



# 2024 Annual Statement on Market Conduct Public Report

October 2025



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# Introduction

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This report provides an overview of observations from the 2024 data collected through the Annual Statement on Market Conduct (ASMC) administered by the Canadian Council of Insurance Regulators (CCIR) on behalf of its members.

The report presents key data points to offer a high-level overview of Canada's insurance industry, with a focus on the Life & Health (L&H) and Property & Casualty (P&C) sectors. It highlights notable year-over-year changes where applicable and provides observations on emerging trends.

The analysis aims to support the regulatory work of CCIR members by illustrating how the data aligns with consumer protection priorities. In particular, the findings provide insight on how insurers are integrating fair treatment of customers into their operations which is an area that directly impacts consumer experiences in claims, sales, and service. The report also highlights trends in practices that may have an impact on customers and could be considered by CCIR as priorities in the future.

## Key Observations

### Independent Distribution Channel

- ◆ The total number of independent distribution contracts increased in both L&H and P&C.
  - L&H contracts rose by 38,424 to a total of 481,052.
  - P&C contracts rose by 31,448 to a total of 55,888.
- ◆ The number of FTC audits and reviews conducted by insurers of their independent agents and firms were significantly fewer when compared against the number of audits/reviews done for Direct/Exclusive agents and firms.
- ◆ The volume of L&H complaints related to business done through independent distribution channels has increased yearly since 2022, along with a proportional decrease in complaints related to direct or exclusive channels.
  - 45% of all L&H complaints were related to the independent channel in 2022, rising to 54% in 2023 and 61% in 2024.

### Commissions

- ◆ Commissions paid relative to premium of Term Life insurance sales are notably higher than Whole Life and Universal Life. Non-monetary incentives are relatively small and uncommon, but Term Life also leads the way in these.
- ◆ In L&H, commissions paid relative to premium is higher in the Independent distribution channel compared to Direct/Exclusive. These ratios also increased for almost all L&H classes of insurance in 2024.

### Miscellaneous

- ◆ Applications declined by insurers has been steadily rising in all classes of P&C insurance, a trend going back to 2021.
- ◆ The claims rejection ratio in 2024 remained stable across L&H and P&C sectors. However, average days to final payment rose notably for L&H Individual Accident and Sickness (A&S) (+20 days), P&C Property (+36 days), and P&C A&S (+27 days), while Group A&S saw a larger decrease (-92 days).
- ◆ P&C administration-related complaints increased by 195% year-over-year and are now the 2<sup>nd</sup>-most prevalent cause for complaint in the sector behind Claims/Settlement.

