

Sun Life Canadian Health Index™

2013 Canadian Health Index Report



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Introduction

One of the unintended consequences of Canada's complex system of health care funding is that its dependence on multiple payers sometimes confuses patients and their families. Who pays for what? How much, and under which circumstances? What does the province cover? What about personal insurance? Or an employer-sponsored plan?

If you've cared for a family member, you've experienced first-hand the stress that comes with navigating the system at exactly the time you want to be wholly focused on your loved one.

This year's edition of the Sun Life Canadian Health Index™ – our fourth annual – delivers a number of findings that illustrate just how perplexing all of this is for Canadians. The data tell a story of Canadians struggling to understand the universal health care system they hold so dear.

Three key findings:

- **Too many Canadians underestimate out-of-pocket health costs.** Prescription drug expenses are a good example. They're commonly covered in one form or another, but most Canadians have to pay a percentage of the cost themselves. Why is it then that only 54% of respondents told our researchers that they expect to pay some amount out-of-pocket for their prescriptions? Do the rest believe they won't need medicine? Not likely.
- **Too few Canadians are prepared financially for a major health event.** Whether for a serious illness or accident, few are ready for the financial hit that often follows. Twenty per cent of Canadians have no personal or group health insurance and no money saved for future health expenses.
- **Those who suffer a major health event are likely to feel a financial impact.** Four in 10 respondents who've been in this situation told us they experienced "financial hardship" as a result. More than half told us their experience triggered at least one negative financial result.

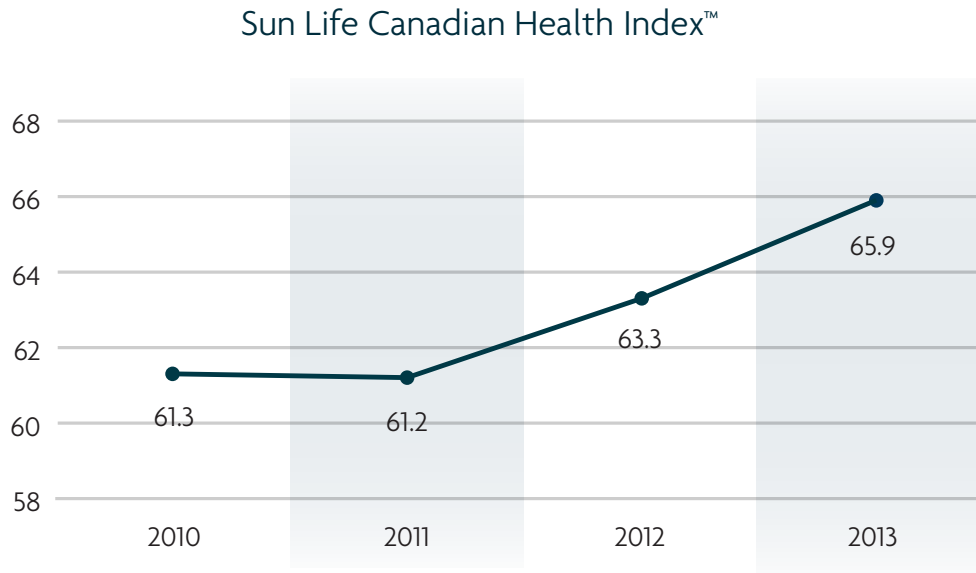
Now in its fourth year, the Sun Life Canadian Health Index™ is designed to learn what Canadians think about their health and the healthcare system they depend on. There is good news in this executive summary. Most Canadians are feeling good about their physical and emotional health. Stress continues to be an issue. But many are motivated to maintain a healthy lifestyle.

We're pleased to present you our 2013 findings. And we look forward to further study.

Kevin Press
Assistant Vice-President, Market Insights
Sun Life Financial

Section 1: How are we feeling?

After edging up 2.1 points between 2011 and 2012, the Sun Life Canadian Health Index™ continued its upward momentum this year. Based on a series of questions that explore how respondents feel about their health, lifestyle and finances, the index reached a record high of 65.9 in 2013. That's up marginally from last year, and it is 4.7% higher than the low recorded in 2011.¹



Source: 2013 Sun Life Canadian Health Index™

On a scale of 0 to 100, more than three-quarters (77%) of Canadians scored their overall health 75 or better. Similar results were recorded across the country. In Atlantic Canada, 76% of respondents scored in the top quartile. The same can be said of 80% of respondents in Quebec, 73% in Ontario, 73% in Manitoba-Saskatchewan, 83% in Alberta and 82% in British Columbia.

