Financial Resilience Institute



Insurance Protection: An Essential Pillar of Financial Resilience

Intelligence Summary Highlights

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Insurance Protection: An Essential Pillar of Financial Resilience

Intelligence Report Highlights – October 2026

Introduction

This independent report from the Financial Resilience Institute reveals stronger evidence of the clear correlation between sufficient insurance protection and improved household financial resilience.

The Institute's Financial Health and Resilience Index trended data and February 2026 Index analytics reinforce the October 2024 findings, revealing that having sufficient insurance protection is an increasingly important contributor to financial resilience, even compared to three years ago. Similarly, households affected by extreme weather events in the past two years are also more financially vulnerable than those not impacted, compared to two years ago.

Financial Resilience Institute is the first organization to measure and prove the correlation between households reporting having insurance protection and improved financial health and resilience outcomes for Canadians, leveraging a robust, outcomes-focused Index and multiple series of data. This evidence is powerful for financial health-focused organizations everywhere with an interest in protection as a pillar or contributor to households' financial health and resilience.

This Intelligence Report builds on the Institute's leading '*Protection as a Pathway to Financial Resilience and Financial Well-Being*' report (January 2025) and its several published reports on the financial health and resilience and financial well-being of households. These include, most recently, the complementary report '*The Impact of Extreme Weather Events on Financial Vulnerability for Households and Small and Medium Enterprises (SMES) in Canada*' (September 2026).

About the Financial Health and Resilience Index

The Financial Health and Resilience Index measures individuals' and households' financial resilience, defined as '*their ability to get through financial hardship, stressors and shocks resulting from unplanned life events*' at the national, provincial, segment, and individual household level for Canadians and insurance and bank customers, across nine behavioural, sentiment and resilience indicators. 'Extremely Vulnerable' households score 0 to 30; 'Financially Vulnerable', 30.01 to 50; 'Approaching Resilience', 50.01 to 70; and 'Financially Resilient', 70.01 to 100.

The February 2026 Financial Well-Being Study and Index data draw on a robust sample of 5429 adult primary financial decision makers from a representative sample of the population by household income, age, province and gender. Of these, 4655 were scored through the Institute's Financial Health and Resilience Index Model, with a pre-pandemic baseline of February 2020 (MOE ±1.4%).

While data and insights focus on the Canadian case, learnings and applications may be applicable for financial institutions and financial health leaders globally. This data and evidence can complement

impact work to progress scalable, relevant protection offerings and solutions for households and businesses in Canada and other markets, recognizing that insurance can support households in their ability to get through financial hardship, stressors and shocks, while protecting against the unexpected and achieving their goals.

Source: Financial Resilience Institute, 'Insurance Protection: An Essential Pillar of Financial Resilience' Intelligence Report, October 2026. The full Intelligence Report is published here.

Data is based on the Institute's February 2023 to February 2026 Financial Health and Resilience Index Model and Financial Well-Being Studies, Seymour Financial Resilience Index ®

The world-leading peer-reviewed Financial Health and Resilience Index measures *financial resilience, i.e. one's ability to get through financial hardship, stressors and shocks as a result of unplanned life events, across* nine behavioural, sentiment and resilience indicators at the national, provincial and individual household levels for Canadians and the customers, employees or stakeholders of our clients and partners. Information about the Index, indicators and scoring model are published here, with the Index having a baseline of February 2020 and the development methodology here.

Data analytics are based on a sample size of 5429 survey respondents for the February 2026 Financial Well-Being Study from a representative sample of the population by household income, age, province and gender, with 4655 survey respondents scored through the Financial Health and Resilience Index Model, MOE +/- 1.4%. There are similar robust sample sizes for the February 2023, February 2024, October 2024 and February Financial Well-Being Studies.

Extremely Vulnerable' households have a financial resilience score of 0 to 30; 'Financially Vulnerable' a score of 30.01 to 50; 'Approaching Resilience' a score of 50.01 to 70, and 'Financially Resilient' a score of 70.01 to 100.

Our non-profit has made available a free individual financial resilience score tool based on the Index for all Canadians, linked to independent articles and resources, available here.

Seymour Financial Resilience Index ® is a trademark used under license by Co-operators and the Financial Resilience Society.
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Intelligence Report Highlights

1. Sufficient insurance protection is clearly correlated with improved financial resilience outcomes, across every household income demographic and life stage

The clear correlation between Canadian households reporting having sufficient insurance to protect against the unexpected and improved household financial resilience outcomes is now even more powerful: the Institute's Financial Health and Resilience Index trended data and February 2026 Index analytics reinforce the same finding from October 2024 Index analytics. Households that 'completely agree' they have sufficient insurance protection have a mean financial resilience score of 63.2 as of February 2026, with this 18.4 Index points higher than households reporting they do not have sufficient insurance protection. Similarly, households that completely or somewhat agree they have sufficient insurance protection have a mean financial resilience score that is 15.3 Index points higher as of February 2026 compared to those reporting they do not have sufficient insurance coverage. Trended Index data from 2023, 2024 and 2025 tells the same story.