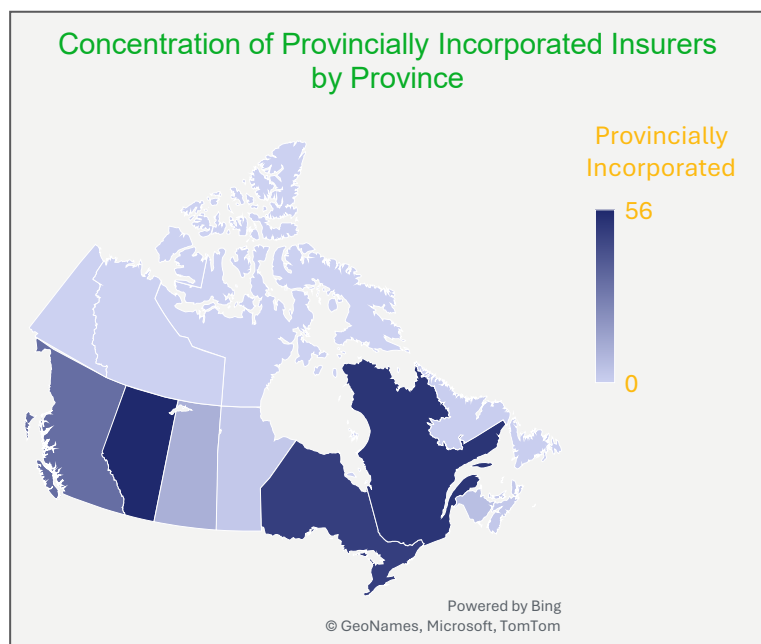
# Background

## How is Insurance Regulated in Canada?

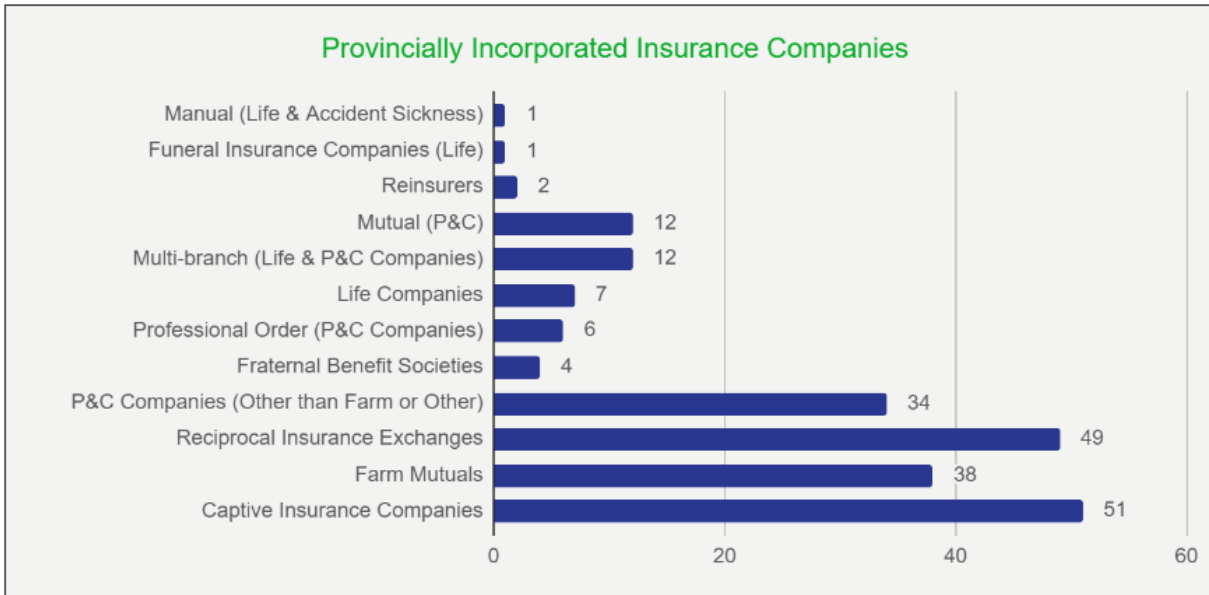
In Canada, insurers may be incorporated either federally or provincially. The federal regulator, the Office of the Superintendent of Financial Institutions (OSFI), oversees the solvency of federally incorporated insurers and authorized foreign branches operating in Canada. Provincial regulators are responsible for supervising the market conduct of all insurers within their jurisdiction, as well as the solvency of provincially incorporated insurers. In some provinces, regulators also monitor the solvency of all insurers operating in their province, regardless of where they are incorporated.

Because several insurers operate nationally, they may be subject to oversight by multiple regulators. To help reduce regulatory burden and avoid duplication, CCIR collaborates with other regulators where practical by sharing information and coordinating efforts.

While the perception may be most insurers are federally regulated for solvency, this is not the case. In fact, there are more provincially incorporated insurers (217) operating in Canada than federally incorporated, or foreign branches combined (208). There has been a shift in recent years, and we now see Alberta has the most provincially incorporated insurers (56), followed by Quebec (52), Ontario (49) and British Columbia (33). The other provinces have fewer provincially incorporated entities ranging from 1 to 11.



The type of insurer incorporated or formed in each province also varies nationally. In addition to the P&C and L&H insurers this report focuses on, we would like to point out there are other insurance entities which are regulated provincially. Captive Insurance Companies are only formed in British Columbia and Alberta and form the highest number of provincial insurers, with 51. The Farm Mutuals are the next largest category with 38, and they are mainly formed in Ontario. There are also 49 Reciprocal Insurance Exchanges formed mainly in the provinces of Ontario, British Columbia and Alberta.



### What is the ASMC?

In 2017, CCIR developed the ASMC as a resource to collect information from insurers across Canada in both L&H and P&C. The ASMC is an annual mandatory filing collecting data on an industry-wide basis. As a national initiative, its objective to promote a harmonized regulatory approach to information gathering to help regulators better understand insurer business practices, assess the current state of the industry, and identify areas of risks that could impact negatively customers. The requirement to complete and file the ASMC by insurers is based on the authority of each provincial and territorial insurance regulator within their jurisdiction. Regulatory actions might be taken by individual regulators for late filings of ASMC.

### What is CSOC?

Within CCIR, the Cooperative Supervision Oversight Committee (CSOC) oversees the collection and reporting of information through the ASMC. CSOC also reviews and discusses potential updates to data reporting requirements annually, with the aim of ensuring the data collected remains relevant to both regulators and the insurance industry.

As a standing committee of CCIR, CSOC is responsible for coordinating and overseeing the Memorandum of Understanding and the Framework for Cooperative Market Conduct Supervision in Canada. This includes managing data collection via the ASMC and guiding CCIR's cooperative supervisory activities, which examine emerging issues either thematically or at the insurer level. While these activities are generally informed by CCIR's published Fair Treatment of Customers (FTC) Guidance<sup>1</sup>, they may also address broader market conduct concerns.

The 2023-2026 CCIR strategic plan<sup>2</sup> emphasizes the importance of the oversight and supervisory work conducted by CSOC (including the ASMC) within the context of CCIR's work. The strategic plan focuses on three pillars to support the activities:

<sup>1</sup> Reference [Conduct of Insurance Business and Fair Treatment of Customers Guidance](#), which is based on International Association of Insurance Supervisors' (IAIS) Insurance Core Principle (ICP) 19: Conduct of Business. Reference [ICP 19 Conduct of Business](#).

<sup>2</sup> Reference [CCIR Strategic Plan 2023-2026](#).



The data collected through the ASMC supports all of these strategic pillars at different times.

### How Does CCIR Use the ASMC Data?

The ASMC provides regulators with key indicators of insurer business practices that are central to market conduct oversight. The information supports CCIR members in ensuring the FTC by allowing regulators to establish consistent measurements and comparisons across insurers and distribution channels.

