

## **Study Shows Canadians Prefer Buying Life Insurance in Person**

Between buying life insurance from work, online, over the phone, or in person: studies show that an overwhelming 76 percent, or three out of four Canadians, prefer face-to-face meetings. This comes to light with LIMRA's new study conducted at the end of September this year, concluding Life Insurance Awareness Month.

LIMRA, the Life Insurance and Market Research Association, released its findings in the "2013 Canadian Life Insurance Ownership Study", an annual market research project done to calculate long-term trends in the life insurance market. This study covers criteria such as: rate of life insurance ownership, coverage amounts, and general consumer feedback about life insurance.

This study was conducted across 3,200 Canadian households, and involved household financial decision makers and their life insurance. According to LIMRA's Senior Research Director Cheryl Retzloff, "Our research found that six million Canadians believe they need more life insurance and three-quarters of those we surveyed would prefer to buy it face-to-face." She adds that the opportunity for insurance companies is present, "These findings should suggest a high potential for increased sales. When we asked what keeps consumers from buying life insurance, the top two reasons given were: low priority and a perception that it's not affordable."

A distant second to face-to-face meetings was purchasing life insurance over the internet, which was favored by 11 percent of those queried, with workplace and direct phone and mail methods closely behind. The prevalence of face-to-face methods is a unique opportunity for Canadian insurance companies: less than half of Americans prefer face-to-face methods and only 43 percent of Americans indicate that they prefer this type of meeting.

While a personal meeting with a professional ranks so highly among Canadians, recruiting for sales professionals has dropped 14 percent in 2012 compared to the last five years. According to LIMRA's Canadian Recruiting Trends study, this is a drop from 15,600 new sales professionals to 13,500. Between less available sales agents and a weak increase in non-face-to-face selling, this "creates a real challenge for Canadian insurance companies," according to LIMRA.

Other findings of LIMRA's study include facts, such as:

- Ownership of life insurance in Canadian households has dropped from 79 percent in 2006 to 68 percent in 2012.
- The primary financial concern among those polled was the state of Canadian public health care funding. 84 percent of those polled were "very" or "somewhat concerned" about this issue.
- 80 percent of Canadians polled are concerned about inadequate finances for retirement. A similar percentage were also concerned about long term care, and its availability and cost.
- Three out of four households with married couples and children under 18 said they would face hardship with living expenses if their primary wage earner died.

Reference:

<http://www.limra.com/uploadedFiles/limracom/Posts/PR/ Media/PDFs/2013-Canadians-Prefer-to-Purchase.pdf>

[http://www.limra.com/Research/Abstracts/2013/Canadians\\_at\\_Financial\\_Risk\\_\\_2013\\_Canadian\\_Life\\_Insurance\\_Ownership\\_Study\\_Highlights.aspx?div=AllResearch](http://www.limra.com/Research/Abstracts/2013/Canadians_at_Financial_Risk__2013_Canadian_Life_Insurance_Ownership_Study_Highlights.aspx?div=AllResearch)