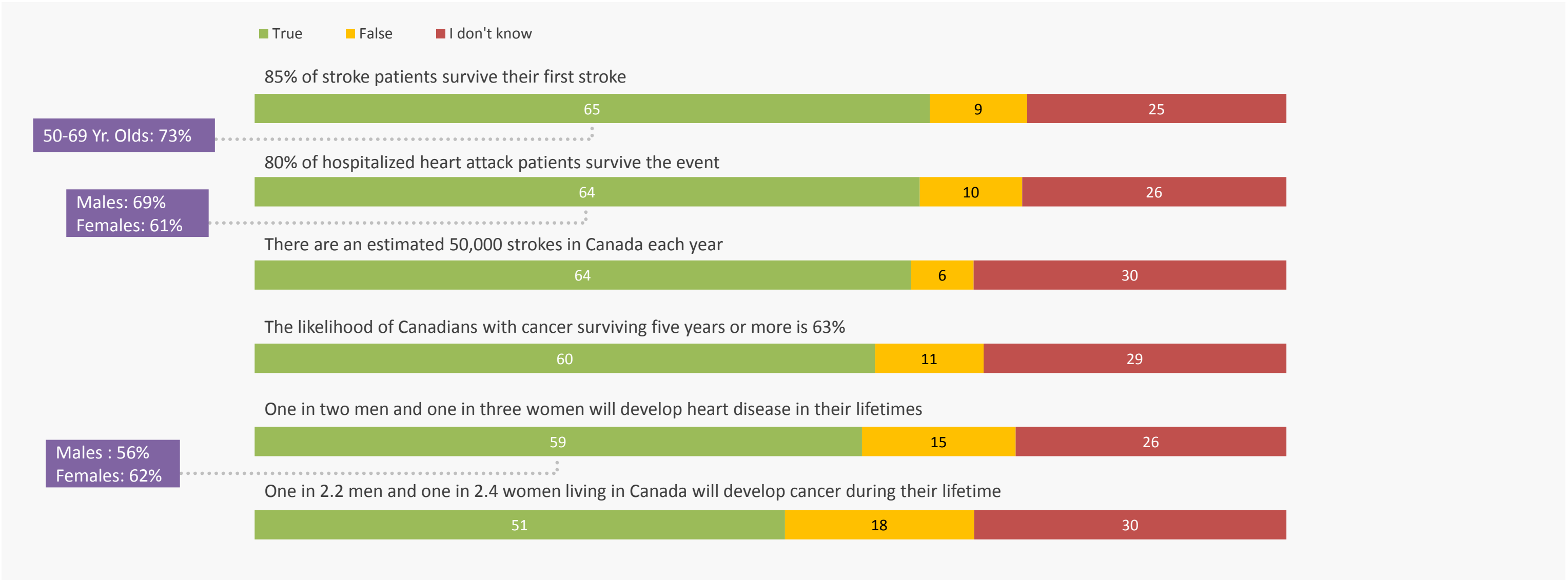
// Working Canadians, in general, are realistic about their chances of experiencing a critical illness, perhaps because many have seen a family member suffer from one. //



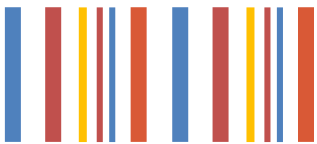


WHEN PRESENTED WITH STATEMENTS ABOUT CRITICAL ILLNESS SHOWN BELOW,
MOST WORKING CANADIANS BELIEVE THEM TO BE TRUE, THOUGH A QUARTER DO NOT KNOW
IF THEY ARE TRUE OR FALSE

To the best of your knowledge, are the statements below true or false?
%. All statements shown below are true¹

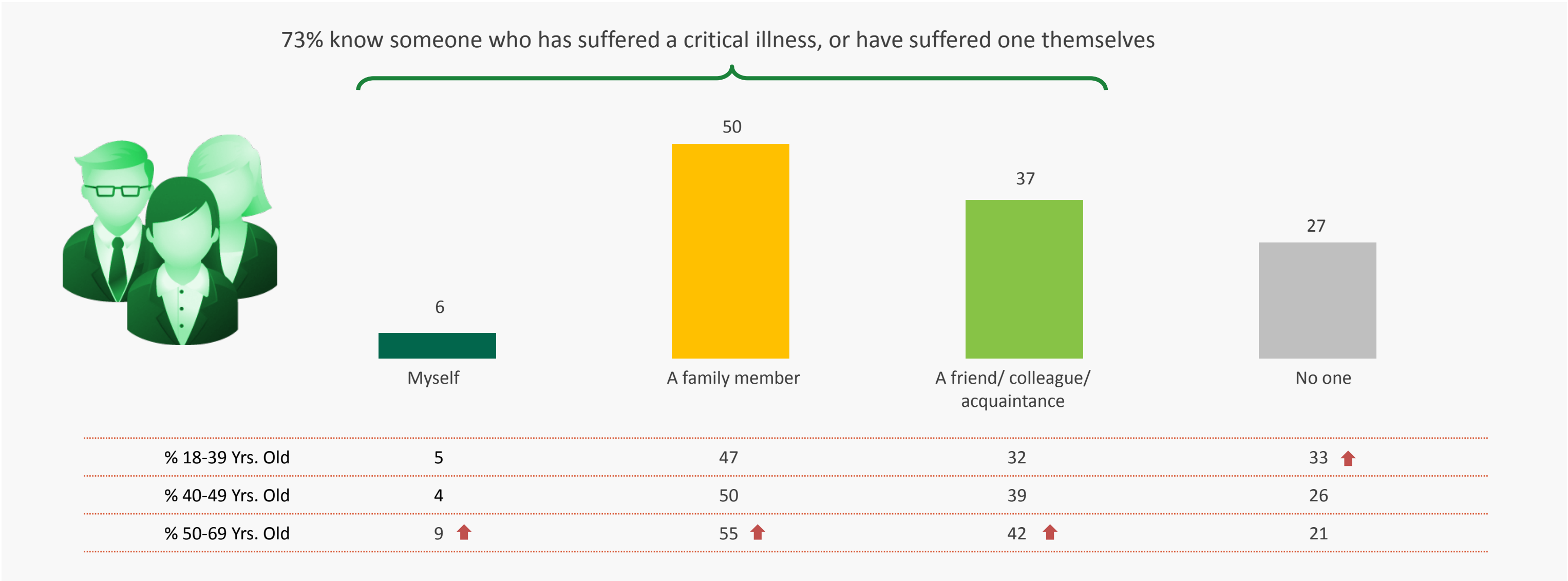


Q136. Base: Total (N=1,786).
¹. Statements taken from Canada Life LifeAdvance™, “A look at critical illness insurance claims” and referenced to Heart and Stroke Foundation of Canada (2009); Canadian Cancer Statistics 2013, Hakim, Silver & Hodgson, 1998