Specifically, CCIR members use the ASMC to:

- ◆ provide a macro-level overview of the insurance industry,
- ◆ monitor and respond to new trends,
- ◆ conduct risk assessments of classes of insurance, distribution channels and individual insurers,
- ◆ establish key risk indicators to assist in the development of examination assessments,
- ◆ validate the industry's adoption and implementation of FTC principles,
- ◆ monitor and assess the effectiveness of FTC Guidance and CCIR members' FTC regulatory requirements, and
- ◆ provide a reference tool during on-site examinations.

By design, the ASMC data enables regulators to identify potential conduct risks early, compare practices across the industry, and target supervisory attention to areas where customer outcomes may be at risk.

Since 2019, CCIR has published annual reports that summarize key trends based on data collected through the ASMC. These reports are intended for all stakeholders, including the public, and reflect contributions from all provinces and territories participating in the ASMC initiative. The result is a pan-Canadian data report that provides a comprehensive view of market conduct across the insurance industry.

Given the wide use of the ASMC by insurance market conduct regulators, it is important insurers submit data that is accurate and complete as it forms the foundation for a robust analysis and effective regulatory oversight.

## Results from the 2024 ASMC Data

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The analysis of the ASMC 2024 and key results are included in the following sections of this report. The information presented in this report is aligned with the ASMC sections. The type of data presented can sometimes differ between the P&C and L&H industries. For P&C insurance, data reported in this publication mainly focuses on the three largest insurance classes: Automobile, Property and A&S.

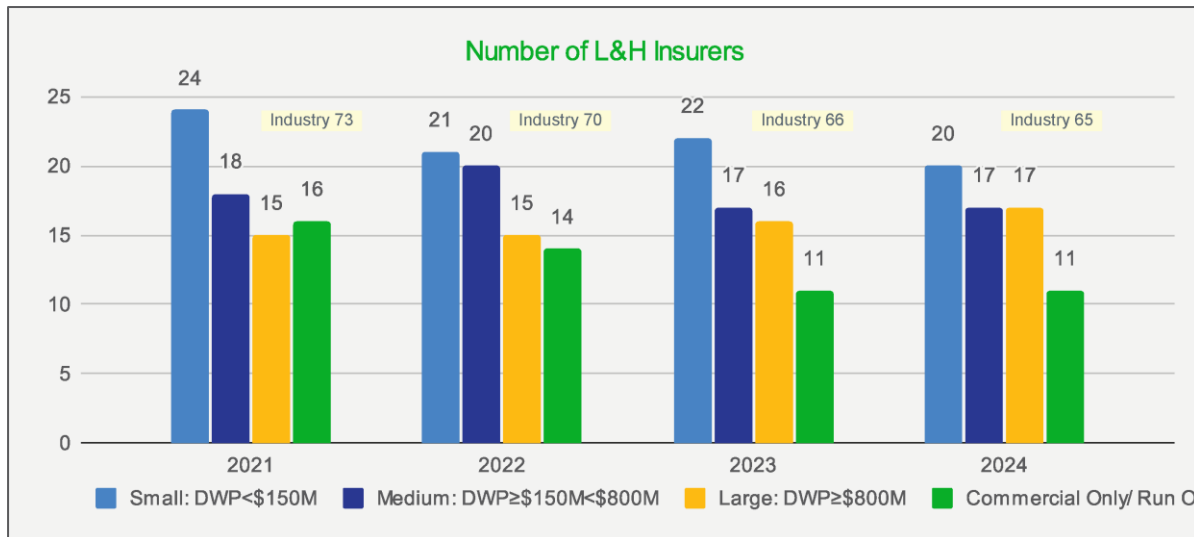
All data collected through the ASMC is self-reported by respondents. CCIR checks data upon receipt to identify any discrepancies; however, some points and/or trends mentioned in this report may still contain inconsistencies. Results should be interpreted as directional indicators rather than precise measurements. Other variables such as differences in regulations and legislation across different provinces may also affect the relevance of certain data to individual readers. Nevertheless, insurers are expected to consider their own results against those of their industry, particularly as it relates to FTC outcomes.

Throughout the report, CCIR highlights how its members utilize ASMC data and provides key observations where appropriate. The report is designed to offer market intelligence and enhance awareness among all industry participants, including insurers, industry associations, and the public. The findings serve as indicators of broader industry trends; however, individual outcomes may vary depending on an insurer’s size, structure, and business activities.

