



# CONSORTIA STUDY PROPOSAL

## Authentication without Alienation: Balancing Data Security and Experience in Financial Services

October 2025



The project proposal for Authentication without Alienation is as follows:

## Background

As digital engagement becomes the norm in financial services, authentication plays a critical role in shaping both security outcomes and customer experience. Companies employ a variety of methods to authenticate both customers and agents across different platforms, including interactive voice response (IVR) systems, call centers, websites, and mobile apps. These enhanced authentication methods including multi-factor authentication (MFA) are a key defense against fraud, but it can also introduce friction that affects customer experience.

LIMRA's 2024 *Financial Crimes Services and Fraud Prevention Benchmarking Study* shows that while 81% of companies use advanced authentication for mobile apps and 67% for websites, call centers still rely heavily on standard identifiers and knowledge-based questions. Only 30% of companies surveyed use advanced methods in call centers, increasing to 40% among larger firms with over 5,000 employees.

Many companies are planning to enhance their authentication capabilities, with 38% considering authenticator apps and 33% exploring behavioral analytics and voice biometrics. These trends reflect a growing focus on security but also highlight the need to understand how customers perceive these tools and what trade-offs they are willing to make between security and experience during authentication.

This research will provide actionable insights into customer preferences and thresholds for enhanced authentication by channel to help sponsors align technology investments with customer expectations. By examining generational and gender-based differences, the study will also support more inclusive and targeted authentication strategies.

The following Project Proposal outlines how LL Global Inc. (through its brand, "LIMRA") will collect data, perform research, and present results and findings pursuant to the terms here (the "Project").

## Project Objectives

The primary objectives of this study include:

- **Identify** which enhanced authentication methods (e.g., knowledge-based questions, one-time passwords (OTP), MFA, biometrics, etc.) customers prefer and which they find least appealing by channel (phone, email, mobile app).
- **Quantify** the trade-offs customers are willing to make between security and experience during authentication (to understand how much friction they are willing to accept).
- **Compare** how preferences vary by demographic factors such as age, gender, assets, occupation, and digital behavior.
- **Inform** the design of authentication strategies that balance fraud prevention with customer satisfaction.

## Sponsor Benefits

Sponsors of this Project (“Sponsor Group”) will play an active role in shaping the study by contributing to the design of research instruments and providing input on key areas of focus. In return, they will receive:

- **Full access to findings**, including custom data views and segmentation to support internal planning, CX strategy, and authentication design.
- **An exclusive sponsor-only briefing**, offering a confidential forum to discuss insights, implications, and best practices with peer organizations.
- **Visibility into evolving customer expectations** around digital security and experience during authentication processes.
- **Shared research costs**, making participation more cost-effective than commissioning a standalone study.

This project offers Sponsors a unique opportunity to collaborate across the industry, gain strategic insight into evolving customer expectations, and inform cross-functional initiatives spanning fraud prevention, customer experience, IT, and marketing.

## Project Approach and Methodology

This study will use a structured, quantitative approach to explore consumer preferences for authentication methods by channel. A representative sample of 2,400 consumers will complete a 15-minute online survey that will address three core questions:

### 1. What authentication methods do customers prefer?

To determine which enhanced authentication methods consumers prefer, participants will complete a **MaxDiff (Best-Worst Scaling)** task. Respondents will be shown sets of 4–5 authentication methods at a time (e.g., government ID scan, fingerprint, facial recognition, OTP, authenticator app, voice biometrics, others as identified by Sponsor Group) and asked to select the most and least preferred in each set. This methodology, which will test up to 25 different enhanced authentication methods, forces trade-offs and produces a **ranked list of preferences based on relative importance**.

### 2. What are the thresholds for security and experience?

A **conjoint analysis** will present respondents with realistic authentication scenarios that vary by method and experience factors. This will **quantify the trade-offs** consumers are willing to make and reveal tipping points where increased effort, delay, or data sensitivity begins to erode trust or satisfaction.

### 3. Do preferences and thresholds vary by generation and gender?

Post-survey **demographic segmentation analysis** will segment results by age, gender, and other demographic factors (e.g. assets, occupation) to uncover meaningful differences in attitudes and expectations. This will support more inclusive and targeted authentication application strategies.

The survey will combine stated preferences with behavioral trade-offs to deliver a multi-dimensional view of how consumers evaluate authentication. Sponsors will help shape the research instrument to ensure alignment with their strategic priorities and operational realities. Outside of the MaxDiff and conjoint exercises, there will be opportunity to include a limited number of additional questions such as:

- How do consumers feel about an AI algorithm or bot authenticating them or interacting with them during authentication?
- When it comes to authentication and security, what are customers' expectations of financial institutions?
- How do consumers feel about financial institutions having their biometric data on file?
- How do consumers feel about having an authenticator app on their personal device?