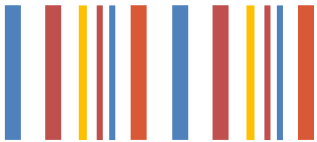
ALMOST 3 IN 4 (73%) WORKING CANADIANS KNOW SOMEONE WHO HAS SUFFERED A CRITICAL ILLNESS OR HAVE SUFFERED ONE THEMSELVES. HALF (50%) HAVE SEEN A FAMILY MEMBER SUFFER FROM A CI

Do you know anyone who has suffered a critical illness?
%



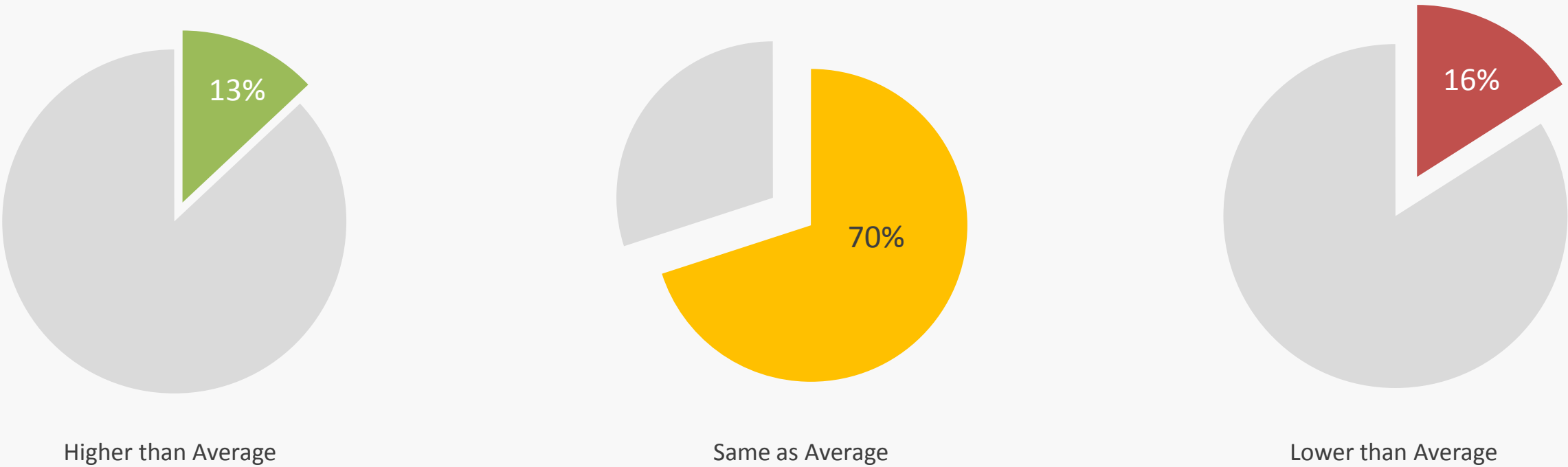
Q140. Base: Total (N=1,786).

↑ Significantly higher than the average of the other groups shown

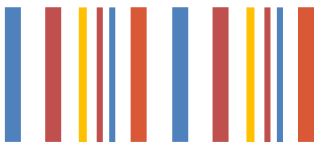


WORKING CANADIANS ARE LARGELY REALISTIC ABOUT THEIR CHANCES OF EXPERIENCING A CRITICAL ILLNESS. SEVEN IN 10 (70%) BELIEVE THEY HAVE THE SAME CHANCE AS EVERYONE ELSE

Compared to the average Canadian do you believe that your risk of experiencing a critical illness is higher, the same or lower?



Q160. Base: All working adults who have not experienced a critical illness (n=1,680).

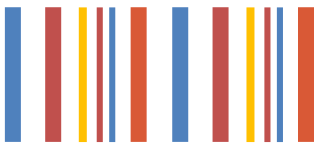


LEADING A HEALTHY LIFESTYLE IS THE MAIN REASON WHY WORKING CANADIANS MAY FEEL THAT THEIR RISK OF EXPERIENCING A CRITICAL ILLNESS IS LOWER THAN AVERAGE

Which of the following statements describe why you believe that your risk of experiencing a critical illness is lower than that of the average Canadian?
%