70% of households reporting having sufficient insurance are 'Approaching Resilience' or 'Financially Resilient', up from 66% in October 2024, compared to only 41% of households that report they do not have sufficient insurance coverage to protect against the unexpected.

Households that report they have sufficient insurance protection have improved financial resilience outcomes across every household income demographic, based on multiple time series of data, highlighting the valuable contribution of insurance to their financial resilience, whatever their household income level. Among lower-income households with a household income under $50,000, for example, those reporting sufficient insurance coverage have a Mean Financial Resilience Score that is 11.2 Index points higher than those not reporting this as of February 2026. For high-income households with household income over $200,000 that report they have sufficient insurance protection, their mean financial resilience score is 15.6 Index points higher compared to households not reporting this, with this delta having more than doubled from the 7.0 Index points in October 2024.

Households from all life stages that report they have sufficient insurance coverage also have improved financial resilience outcomes. Importantly, insurance protection is a particularly important contributor for Gen X Canadians based on the Institute's Index data.

2. Protection gaps remain significant

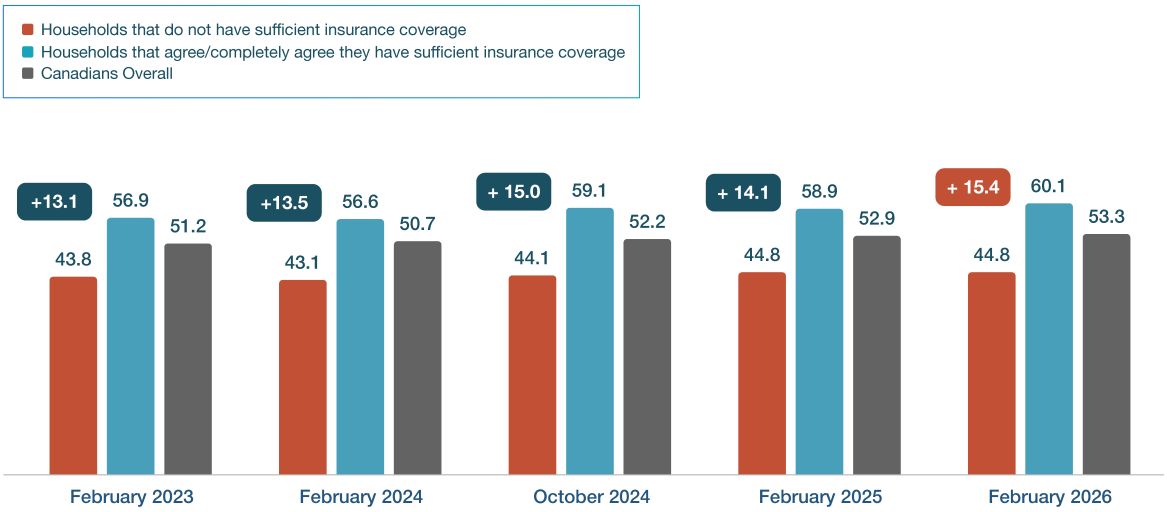
While 55% of households report sufficient insurance coverage to protect against the unexpected, 45% are not confident in this regard, highlighting protection as an often-overlooked pillar of household financial health and resilience.

3. Financial vulnerability gaps have increased for households not reporting having sufficient insurance coverage compared to three years ago, and Insurance has become a more powerful contributor to household financial resilience over the past three years

The mean financial resilience score of households reporting they have sufficient insurance protection increased from 56.9 in February 2023 to 60.1 in February 2026, compared to 53.3 for Canadians overall, with these households 'Approaching Resilience'.

At the same time, the mean financial resilience scores for households reporting they do not have insufficient insurance protection remained broadly flat, increasing from only 43.8 to 44.8, with these households 'Financially Vulnerable'.

Mean financial resilience score of households that completely or somewhat agree they have sufficient insurance coverage to protect against the unexpected, compared to those that do not and Canadians Overall (February 2023 to February 2026)



4. Households reporting having sufficient insurance coverage score higher across every Index Indicator

Households that report they have sufficient insurance coverage score higher across every one of the nine Financial Health and Resilience Index indicators compared to those that report they do not have sufficient insurance protection based on February 2026 Financial Health and Resilience Index analytics, building on the same evidence published in our January 2025 Report.