Nationally, 77% of Canadians placed themselves in the top quartile in terms of their emotional/mental health. Compare that to 71% who did the same with regards to their physical health. The regional top-quartile scores are mixed:

- Atlantic Canada: 78% emotional health, 69% physical health.
- Quebec: 79% emotional health, 75% physical health.
- Ontario: 74% emotional health, 68% physical health.
- Manitoba-Saskatchewan: 75% emotional health, 68% physical health.
- Alberta: 80% emotional health, 74% physical health.
- British Columbia: 78% emotional health, 74% physical health.

¹The Sun Life Canadian Health Index™ is based on responses to six questions. Prior years' results have been restated to facilitate methodologically sound year-over-year comparisons.

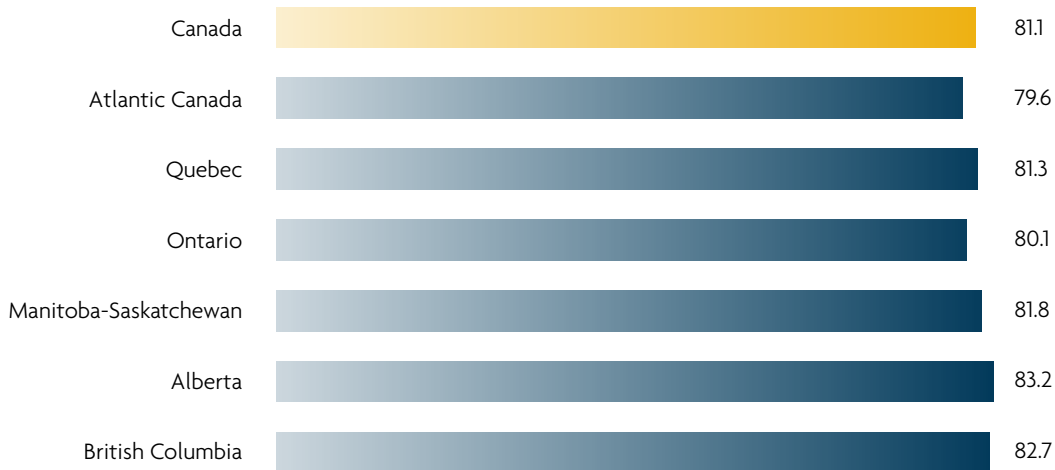
National scores have improved on both counts. This year's average emotional health score is 81.7, compared to 79.4 in 2012. The average physical health score is 78, versus 74.2 one year ago.

A strong majority of Canadians are motivated to achieve and maintain a healthy lifestyle. Seven in 10 scored in the top quartile. This is another area of improvement over 2012. This year's average score is 79.2, versus 74.5 in 2012.

Regionally, 72% in Atlantic Canada scored themselves in the top quartile in terms of their intention to attain and maintain a healthy lifestyle. Seventy-seven per cent did the same in Quebec, as did 69% in Ontario, 62% in Manitoba-Saskatchewan, 67% in Alberta and 68% in British Columbia.

These results align with a small uptick in life expectancy among respondents this year. The national average life expectancy is 81.1 years, up from 80.8 in the 2012 study.

Average life expectancy



Q: Based on everything you know today to what age do you think you will live?