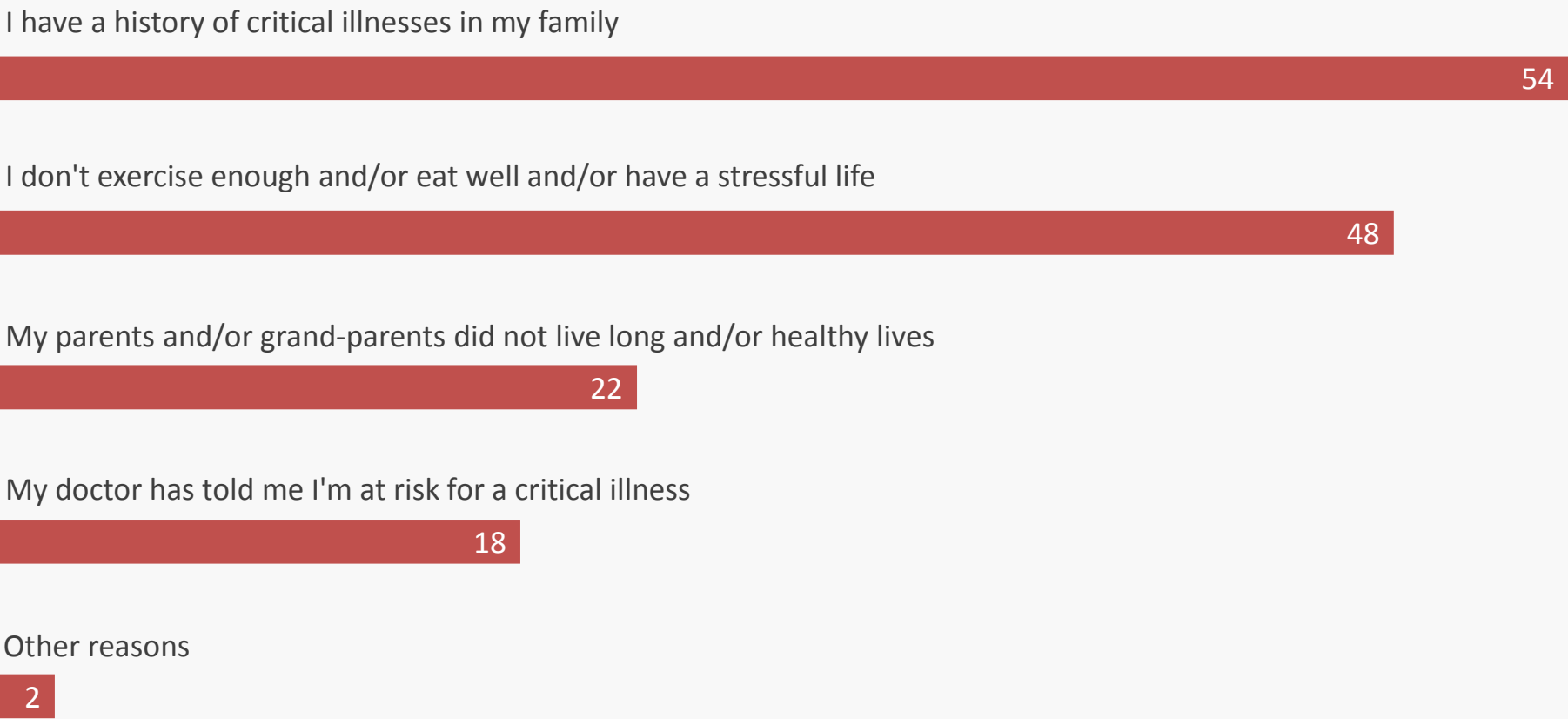


Q165. Multiple responses allowed. Base: All working Canadians who believe their risk of suffering a critical illness is lower than that of the average Canadian (n=267).

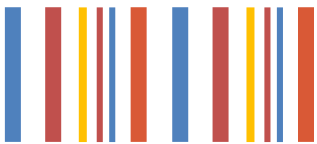


A FAMILY HISTORY OF CRITICAL ILLNESS IS THE MAIN REASON WHY WORKING CANADIANS MAY THINK THEIR RISK OF SUFFERING A CRITICAL ILLNESS IS HIGHER THAN AVERAGE

Which of the following statements describe why you believe that your risk of experiencing a critical illness is higher than that of the average Canadian?
%

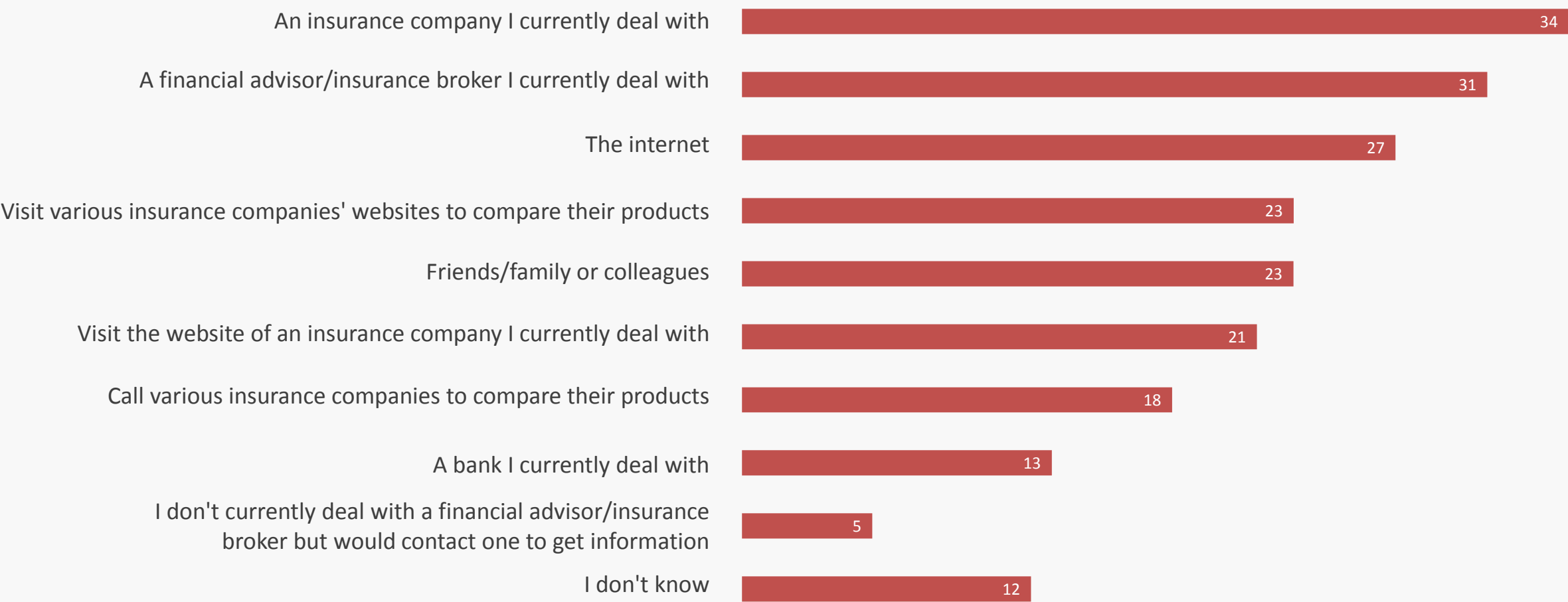


Q166. Multiple responses allowed. Base: All working Canadians who believe their risk of suffering a critical illness is higher than that of the average Canadian (n=225).