### **Optional Additional Scope for Financial Professionals**

Similar to customers, companies often authenticate financial professionals before allowing various kinds of access (e.g. website, registered online account, mobile app, call center, etc.). As such, the voice of the agent is important for companies to consider as companies enhance their authentication methods. This optional, additional scope will include a 10-minute quantitative online survey of 400 financial professionals to uncover preferences and pain points related to authentication methods and experiences. Members of the Sponsor Group will have the option to add this scope for an additional fee as outlined in the Timing and Fees section below, subject to reaching a critical mass of sponsors.

### **Project Deliverables**

LIMRA will provide Sponsor Group with the following Project Deliverables, including, without limitation:

- Project kick-off deck and recording
- Project plan and timeline
- Final survey instruments
- PowerPoint report of results
- Virtual meeting to discuss key findings and considerations and recording
- Upon request:
  - Raw data file of survey responses
  - Tabulation book of survey data (up to 10 variables e.g., gender, income) in Excel

### **Timeline and Project Fees**

Once this project proposal is accepted, LIMRA will commence the Project and anticipates completion of the Project within 12 weeks, as outlined below ("Timeline"). The optional additional scope to include financial professionals will add 3 weeks to the Timeline (15 total weeks). This estimated Timeline assumes timely responses from Sponsor Group and study participants.

Milestone	Estimated Timeline
Kick-Off Meeting	Week 1
Questionnaire Development	Weeks 2–4
Survey Programming and Testing	Week 5
Data Collection	Weeks 6–7
Data Cleaning and Processing	Week 8
Analysis and Report Development	Weeks 9–11
Delivery of Results	Week 12*

\* Based on Sponsor Group and LIMRA team availability

Based upon the Project, the Timeline, and the terms and conditions hereof, LIMRA estimates the fees charged to Sponsor Group to complete this Project to be \$15,000 +/- 10% (“Project Fees”). Each member of the Sponsor Group who chooses to add the optional scope for financial professionals will be charged \$19,000.

Although there is no travel expected for this Project, Project Fees do not include travel expenses which are additional and will be billed at cost, when applicable. Any additional analysis, data cuts, and consultation on the data will be billed at an hourly rate of \$300 per hour.

Subject to the standard terms attached hereto and incorporated herein, LIMRA will invoice each member of the Sponsor Group the amount equal to half of total estimated Project Fees at Project commencement, and the remaining balance at Project completion.

## Acceptance of Project Proposal

Please execute and complete the information below. When the terms are accepted, this Project Proposal shall constitute an agreement between LIMRA and the member of the Sponsor Group named below (the “Agreement”). This Project Proposal is void if not accepted by the member of the Sponsor Group named below by the end of the applicable calendar year.

Agreed and accepted on \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by:

Company Name: \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Please send the completed and executed project proposal to Lynn Ferris at [lferris@limra.com](mailto:lferris@limra.com).



**LL GLOBAL, INC. (LIMRA)**  
**STANDARD TERMS FOR CONSORTIA RESEARCH PROJECT PROPOSALS**

The following terms and conditions shall govern each Project Proposal and the research, analysis and reporting services (“Services”) performed by LIMRA hereunder (including any Project Deliverables resulting therefrom). These terms are incorporated into and made a part of the Agreement between Sponsor Group and LIMRA. Any defined terms shall have the meaning set forth in the Project Proposal. Sponsor Group and LIMRA sometimes will be referred to individually as a “Party” or collectively as the “Parties.”

**1. Project and Project Fee**

LIMRA agrees to provide Services for the applicable Project pursuant to the terms hereof. While the scope of the Project Proposal presumes that certain requirements are met, the Project Fee, Timeline, and Project Deliverables may be subject to change. The Project Fee, Timeline and Project Deliverables may be adjusted based on variables and contingencies including, without limitation, incomplete data, insufficient responses to survey requests and other causes outside of LIMRA’s reasonable control. Any modifications to the Project Proposal will be discussed and mutually determined by Sponsor Group and LIMRA. Each member of Sponsor Group hereby agrees to pay the applicable Project Fee to LIMRA in accordance with the terms of the Project Proposal and the corresponding invoices.

**2. Termination**

If a member of the Sponsor Group terminates the Project or this Agreement without cause, the terminating member of the Sponsor Group agrees to pay LIMRA for the Services completed, and all expenses incurred, up to the termination date in accordance with the terms hereof.

**3. Independent Contractor**

It is understood that LIMRA is an independent contractor in its performance hereunder and not an employee of the Sponsor Group. Nothing contained in the Project Proposal or this Agreement shall be construed to imply an employment, joint venture or principal-and-agent relationship between the Sponsor Group and LIMRA, and neither Party shall have any right, power or authority to create any obligation, express or implied, on behalf of the other.