## Filing Summary

### L&H

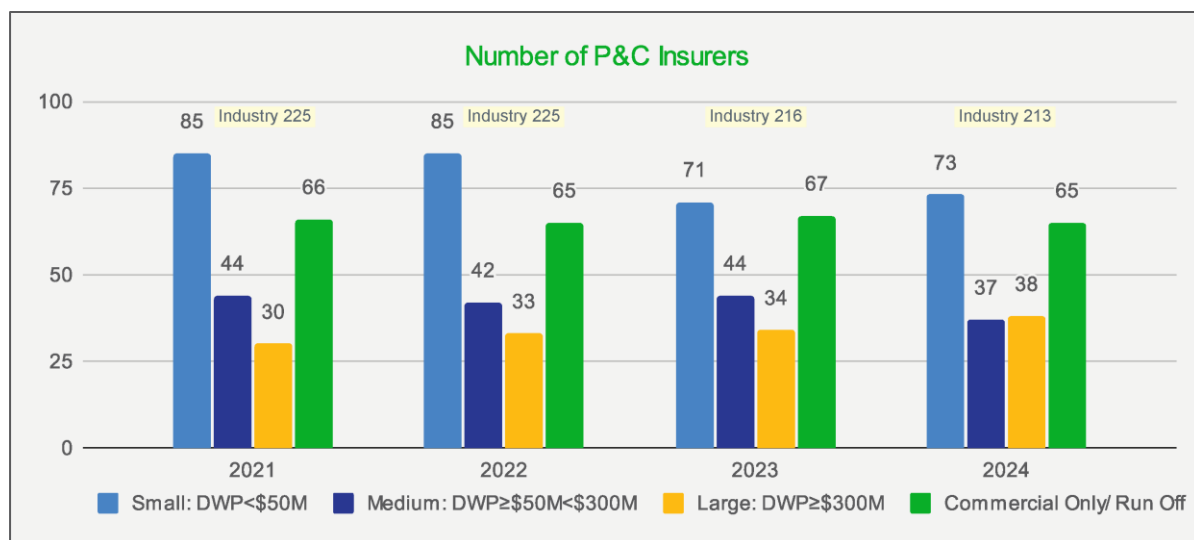
There were 65 L&H insurers required to file the ASMC (broken down by size and jurisdiction of incorporation). Of those, 54 insurers were actively writing new business.



For the purposes of this report, CCIR defines Small L&H insurers as having total direct written premiums (DWP) under \$150M. Medium insurers have DWP between \$150M and \$800M, and Large insurers have over \$800M DWP.

### P&C

There were 213 P&C insurers required to file the ASMC (broken down by size and jurisdiction of incorporation). Of those, 148 insurers were actively writing new personal lines business.



For the purposes of this report, CCIR defines Small P&C insurers as having total direct written premiums (DWP) under \$50M. Medium insurers have DWP between \$50M and \$300M, and Large insurers have over \$300M DWP.

## Governance

The Governance section of the ASMC requires insurers to answer questions related to the following:

- ◆ Implementation of FTC within the organization and mechanisms to assist with FTC,
- ◆ Distribution methods used by the organization and their volume of contracts, and
- ◆ The use of customer satisfaction surveys by the business.

Strong governance creates better outcomes for consumers by fostering trust, transparency, and ethical practices, which in turn leads to better data protection, more responsible products and services, increased accountability, and improved overall consumer well-being.

### FTC Implementation

According to the FTC Guidance, FTC is expected to be a foundational element of governance and business culture for both insurers and intermediaries. Ultimate responsibility for FTC lies with the board of directors and/or senior management, who are accountable for designing, approving, implementing, and monitoring policies and procedures that promote fair treatment of customers throughout the organization.

The vast majority of respondents attest to and indicate that FTC is a priority in every area of their operations, and that they have documented practices to promote FTC.

3	L&H	P&C
<b>Do you have senior officer(s) in charge of ensuring the development, implementation and enforcement of policies and practices related to the Fair Treatment of Customers?</b>	98%	98%
<b>Do you have a standalone documented policy that specifically addresses the Fair Treatment of Customers?</b>	74%	69%
<b>Do you have a documented code that incorporates Fair Treatment of Customers principles?</b>	91%	95%
<b>Is the Fair Treatment of Customers a priority at each stage of the product life cycle and in every area of your operations?</b>	94%	95%
<b>If yes, indicate if you Develop strategies, objectives and initiatives to promote the Fair Treatment of Customers</b>	98%	92%
<b>If yes, indicate if you Develop measures and reports to inform management and the board of directors of the organization’s performance in the Fair Treatment of Customer</b>	98%	85%

While these high percentages suggest widespread adoption of FTC frameworks, the key concern for regulators is whether these policies are correctly designed and applied consistently in practice. While there are no prescriptive requirements about how FTC should be addressed within a business, insurers should expect regulators to review individual practices and test their implementation over the course of any examination or supervisory reviews. FTC-focused policies and procedures should have a consumer focus and be reviewed and tested as necessary to ensure expectations on paper are being carried out in practice. The Governance and Business Culture FTC Report<sup>4</sup> published in June 2024 remains a source of reference outlining observations related to governance practices from reviews CCIR members have conducted in the past.

<sup>3</sup> All data in this table refers to the proportion of insurers that responded “Yes” to each question.

<sup>4</sup> Reference [Governance and Business Culture in terms of Fair Treatment of Customers CCIR Report – Consolidated Observations, Recommendations and Good Practices Report](#).

CCIR members expect insurers to take a proactive approach by regularly self-assessing and updating their FTC policies and procedures in a timely manner. To ensure these principles are effectively implemented, CCIR conducts various reviews and examinations to validate insurers' adherence to FTC expectations.

### Methods of Distribution

Insurers were asked to provide information regarding the distribution methods used within their organizations including:

- ◆ Total number of Agent and Firm distribution contracts as of end-of-year 2024, and
- ◆ Total number of reviews or audits conducted during 2024 that included a focus on FTC.

