

The Insurance Purchase Decision - Canada - December 2014

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“The use of mobile apps to deliver short-term, real-time insurance offers and more tailored product bundling solutions are the most promising short-term opportunities for insurance companies.”

– Sanjay Sharma, Senior Financial Services Analyst

This report looks at the following areas:

- Consolidation and how insurance companies can increase their share of customer wallet
- Framing the discussion beyond low premiums
- Insurance brokers are still the predominant purchase channel but some trust issues persist
- Targeting under-penetrated segments such as younger consumers, singles, Chinese Canadians and the disengaged

Canada's population is ageing, with significant growth in the over-65 population expected in the coming years. Demand for life, travel, funeral, and health insurance products therefore looks set to continue rising, supported by a relatively stable economy and rising net worth of Canadian households. With many Canadians securing health and life insurance policies through their employers, a buoyant employment market should also help to prop up sales.

Auto insurance is mandatory in Canada and although a few of the provinces have government-owned auto insurance providers, the market for auto insurance is expected to be steady. Similarly, a strong housing market should ensure robust demand for products such as homeowners and mortgage insurance. Products such as pet, creditor and funeral insurance continue to be niche products, but insurance companies are likely to continue their efforts to expand product ownership both through traditional and newer channels. Although brokers continue to be the predominant channel for most insurance products, there is plenty of scope for using mobile apps to sell short-term insurance solutions and individualized products.

This report covers the drivers of the insurance market in Canada and contains consumer data relating to ownership, choice of provider, purchase channel, choice factors, renewal behaviour and attitudes towards insurance purchase.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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