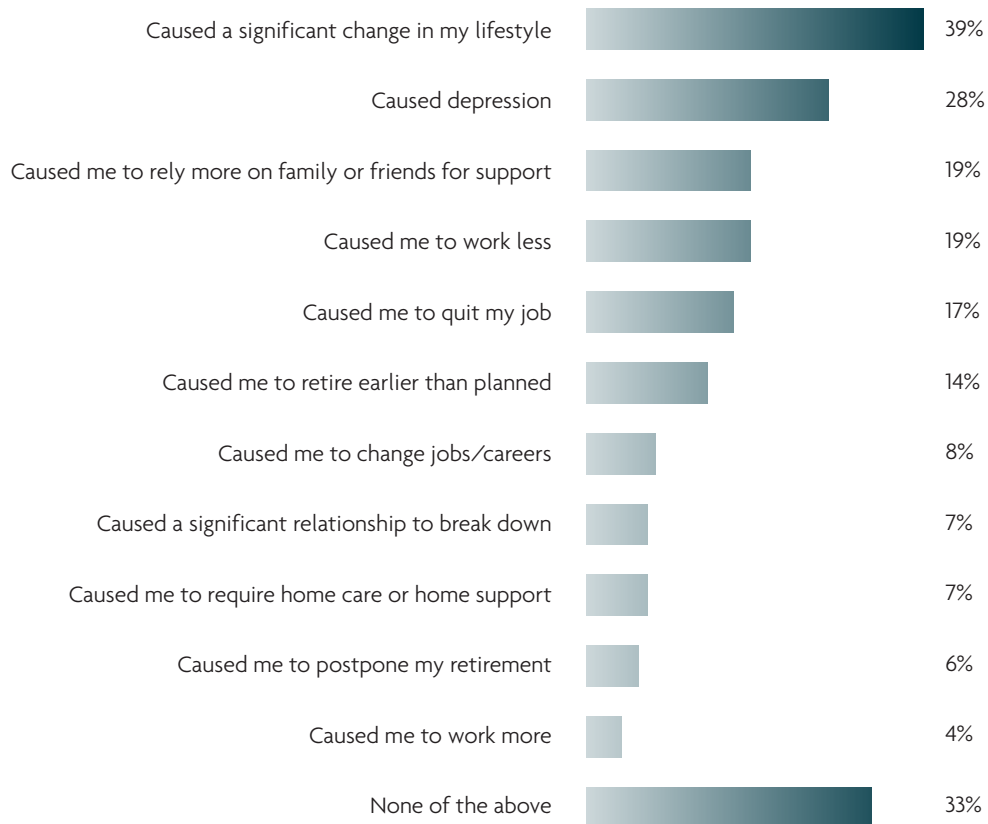
Source: 2013 Sun Life Canadian Health Index™

The financial impact of health issues

While 2013 brings good news in terms of rising perceptions of good health, health issues continue to impact a significant number of Canadians. In fact, 28% of Canadians said they have experienced a serious health event or an accident in their lifetime.

These events and accidents have an impact. Thirty-nine per cent said that theirs triggered a significant lifestyle change. Many reported adverse impacts such as depression, increased reliance on others for support, job loss or reduced hours and relationship breakdowns.

The effects of a major health event



Q: Has your personal experience with (serious health event or accident) impacted your life in any of the following ways?

Source: 2013 Sun Life Canadian Health Index™

Not surprisingly given these impacts, more than one-half (56%) of Canadians who have suffered a serious health event said that it has impacted their personal finances. Four in 10 said it has caused them a degree of “financial hardship.”

The financial effects of a major health event



Q: How has your personal experience with (serious health event or accident) impacted your personal finances, if at all?

Source: 2013 Sun Life Canadian Health Index™

Most Canadians – whether they have had a major health event or not – understand that a financial impact is likely when something serious like a heart attack, cancer diagnosis or accident occurs. Nearly half (46%) believe that such an event would have “a big, perhaps permanent impact” on their personal finances. Another 36% said they believe it would have “a manageable, temporary, impact.”

Similarly, most recognize that a chronic health condition like diabetes or arthritis would affect their finances. One-third said this would have “a big perhaps permanent impact;” and 41% said it would have “a manageable, temporary, impact.”

Section 2: Are Canadians prepared for bad health?

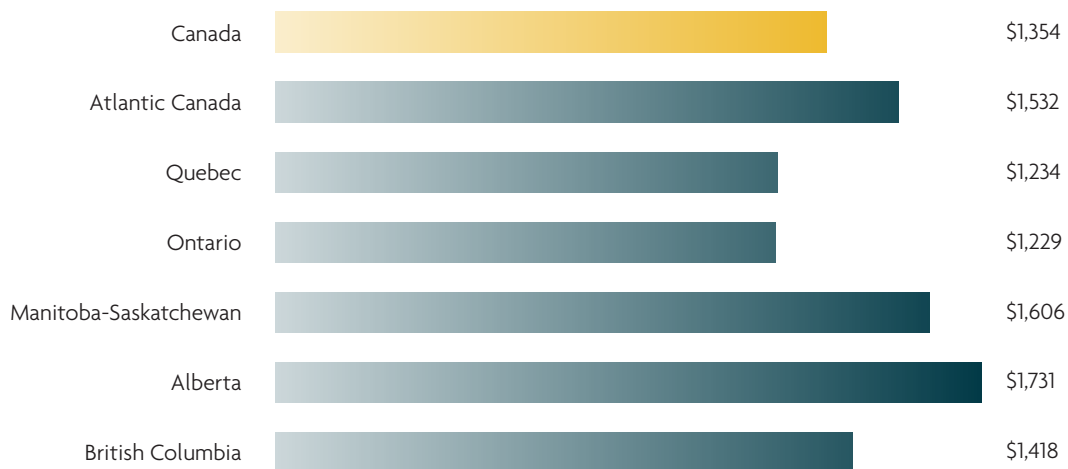
It's clear that a major health event can have a significant impact on a person's lifestyle and personal finances. Are Canadians preparing themselves?