These figures were requested for both Independent<sup>5</sup> and Direct/Exclusive<sup>6</sup> distribution channels.



The Independent distribution channel shows continuous growth in the number of distribution contracts reported across both L&H and P&C over the previous three reporting years (2022 to 2024). This continues the trend identified in previous iterations of this report, but this year CCIR has opted to present the data as an aggregated total in the whole sectors instead of an average.

<sup>5</sup> Independent distribution refers to agents and firms who offer and/or distribute products from various insurers.

<sup>6</sup> Direct/Exclusive distribution refers to agents and firms bound by an exclusive contract with a single life insurer, or act on behalf of a firm that is an insurer.

Proportion of FTC Audits/Reviews Done to Distribution Contracts <sup>7</sup>				
	L&H Industry		P&C Industry	
	Independent	Direct/Exclusive	Independent	Direct/Exclusive
<b>2022</b>	2%	81%	21%	1,495%
<b>2023</b>	2%	101%	28%	1,451%
<b>2024</b>	3%	130%	40%	1,640%

There is a notable difference in the proportion of reviews/audits done with a focus on FTC between the Independent and Direct/Exclusive channels. CCIR continues to remind insurers of the importance of conducting assessments of business practices across all methods of distribution used. Reliance on independent channels may create challenges for insurers in directly overseeing sales practices, making robust audit and review processes critical to ensure FTC compliance. The amount of oversight may vary depending on the size and structure of an organization, but there should be appropriate coverage such that the business can have reasonable confidence FTC principles are being adhered to.

During this year, CCIR members conducted a cooperative review on how insurers monitor and supervise their distribution channels. Observations from this review will be published at a later date.

### Customer Satisfaction Surveys

Regarding the use of customer satisfaction surveys, insurers were asked to indicate the following:

- ◆ Whether surveys are conducted, and if so what type, and
- ◆ Whether survey results are reviewed and/or reported to management.

<sup>8</sup>	L&H	P&C
<b>Do you conduct customer satisfaction surveys?</b>	65%	61%
<b>If so, when?</b>		
<b>After a sale</b>	79%	62%
<b>After a claim indemnity request</b>	64%	95%
<b>After a complaint</b>	26%	23%
<b>Do you review and analyze survey results?</b>	98%	93%
<b>Is there a reporting mechanism to communicate results to management?</b>	95%	91%

Industry-wide, the number of insurers using customer satisfaction surveys has remained relatively stable year-over-year. Larger insurers are generally more likely to conduct these surveys compared to smaller ones. Encouragingly, among those that do use surveys, nearly all review and analyze the results and have mechanisms in place to report findings to management and decision-makers. However, only a small proportion of insurers conduct surveys following customer complaints and this is an area that could provide valuable insights into customer experiences. When paired with complaints data (see Complaints section below), post-complaint surveys could enhance understanding and support improvements in customer service.

<sup>7</sup> Calculations are represented as audits per 100 contracts (i.e. 2% indicates that 2 audits were done for every 100 contracts within this data point). Multiple audits may occur for the same contract in one year, resulting in percentages greater than 100 in some cases.

<sup>8</sup> All data in this table refers to the proportion of insurers that responded “Yes” to each question.

## Policies

The Policies section of the ASMC requires insurers to report on the status of their policies in force and those issued during the previous reporting period. Key data collected in this section includes:

- ◆ Number of policies in force,
- ◆ New policies issued and number of denied applications, and
- ◆ Policy cancellations initiated by either the customer or insurer.

CCIR analyzes this data using various ratios to identify and assess trends across different classes of insurance. These insights help regulators monitor the market and informs supervisory activities.

### L&H Insurance Policies

Following on from changes to the ASMC made for reporting year 2023, Life insurance data continues to be collected for specific classes. Ratios are posted for all classes as a snapshot of where they stand as of 2024; trend analysis will be conducted in the future after more data has been collected in future surveys.

Changes in Policies in Force (L&H)			
	Year	Change (%)	Change in Percentage Points
<b>Life</b>	2022	1.00%	
	2023	-0.10%	-1.10%
	2024	-1.30%	-1.20%
<b>Accident &amp; Sickness</b>	2022	-8.90%	
	2023	17.30%	26.20%
	2024	9.10%	-8.20%

In the L&H sector, Life insurance policies declined for a second consecutive year in 2024, though the rate of decline was slower compared to 2023. A&S policies saw growth for a second consecutive year, but also at a slower rate than 2023.

Life Cancellations <sup>9</sup>				
Insurance Class	Year	Customer Initiated Cancellations (During Free Look Period)	Customer Initiated Cancellations (Excluding Free Look Period)	Insurer Initiated Cancellations
<b>Term</b>	2023	0.41%	5.60%	0.27%
	2024	0.49%	6.13%	0.24%
<b>Whole</b>	2023	0.06%	1.29%	0.04%
	2024	0.07%	1.93%	0.05%
<b>Universal</b>	2023	0.26%	1.59%	0.06%
	2024	0.24%	2.14%	0.07%
<b>Life - Other</b>	2023	0.09%	2.73%	0.62%
	2024	0.12%	5.27%	0.85%

<sup>9</sup> Data related to specific insurance sub-classes was not available for reporting year 2022 as this information was only collected from 2023 onwards.