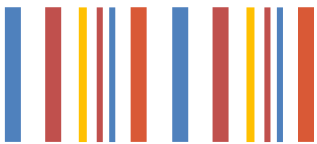


IF LOOKING TO PURCHASE CI INSURANCE, WORKING CANADIANS WOULD MOST LIKELY TURN TO THEIR CURRENT INSURANCE COMPANY OR FINANCIAL ADVISOR/INSURANCE BROKER

If you were to consider purchasing critical illness insurance for yourself or your family who/where would you turn to for information?
%

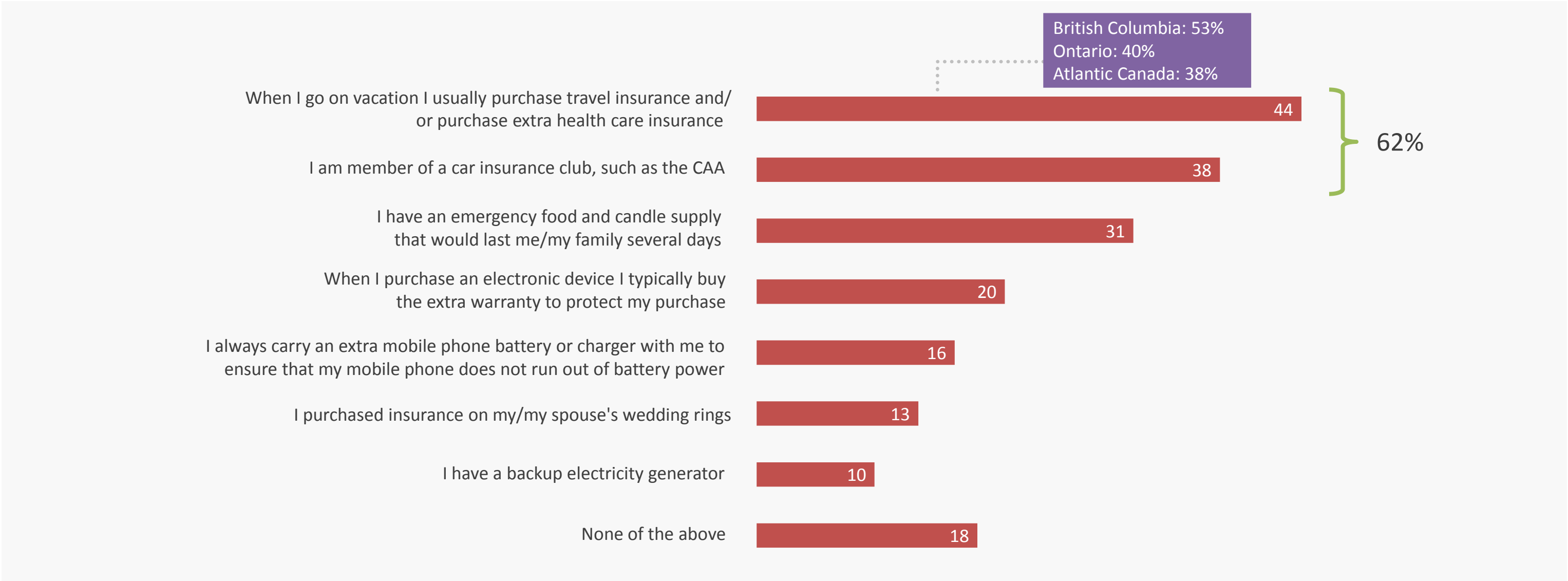


Q260. Multiple responses allowed. Base: Total (N=1,786).

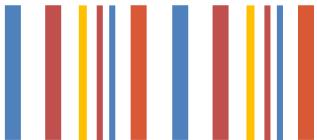


WORKING CANADIANS SHOW A GENERAL DESIRE TO MITIGATE RISK IN THEIR LIVES. SIX IN TEN (62%) PURCHASE TRAVEL INSURANCE OR ARE A MEMBER OF A CAR INSURANCE CLUB

Which, if any, of the following statements apply to you?
%



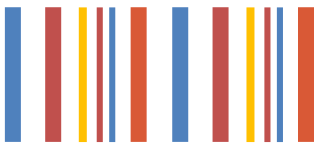
Q290. Multiple responses allowed. Base: Total (N=1,786).



AWARENESS AND UNDERSTANDING
OF CRITICAL ILLNESS INSURANCE

// We wanted to understand if working Canadians understood the term, ‘critical illness’ and if they knew about critical illness insurance. Though there is a general awareness of what a critical illness is, many did not know about the insurance that is available, or were confused about the coverage it provides. //