Not in great numbers.

In part because our country has long enjoyed the benefits of publicly funded health care, there is a misplaced perception that provincial health coverage is universal and covers all medical needs. While provinces offer important health coverage in terms of hospital care, doctor visits and drug benefits for seniors, there are gaps in coverage.

The amount of money that we spend out-of-pocket on health care illustrates this clearly. Over the past 12 months, Canadians spent an average of \$1,354 on medical or health care products and services, according to our study.

Out-of-pocket health costs paid in the last year



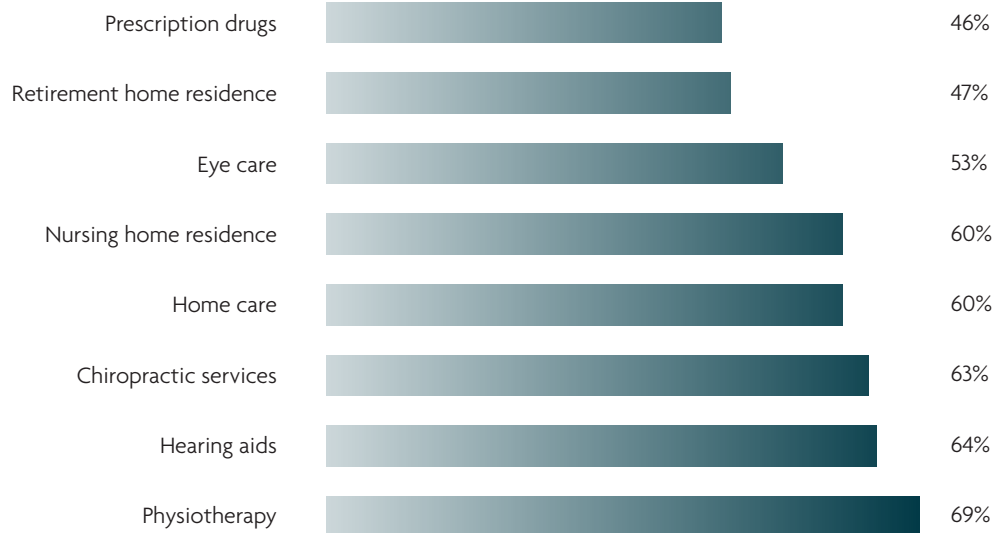
Q: Over the past 12 months, how much would you estimate you have personally spent on medical/health care products and services?

Source: 2013 Sun Life Canadian Health Index™

Even with these costs, misperceptions about our universal health care system abound. We presented respondents with a list of common health needs, and asked them to identify which items, in the future, they expect to pay some amount for out of their own pocket.

The results suggest either an unreasonable level of confidence in their good health or a fundamental misunderstanding of how health care is paid for. For example, 46% of Canadians don't expect to pay out-of-pocket for prescription drugs; 47% don't expect to pay for a retirement home residence; and 53% don't expect to pay for eye care.

Many Canadians expect to pay nothing for health services



Q: Generally speaking, which of the following medical products or services would you expect to pay at least some amount for out of your own pocket? (Answered no.)

Source: 2013 Sun Life Canadian Health Index™

Meanwhile, few Canadians are setting aside money to cover health costs. More than eight out of 10 (81%) said they have not saved any money specifically for health expenses.

Among those who have set something aside, 43% have saved less than \$1,000 in the past year and 44% have saved between \$1,000 and \$5,000. Another 29% couldn't name a specific figure because the money is part of their overall savings.

Of course self-insuring isn't for everyone. Forty-two per cent of respondents are covered by an employer-sponsored benefit plan. Another 20% have the benefit of coverage through their spouse's workplace plan. Individually, 21% own personal health insurance, 16% own disability insurance and 11% own critical illness and long-term care insurance.