This is the same case as in October 2024, as published in our January 2025 report. As of February 2026, the largest reported differences were in the self-reported credit score indicator (19.3 Index

points), the financial stress composite indicator (18.5 points) and confidence in meeting one's short-term savings goal indicator (17.0 points). Analytics based on October 2023 data tell the same story.

5. Insurance protection is particularly powerful in helping to strengthen financial resilience outcomes for Gen X Canadians

Insurance is a particularly important contributor for Gen X Canadians, navigating many planned and unplanned life events, with the mean financial resilience score of Gen X households that report they have sufficient insurance 19.3 Index points higher at 58.6 as of February 2026 compared to a mean financial resilience score of 39.3 for Gen X Canadians that report they do not have sufficient insurance coverage as of February 2026. Financial Institutions and insurers may want to particularly target these households to help them strengthen their financial health and resilience and enable households to protect against the unexpected, while achieving their goals.

6. Households unable to access insurance to improve their financial security face greater financial vulnerability, with opportunities to advance access to insurance

The proportion of households reporting they could not access insurance to improve their financial security over the past year decreased from 7.1% in October 2024 to 5.4% in February 2026. Yet inequities persist: 15% of 'Extremely Vulnerable' households report this challenge, compared to just 1% of 'Financially Resilient' households.

Access to insurance is increasingly important to financial resilience outcomes. The delta between the mean financial resilience score of households that could versus could not access insurance to improve their financial security over the past year widened to 22.3 Index points in February 2026, from 19.8 Index points in October 2024.

As an emerging opportunity, financial institutions, insurers and financial health organizations can work to identify ways to make insurance more accessible for their target customers and communities, where feasible. This can potentially include for more financially vulnerable or underserved households or businesses' customers, while scaling solutions that work and identifying barriers to inclusive insurance. Committed financial health leaders can also measure and track whether improved access to insurance (and different types of insurance) and other interventions translate into improved financial resilience outcomes for customers overall and key segments over time.

Continued innovation, partnerships and testing-and-learning can help advance financial health and resilience from a protection standpoint, supporting households with different needs and risk levels while ensuring solutions are practical, scalable and meet target consumers' needs.

7. Households who have met with an advisor in the past year to ensure they have the right protection products and policies have strengthened financial resilience

Nearly one in four Canadian households (23%) report they have met with an advisor over the past year to ensure they have the right protection products or policies, with this rising to 33% among Baby Boomers. Across all generations except Gen Z, these same households report higher financial resilience scores based on the Financial Health and Resilience Index (February 2026).

Across all life stages except Gen Z, those who have met with an advisor report higher mean financial resilience scores, highlighting the power of advice. For example, households that report they have met with an advisor to ensure they have the right protection products or policies have a mean financial resilience score of 60.4 compared to a score of 51.1 for those who have not met with an advisor in the past year.

As an emerging opportunity: Financial institutions, insurers and others can help more Canadians access advisors, practical help, tips and advice to protect against the unexpected, with this measurably contributing to their financial resilience.

8. Protection advice gaps evident: with a third of households reporting they are not confident they are receiving the right advice to protect against the unexpected

A third of households (33%) overall report they are **not** confident they are receiving the right advice to help them protect against the unexpected, with this advice contributing to their financial resilience.

A greater proportion of Millenials (38%) Gen X Canadians (36%) report they are not confident in this regard as of February 2026, compared to 24% of Baby Boomers.

Households that report they are confident they are receiving the right financial advice to help them protect against the unexpected have significantly higher mean financial resilience scores: 61.1 for households overall that report they are confident they are receiving the right advice to help them protect against the unexpected (with these 'Approaching Resilience') compared to a score of 40.4 for those that are not confident in this regard, with a delta between the two segments of a significant 20.7 Index points as of February 2026.

There are opportunities for financial health and resilience-focused organizations to ensure their target customers and communities are receiving relevant financial help and advice to help them protect against unexpected events and manage risks.

More than two-thirds of 'Extremely Vulnerable' households (69%) report they are not confident that

they are receiving the right financial advice to protect against the unexpected in February 2026, up slightly from 65% in February 2025. This compares to just 11% of 'Financially Resilient' households reporting the same. This gap has remained largely unchanged since February 2025, highlighting persistent disparities across financial resilience segments, and opportunities for insurers and others to help their more financially vulnerable customers to understand their risks and protect against the unexpected, as appropriate.

9. The financial resilience gap linked to extreme weather has widened: strengthening the case for protection and risk management

The Institute has recently published an intelligence report 'The Impact of Extreme Weather Events on the Financial Vulnerability of Households and SMEs' (September 2026). While extreme weather events are increasingly impacting households and communities, having sufficient insurance protection and risk management is increasingly important. Extreme weather events are widespread and negatively impact the financial resilience of Households.