Accident & Sickness Cancellations <sup>10</sup>				
Insurance Class	Year	Customer Initiated Cancellations (During Free Look Period)	Customer Initiated Cancellations (Excluding Free Look Period)	Insurer Initiated Cancellations
Critical Illness	2023	0.13%	3.77%	0.20%
	2024	0.17%	5.17%	0.22%
Disability	2023	0.06%	6.77%	0.85%
	2024	0.09%	7.02%	0.82%
Health and Dental	2023	0.54%	10.55%	0.46%
	2024	0.54%	11.59%	0.60%
Long Term Care	2023	N/A	3.20%	0.25%
	2024	0.01%	0.92%	0.13%
Prescription Drug	2023	1.42%	8.56%	12.51%
	2024	1.26%	21.41%	0.88%
Travel Health	2023	1.27%	6.51%	0.58%
	2024	1.03%	4.73%	0.55%
A&S - Other	2023	0.93%	6.11%	0.78%
	2024	0.91%	4.62%	0.59%

Cancellations in Life insurance remained fairly stable between 2023 and 2024, with the only notable increase coming from the generic Other sub-class. There was slightly more variance in cancellations in A&S insurance. CCIR will monitor trends in both areas as we move into the third year of this data collection and provide further relevant observations as needed.

### P&C Insurance Policies

For P&C insurance, commercial insurance policies are excluded from the data.

Changes in Policies in Force (P&C)			
Class of Insurance	Year	Change (%)	Change in Percentage Points
Automobile	2022	1.54%	
	2023	3.94%	2.40%
	2024	5.03%	1.09%
Property	2022	1.16%	
	2023	7.7%	6.54%
	2024	9.65%	1.94%
Accident & Sickness	2022	5.95%	
	2023	59.48%	53.52%
	2024	-7.19%	-66.67%

In the P&C sector, changes in the 3 largest classes of insurance remain more volatile year-over-year. The number of A&S policies notably decreased in 2024 following a significant increase in 2023. CCIR will conduct deeper analysis on this variance and monitor for any continuing trend in this area.

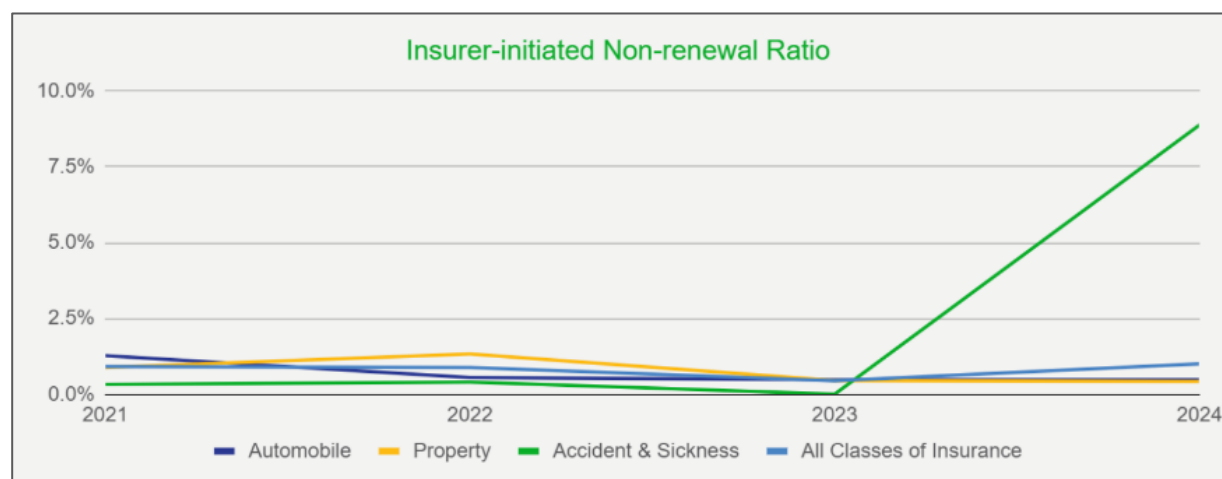
<sup>10</sup> Data related to specific insurance sub-classes was not available for reporting year 2022 as this information was only collected from 2023 onwards.

## P&C Ratios

The following ratios have been calculated and are reflected below:

1. The insurer-initiated non-renewals ratio is designed to capture broad industry trends and identify if an insurer has initiated a significant reduction in a class of insurance.