**4. Limitation of Liability**

In no event shall LIMRA or any member of the Sponsor Group have any obligation or liability for any exemplary, punitive, incidental, indirect, special, or consequential damages (including, without limitation, any damages arising from loss of use or lost business, revenue, profits, data, or goodwill) arising out of this Agreement, whether based on contract, tort (including negligence), strict liability, or any other theory or form of action, even if either Party has been advised of the possibility thereof. The total amount of liability of LIMRA under this Agreement shall not exceed the greater of (i) the amounts recoverable from LIMRA’s insurance or (ii) the amounts paid or payable by Sponsor Group under this Agreement for the applicable Project, from which the liability arose.

**5. Confidentiality**

- a) Except for information gathered for the Project specifically or included in the Project Deliverable, the Sponsor Group and LIMRA agree to keep all other non-public information provided by either Party under this Agreement as Confidential Information. Confidential Information shall include, but not be limited, to: strategic and development plans, financial information, business plans, information about a Party or a Party’s affiliated companies, data, client lists, employee information, policy or account information, personally identifiable information or personal health information (as those terms are defined by



governing law), product designs, project records, trade secrets, know-how, ideas, concepts, specifications, methodologies, research, technical and statistical data, drawings, flow charts, work-flow, marketing, pricing, selling, distribution, and any and all other tangible or intangible information, encompassed in any medium, which maybe disclosed, whether or not in writing, whether or not marked as “Confidential” or “Proprietary” by a Party or to which a Party may be provided access to the other Party in accordance with this Agreement, or which is generated or learned as a result of or in connection with the Services provided under this Agreement and which information is not generally available to the public. If Confidential Information is gathered or used in the Project Deliverables hereunder, the Parties will be able to use such Confidential Information as set forth in this Project Proposal.

- b) The Parties promise and agree to use reasonable efforts to hold Confidential Information in confidence, but in any event to use such efforts not less than they would use to protect and safeguard their own confidential information. The Parties acknowledge and agree that the unauthorized use, reproduction, or reprinting of any intellectual property or the Project Deliverables (or any portion thereof) with any current or future form of an artificial intelligence tool or engine, is strongly discouraged. In order to protect the ownership of the Project Deliverables, LIMRA recommends that all materials contain a prohibition against AI use.

#### **6. Applicable Law**

This Project Proposal and Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Connecticut without giving effect to conflicts of law principles. In the event of any dispute, disagreement, alleged breach, or other action under this Agreement, the Parties will attempt to resolve such dispute by direct negotiation by authorized representatives of each Party. If such negotiation does not resolve the matter within ten (10) days of notice of the dispute arising from or related to the performance of this Agreement being given, the matter shall be resolved by binding arbitration before the American Arbitration Association under its Commercial Arbitration Rules in Windsor, Connecticut. The decision of the arbitrator(s) shall be final and binding and may be enforced in any court of competent jurisdiction.

#### **7. Force Majeure**

Neither Party shall be liable to the other because of delay in performance or nonperformance of any obligation hereunder caused by acts of God, fire, flood, pandemic, epidemic, war, riot, or public enemy or other events outside of the reasonable control of the affected Party. The Party prevented from or delayed in performing shall be diligent in attempting to remove any such cause and shall promptly notify the other Party of the extent and probable duration of the force majeure. Upon such delay where neither Party is directly responsible for unforeseen circumstances causing the delay, the term of this Agreement may be extended based upon the impact of the delay and upon the mutual agreement of the Parties.

#### **8. Authority of Signatory**

The individual signing this Proposal possesses full power and authority to accept this Proposal on behalf of the member of Sponsor Group for which it signs. Each member of the Sponsor Group warrants that accepting this Proposal does not violate any contract or other obligations, written or oral, of such member.

#### **9. Successors and Assigns**

This Agreement shall bind and inure to the benefit of the Parties and their respective successors and permitted assigns.



## **LIMRA APPLIED RESEARCH SOLUTIONS**

As the premier trade association for the insurance and financial services industries, with over 700 members, including 22 members in the Fortune 100, LIMRA has a privileged view into proven best practices and emerging trends. The breadth and depth of the data flow across the industry, and our unique position within it, enables us to provide you with insights no one else can provide. LIMRA combines industry knowledge and research expertise that translates into a comprehensive understanding of the marketplace and thoughtful research design and methodology.

### **Custom Research**

LIMRA's Applied Research team works with you to conduct quantitative and qualitative research to capture the specific insights you need to support decision making across all product lines and distribution channels. Custom research can help you improve the customer experience, design a new product, test a product concept, explore new markets, and more.

### **Consortia Research**

Consortia research allows members to collaborate with and through LIMRA to cost-effectively research hot topics. Consortia research gives companies the opportunity to play an active role with other organizations to investigate a common area of need, including exploring opportunities in emerging markets, determining the market potential for new products, understanding the buying process, positioning with producers, and more.

### **LIMRA Applied Research Team**

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