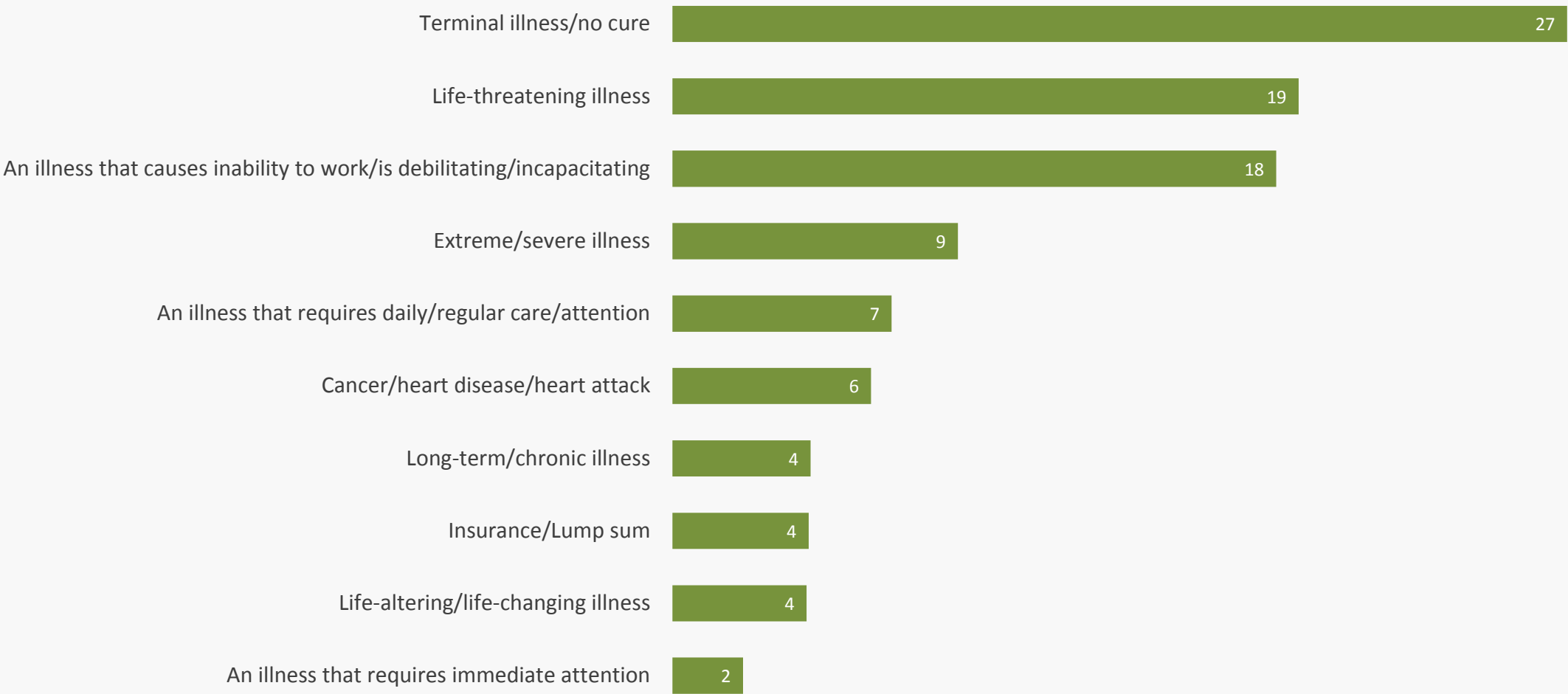




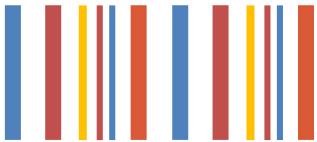
WORKING CANADIANS ARE MOST LIKELY TO EQUATE ‘CRITICAL ILLNESS’ WITH ‘TERMINAL ILLNESS’.

ONE IN FIVE (18%) DEFINE CRITICAL ILLNESS AS PREVENTING AN INDIVIDUAL FROM BEING ABLE TO WORK

What do you understand the term 'critical illness' to mean?
%

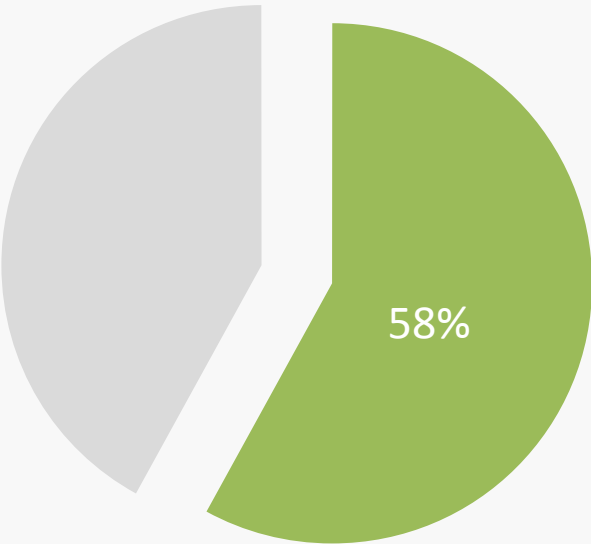


Q100. Base: All giving an answer to Q100 (N=1,620).

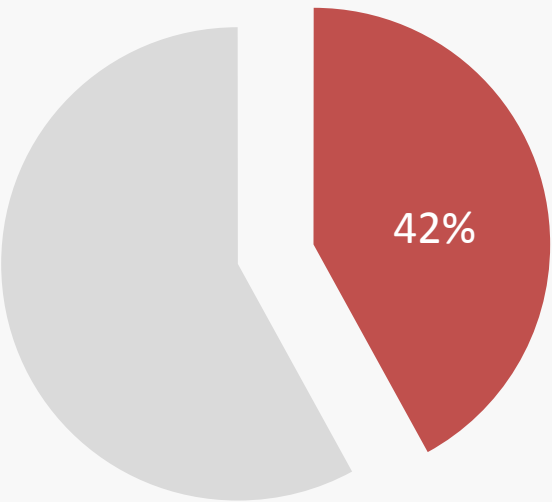


ONLY 6 IN 10 WORKING CANADIANS (58%) ARE AWARE OF CRITICAL ILLNESS INSURANCE

Before today, had you ever heard of the term 'critical illness insurance'?



Have heard of “Critical illness insurance”

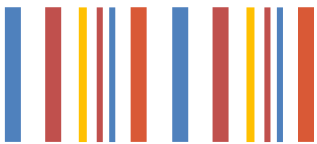


Have **not** heard of “Critical illness insurance”

% Single, with children	62	38
% Married, with children	65 ↑	35
% Single, no children	49	51 ↑
% Married, no children	56	44