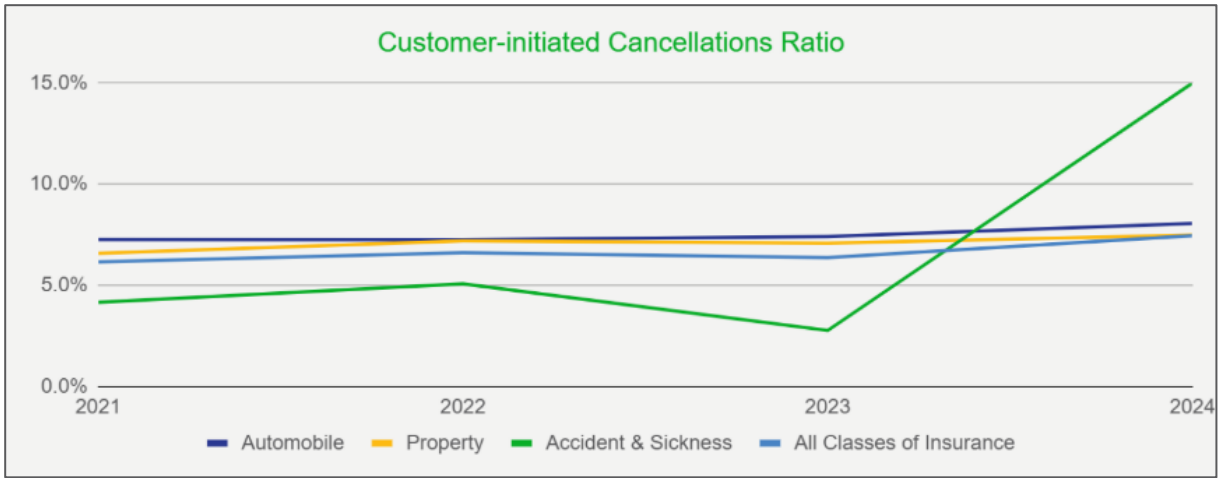
Insurer-initiated Non-renewal Ratio				
Class of Insurance	2021	2022	2023	2024
Automobile	1.27%	0.55%	0.48%	0.48%
Property	0.88%	1.33%	0.45%	0.42%
Accident & Sickness	0.32%	0.40%	0.00%	8.88%
All Classes of Insurance	0.91%	0.88%	0.44%	1.00%



A&S insurance continued to see notable shifts, particularly in the volume of insurer-initiated non-renewals. In contrast, non-renewals initiated by insurers in other insurance classes have remained relatively stable over time.

2. The customer-initiated cancellations ratio is designed to track customer mobility and provide a broad indication of customer satisfaction with certain classes of insurance. This data is not used in isolation but is corroborated with other indicators, such as complaints, premiums, and media reports.

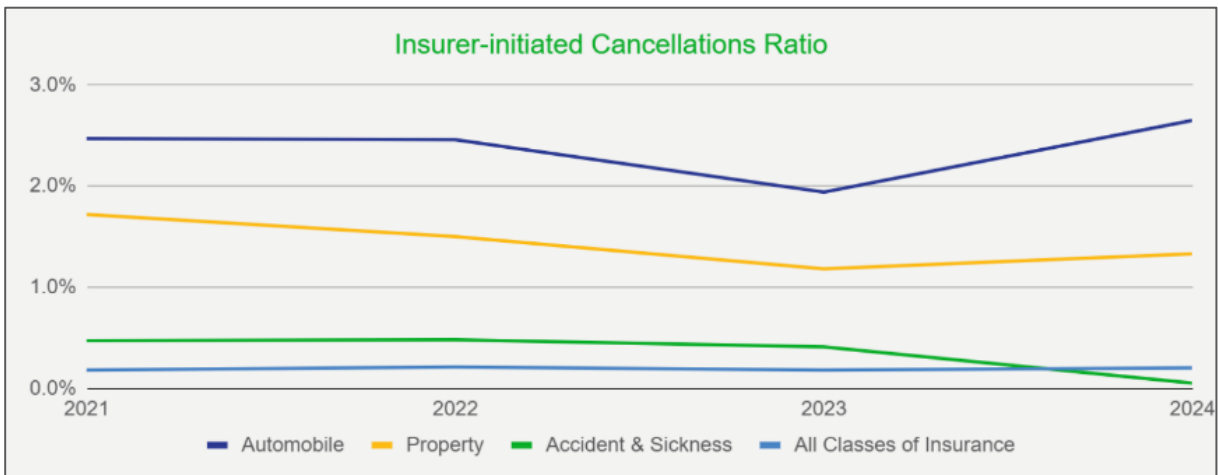
Customer-initiated Cancellations Ratio				
Class of Insurance	2021	2022	2023	2024
Automobile	7.26%	7.25%	7.40%	8.05%
Property	6.58%	7.19%	7.07%	7.48%
Accident & Sickness	4.15%	5.06%	2.76%	15.00%
All Classes of Insurance	6.15%	6.61%	6.36%	7.45%



A&S insurance saw a significant increase in customer-initiated cancellations from 2023 to 2024. The customer-initiated cancellations for the other classes of insurance have gradually increased over the years.

- The insurer-initiated cancellations ratio<sup>11</sup> are designed to capture which classes of insurance customers are mostly likely to have their policies cancelled.