One in five households report being negatively impacted by extreme weather events over the past two years based on the Institute's tracking, with a third of these same households reporting that this negatively impacted their financial situation. Households negatively impacted by extreme weather events had a mean financial resilience score of 49.3 as of February 2026, with these households 'Financially Vulnerable', compared to a score of 54.5 ('Approaching Resilience') for those not impacted.

The delta, or 'financial resilience gap', between households negatively impacted by extreme weather events and those not increased from 2.9 Index points in February 2024 to 5.2 Index points in February 2026. This highlights an opportunity for policymakers, financial institutions and insurers to strengthen access to protection solutions, practical help and risk management support.

10. There is an increasing number of households financially impacted by extreme weather events that are not confident they have sufficient insurance coverage to protect against the unexpected

More than half (55%) of households impacted by extreme weather events in the past two years report that their household does not have insurance coverage to protect against the unexpected, up from 48% in February 2025. This widening protection gap underscores the need for policymakers, financial institutions and insurers to improve access to appropriate coverage and proactive protection advice as extreme weather events increase in frequency. This data complements Index analytics and insights published in the Intelligence Report, 'The Impact of Extreme Weather Events on Financial Vulnerability for Households and Small and Medium-Sized Enterprises (SMEs)'.

11. Having sufficient insurance coverage is associated with higher financial well-being, leveraging new analytics from the Institute's open-source Financial Well-Being Index model, linked to an Overall Personal Well-Being score

Having sufficient insurance coverage is also associated with higher levels of financial well-being, based on the Institute's open-source Financial Well-Being Index Model and new analytics conducted by the Financial Resilience Institute [1].

As of February 2026, households reporting sufficient insurance coverage have a mean financial well-being score of 6.1 (with these households 'Coping'), compared to a mean financial well-being score of 4.9 (with these households 'Struggling') for those reporting insufficient coverage [2].

As an emerging implication for insurers and financial institutions, this highlights that helping households to secure sufficient insurance coverage creates an opportunity to support their financial well-being and overall personal well-being, in addition to their financial resilience.

12. Sufficient insurance coverage is associated with higher levels of financial well-being for Canadians across all life stages, and in particular Gen X Canadians

Households reporting sufficient insurance coverage have higher mean financial well-being and overall personal well-being scores than those reporting insufficient coverage, with the financial well-being gap particularly pronounced for Gen X Canadians.

As an emerging implication, financial institutions and insurers can strengthen proactive protection tips, help and advice tailored for different life stages and key planned and unplanned life events, with opportunities for them to pay particular attention to the needs and pain points of Gen X households and/or other target populations they aim to serve.

[1] Source: Financial Resilience Institute, February 2026 Financial Well-Being Index Model and Financial Well-Being Scoring Tool. The linear regression model is a strong model with an R2 of 88.9%.

[2] Households are scored from 0 to 10 based on their financial well-being score. Households with a financial well-being score of 0 to 3 are 'Really Struggling', those with a score of 3.01 to 5 are 'Struggling', those with a score of 5.01 to 7 are 'Coping' and those with a financial well-being score of 7.01 to 10 are 'Thriving.'

More information on the open-source Financial Well-Being Index Model created by Financial Resilience Institute is here. The Index development methodology is here and free toolkit with BI compatible scoring tool is here. The Index has many applications and is also available as a free individual scoring tool linked to a bank of resources for all Canadians and global citizens.

13. A strong business case: 54% of Canadian customers of Financial Institutions and insurers that rate their Financial Institution (FI) highly for helping them to improve their financial wellness over the past year report they are likely to use the same FI for more of their insurance needs

As an independent authority, the Institute tracks the extent to which Canadian bank and credit union customers, insurers and our clients' customers rate their primary financial institutions highly for helping them to improve their financial wellness over the past year. This includes analysis of households overall.

There is a strong business case for financial institutions and insurers to support their customers' financial wellness. While 48% of Canadians overall rate their primary Financial Institution (FI) highly for helping them to improve their financial wellness over the past year as of February 2026, 54% of these same households or customers overall report they are likely to use their FI for more of their insurance needs.

Credit Unions have a higher proportion of their members rating their primary Credit Union highly for helping them to improve their financial wellness over the past year compared to bank clients (58% compared to 47%).

Interestingly, a greater proportion of credit union members that rate their credit union highly for helping them to improve their financial wellness over the past year (59%) report they are likely to use their credit union for more of their insurance needs, with this the case for 55% of bank clients.

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