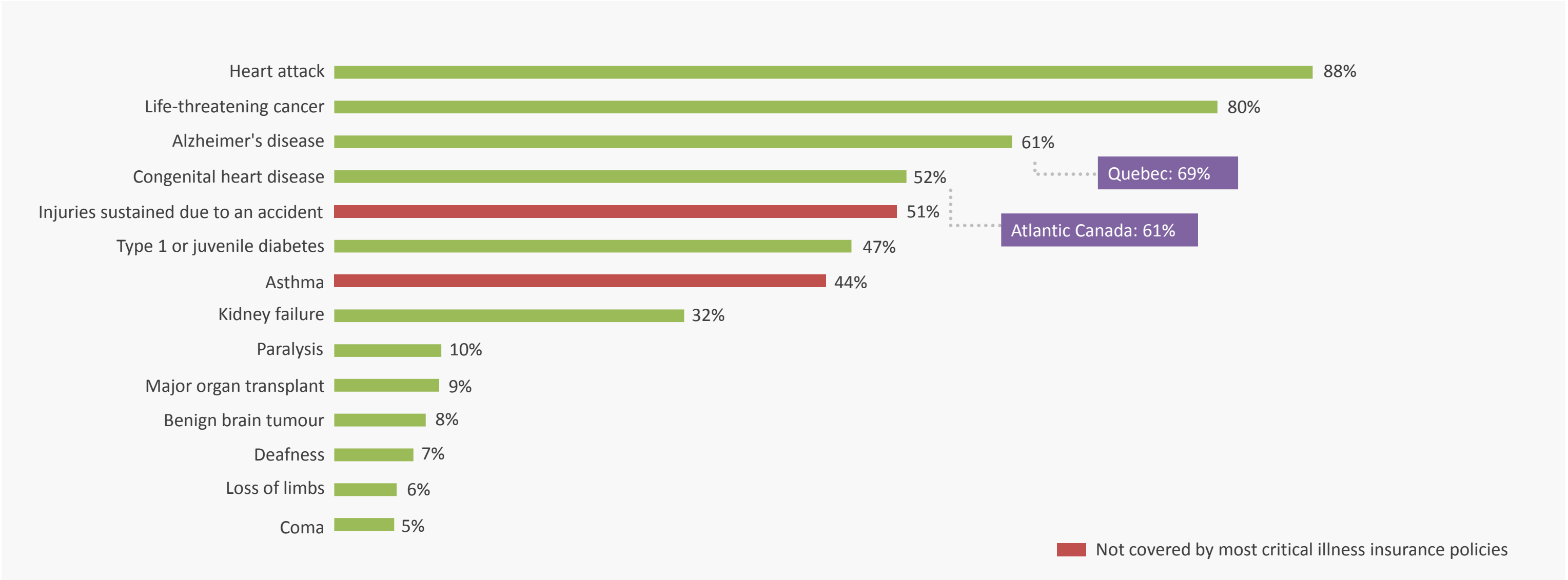
Q120. Base: Total (N=1,786).

↑ Significantly higher than the average of the other groups shown

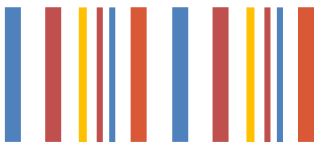


THE FOUR CONDITIONS WORKING CANADIANS BELIEVE AFFECT THE GREATEST NUMBER OF CANADIANS
ARE COVERED BY MOST CI POLICIES

Please select the 5 conditions you think affect the greatest number of Canadians.

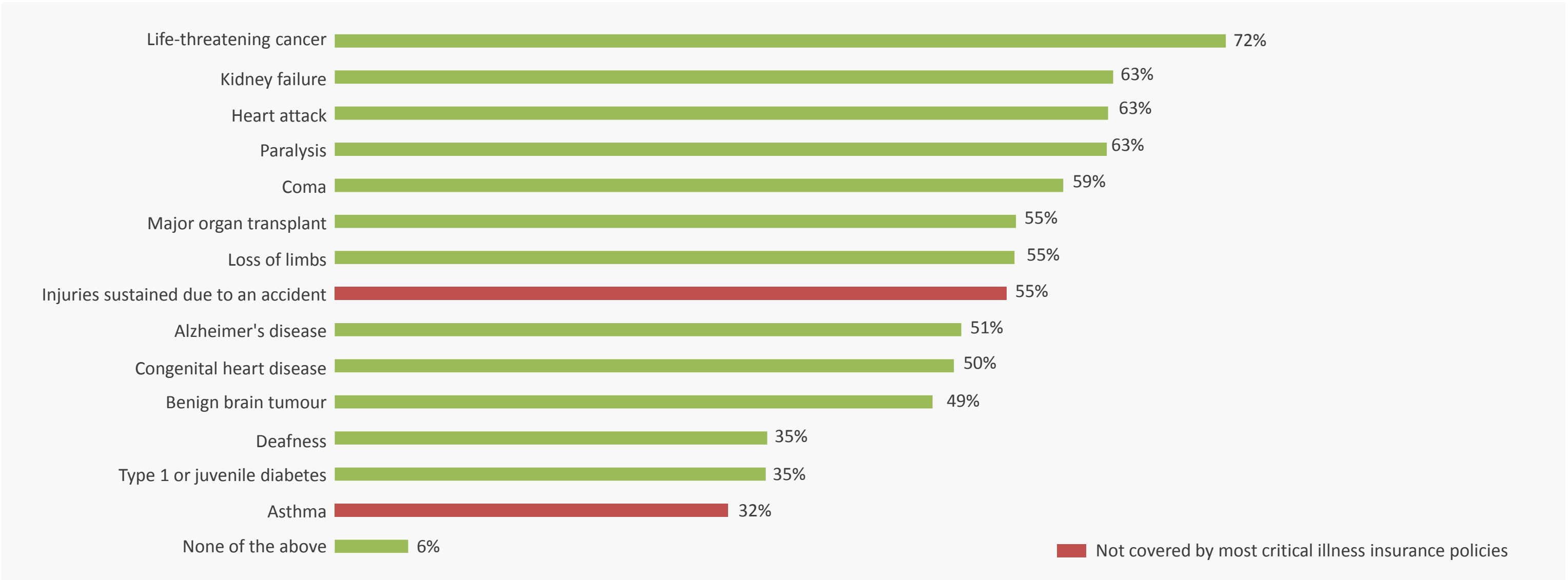


Q126. Multiple responses allowed. Base: Total (N=1,786).

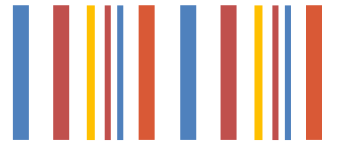


THE CONDITIONS WORKING CANADIANS ARE MOST LIKELY TO EXPECT TO BE COVERED BY CI INSURANCE ARE INCLUDED IN MOST POLICIES. HOWEVER, HALF INACCURATELY BELIEVE THAT INJURIES SUSTAINED FROM AN ACCIDENT ARE ALSO LIKELY TO BE COVERED

Which conditions from the list below do you think would be covered by most critical illness insurance policies?



Q125. Multiple responses allowed. Base: Total (N=1,786).