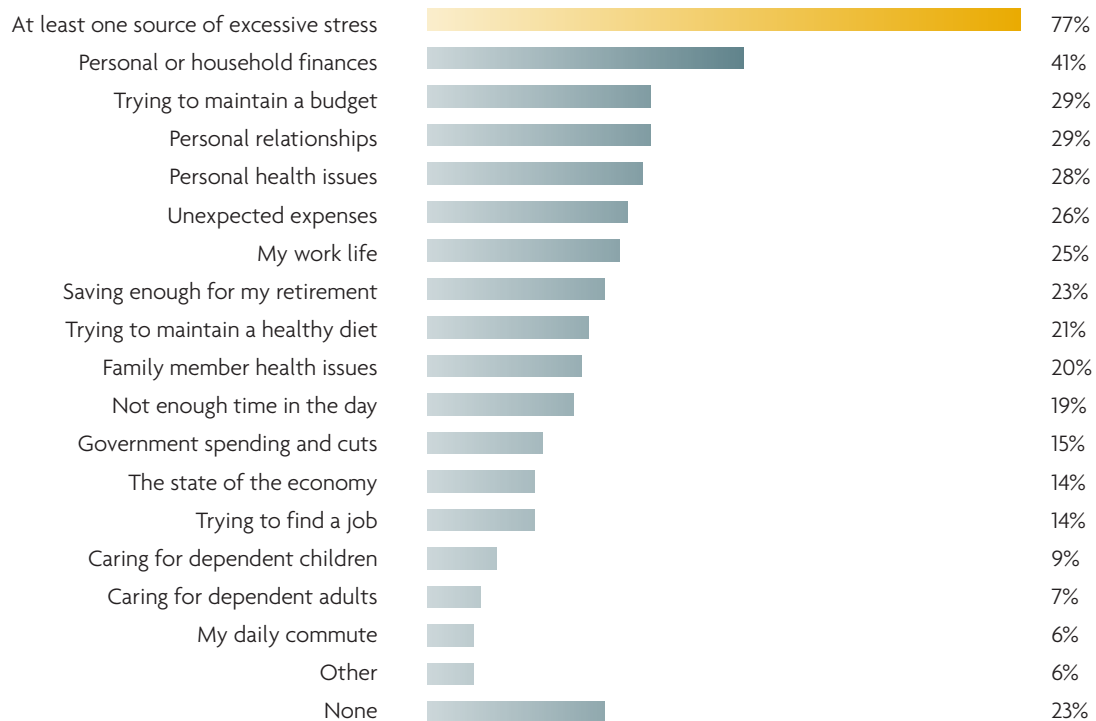
Are there Canadians with none of the above? There are: 20% of respondents say they have no group insurance, personal insurance or money saved for health expenses.

Section 3: Stress and its effect

Stress remains a health issue for Canadians, and it's on the rise. In 2013, 77% of Canadians are experiencing excessive or uncomfortable levels of stress. That's up from 72% in 2012.

The top drivers of stress are personal finances, relationships and health.

Sources of excessive or uncomfortable stress



Q: Some amount of stress in our day-to-day lives is normal and even good for us. But stress can also be excessive and harmful over the long-term. Which, if any, of the following areas are currently causing you to experience a level of stress you are uncomfortable with?

Source: 2013 Sun Life Canadian Health Index™

We learned last year that stress was highest among Canadians 18 to 24. Nine in 10 reported feeling one or more forms of excessive or uncomfortable stress. The same demographic stands out this year, albeit to a lesser extent. Eighty-four per cent said they're experiencing this level of stress currently.

A lot has been written about the links between work and stress. Our findings make clear that connection goes both ways. More than half (52%) of the respondents who are experiencing uncomfortable levels of stress said that their productivity at work has been affected. Ten per cent said their stress levels "significantly affected [their] productivity while at work."

About the Sun Life Canadian Health Index™

As a leading provider of individual insurance products and group benefit plans, Sun Life Financial is dedicated to the ongoing development of insights into the health of Canadians, and how the right lifestyle choices can prevent or reduce the severity and the impact of illness and disease.

The Sun Life Canadian Health Index™ plays an important role in the development of these insights by providing a comprehensive snapshot of the attitudes, perceptions and behaviours of Canadians relating to their health.

About the survey

Our fourth Sun Life Canadian Health Index™ is based on findings of an Ipsos Reid poll conducted between May 10 and 24, 2013. A sample of 2,400 Canadians from 18 to 80 years of age from the Ipsos Canadian panel was interviewed online.

Ipsos employed weighting to balance demographics and ensure that the sample's composition reflects that of the adult population according to Census data and to provide results intended to approximate the sample universe.

The precision of Ipsos online surveys is measured using a credibility interval. In this case, the survey is accurate to within +/- 2 percentage points had all Canadian adults been polled. All sample surveys and polls may be subject to other sources of error, including, but not limited to methodological change, coverage error and measurement error.

For more information

For more information on the Sun Life Canadian Health Index™, or any of the information presented in this paper, please contact Corporate.Marketing.and.Communications@sunlife.com.