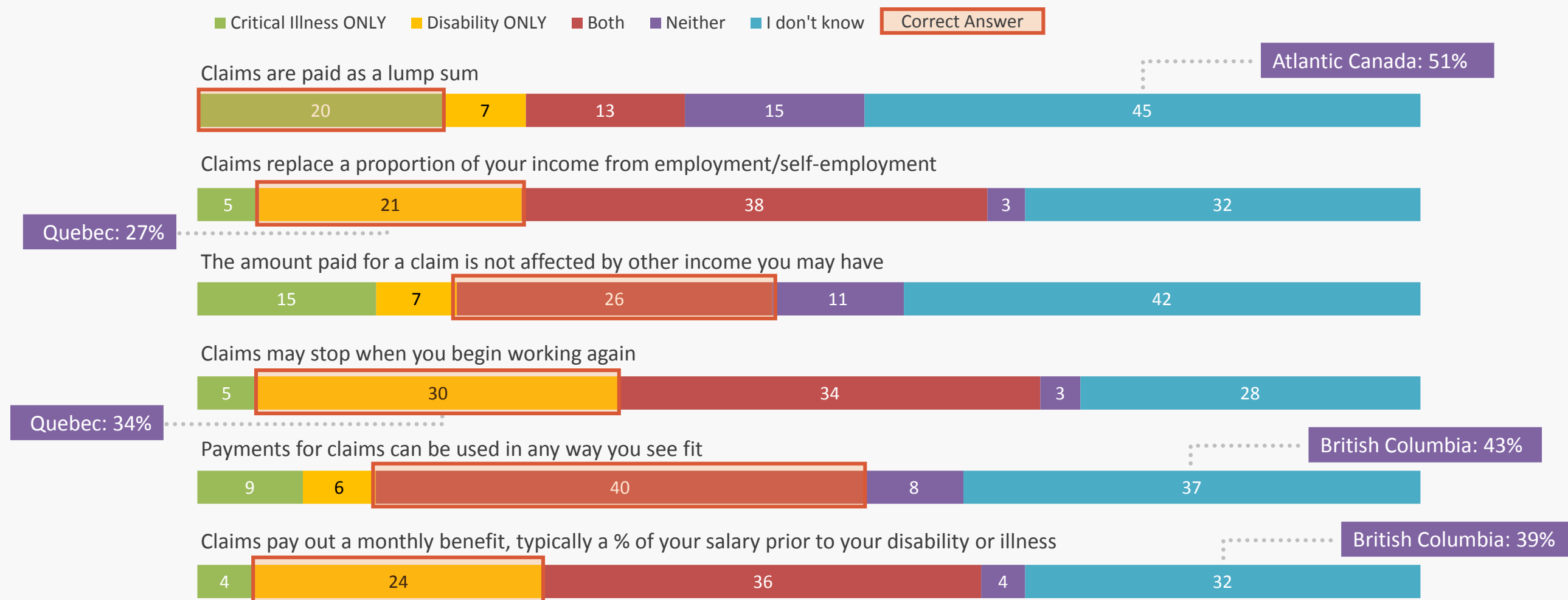
KEY FEATURES OF CI INSURANCE AND HOW IT DIFFERS TO DISABILITY INSURANCE

ARE LARGELY UNKNOWN BY WORKING CANADIANS. ONLY 1 IN 5 (20%) CORRECTLY IDENTIFY

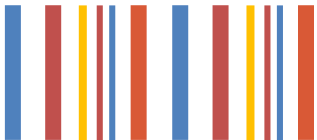
THAT CI CLAIMS ARE PAID AS A LUMP SUM, WHILE DISABILITY CLAIMS ARE NOT PAID IN THIS MANNER

To the best of your knowledge, do the following statements apply only to critical illness insurance, apply only to disability insurance, apply to both critical illness and disability insurance or apply to neither types of insurance?

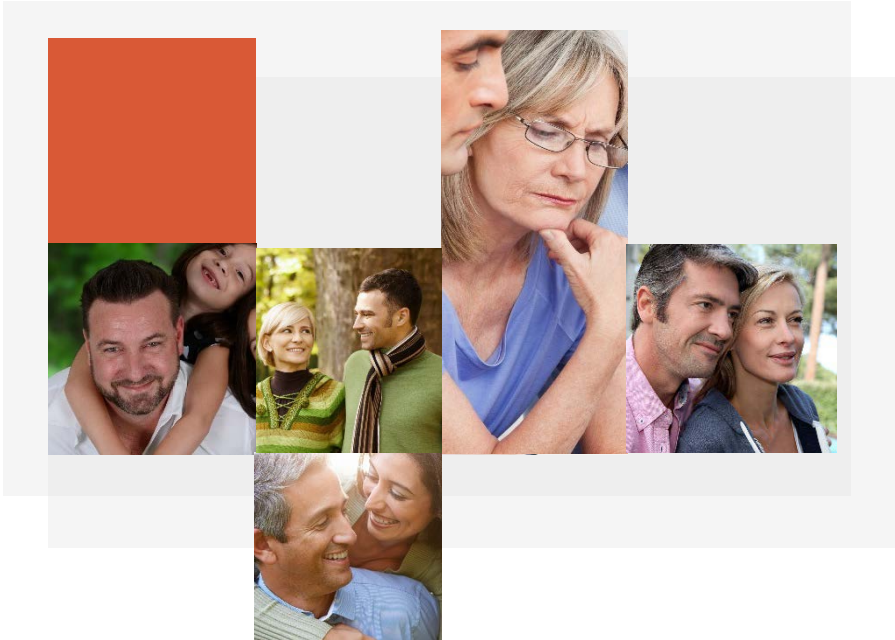
%

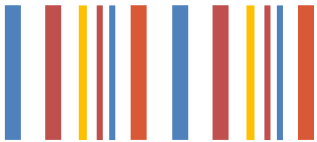


Q135. Base: Total (N=1,786).



APPENDIX

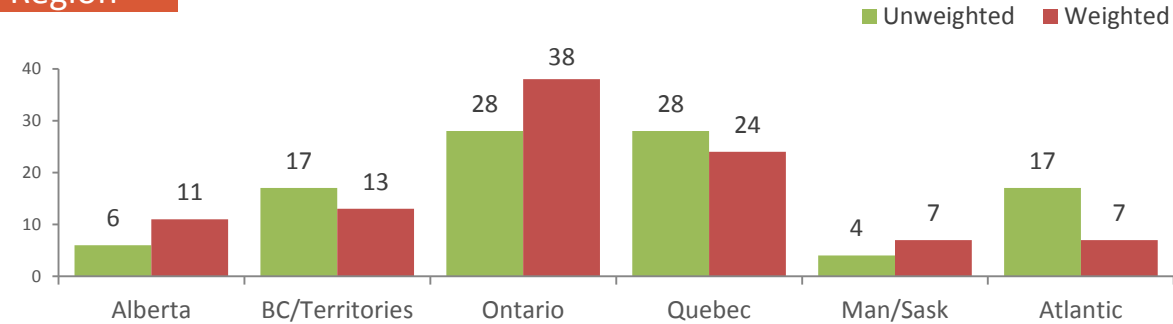




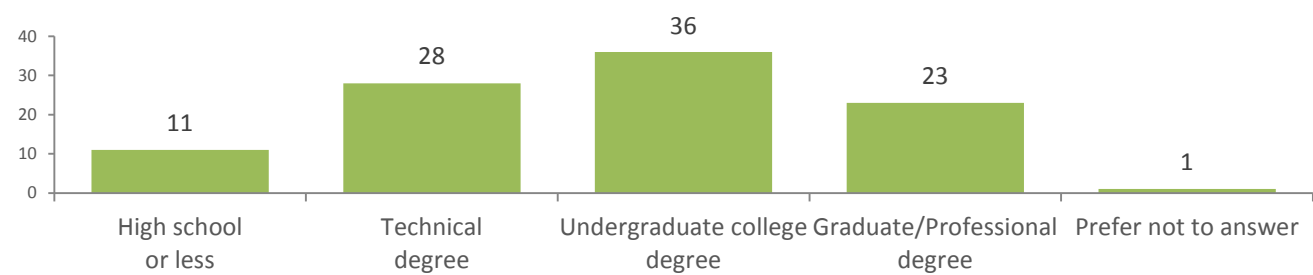
STUDY SAMPLE CHARACTERISTICS

(%)

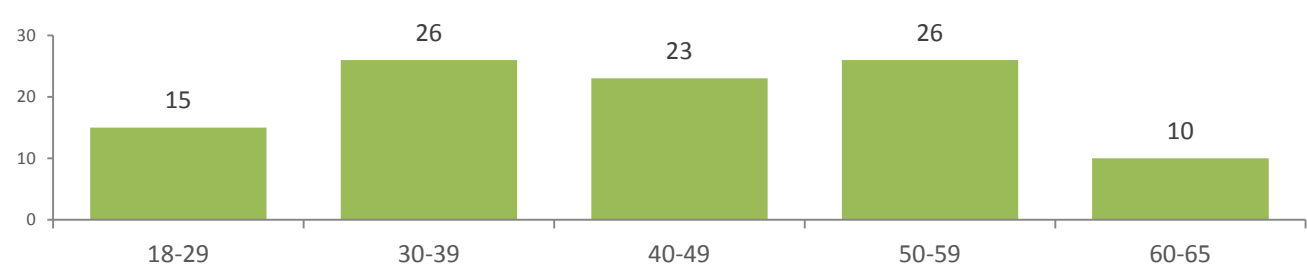
Region



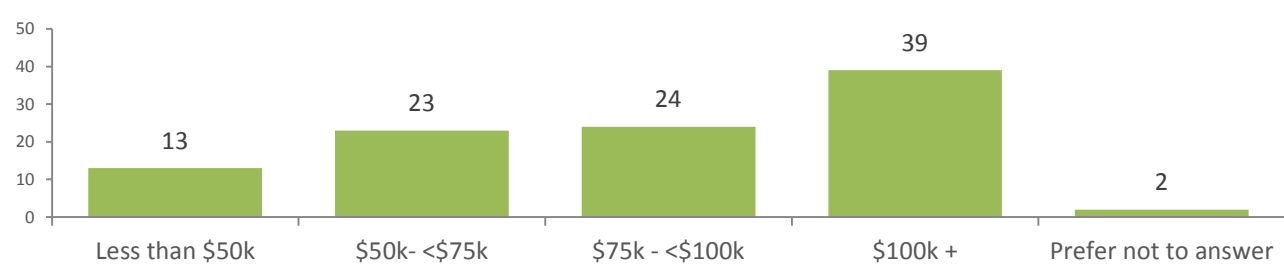
Education



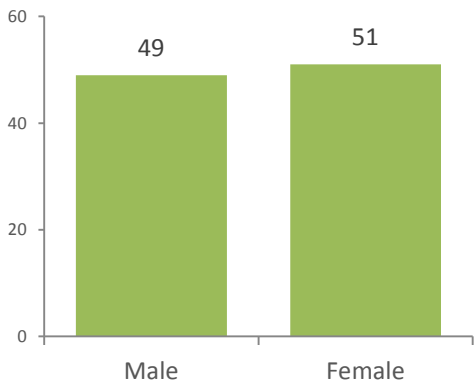
Age



Household Income



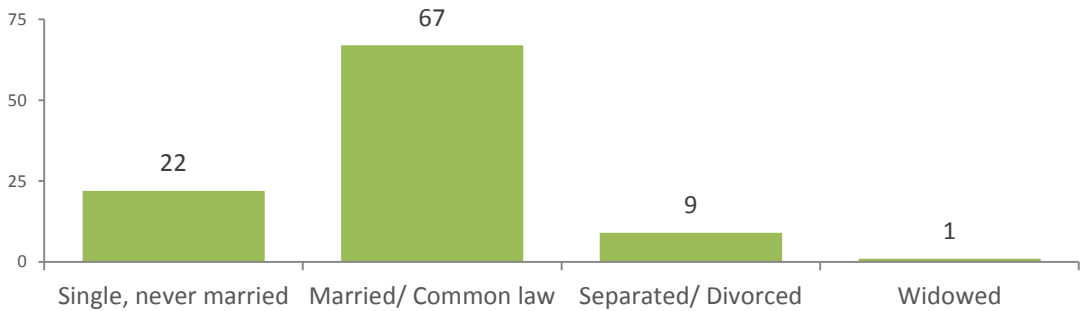
Gender



Employment Status



Marital Status



Base: Total; N=1,786.
Regional boosts were implemented to support regional-level reporting. National data shown in this report has been weighted by region to be nationally representative.