Insurer-initiated Cancellation Ratio				
Class of Insurance	2021	2022	2023	2024
Automobile	2.47%	2.46%	1.94%	2.65%
Property	1.72%	1.50%	1.18%	1.33%
Accident & Sickness	0.47%	0.48%	0.41%	0.05%
All Classes of Insurance	1.79%	1.68%	1.26%	1.54%

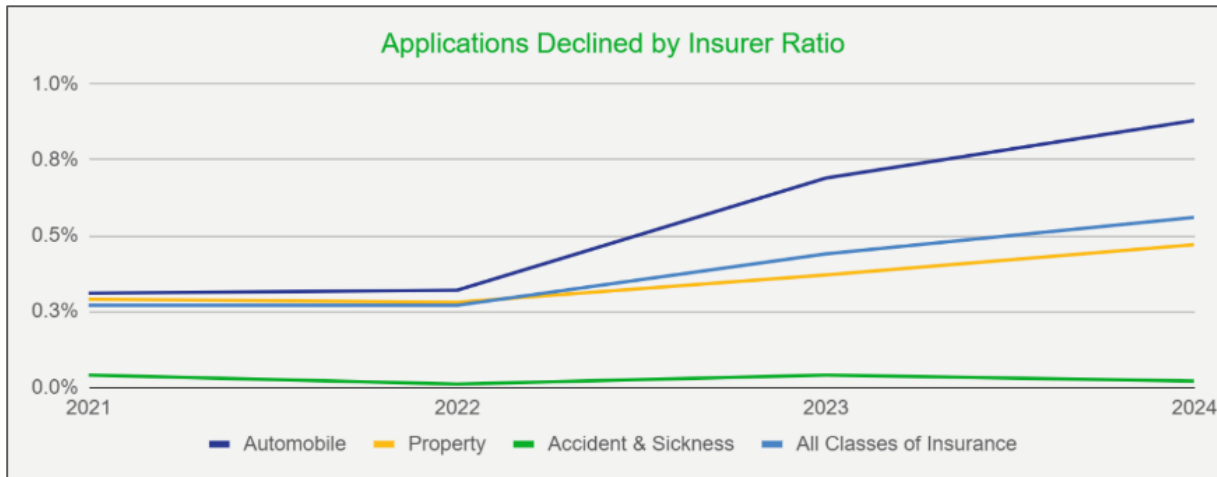


Between 2021 and 2023, the insurer-initiated cancellation ratios for both Automobile and Property saw a modest decline, followed by an upward trend in 2024. In contrast, the A&S class experienced a marked decrease in the number of insurer-initiated cancellations in 2024 compared to previous years.

<sup>11</sup> Insurer-initiated cancellations ratio = Total number of insurer-initiated cancellations / policies in force at the end of the period  
 (Total insurer-initiated cancellations includes Without any refund of premium + With Fully Refunded premiums + With Prorated and short-rated premiums)

4. The Applications Declined by Insurer ratio<sup>12</sup> is designed to track the number of insurance applications declined by the insurer.

Applications Declined by Insurer Ratio				
Class of Insurance	2021	2022	2023	2024
Automobile	0.31%	0.32%	0.69%	0.88%
Property	0.29%	0.28%	0.37%	0.47%
Accident & Sickness	0.04%	0.01%	0.04%	0.02%
All Classes of Insurance	0.27%	0.27%	0.44%	0.56%



There has been a consistent rise in the number of declined insurance applications across all classes, including Automobile and Property. In contrast, the rejection of applications rate for A&S insurance products has been steady over the last 3 years, with the average rejection rate being below 0.10%. It should be noted that a rise in this ratio is not necessarily an indicator of poor conduct; it can be potentially attributed to factors such as tighter underwriting and fraud controls, affordability stress or product withdrawals from insurers.

### Internet Sales

Insurers are asked for information about how their products are sold through online distribution, specifically how many policies are sold over the internet and the direct written premium generated from these sales.

When asked whether they sell products through the Internet, this is the proportion of insurers who attested to doing so in 2024 (split by insurer size):

	Small	Medium	Large	Industry
<b>L&amp;H</b>	25%	41%	76%	46%
<b>P&amp;C</b>	10%	16%	45%	20%

<sup>12</sup> Applications Declined by Insurer ratio = Number of Applications Declined by Insurer / policies in force at the end of the period

The total number of new policies sold through the internet in the L&H sector between 2022 to 2024 is as follows (split by insurer size):

		Year	Small	Medium	Large
<b>Individual</b>	Life	2022	414	11,081	4,937
		2023	582	7,012	7,849
		2024	7,361	540	9,421
	Accident & Sickness	2022	137,255	61,396	280,947
		2023	203,884	104,893	211,276
		2024	59,730	131,719	236,724
<b>Group</b>	Life	2022	1,770	0	3,656
		2023	0	0	20,881
		2024	0	285	19,229
	Accident & Sickness	2022	1,611	65,764	15,725
		2023	0	39,770	853
		2024	30,728	286	794

The total number of new policies sold through the internet in the P&C sector for highlighted classes of insurance between 2022 to 2024 is as follows (split by insurer size):

		Year	Small	Medium	Large
<b>Personal</b>	Property	2022	95,095	30,810	98,538
		2023	140,031	72,942	129,679
		2024	181,054	42,126	120,565
	Automobile	2022	15,221	0	78,528
		2023	263	21,208	107,647
		2024	0	8,680	134,228
	Accident & Sickness	2022	31,554	123,701	0
		2023	36,650	58,341	115,259
		2024	99,010	47,147	118,672

These totals are provided for reference only, as year-over-year changes may be influenced by variables beyond the scope of the ASMC. CCIR will continue to monitor these figures and identify any emerging trends. Insurers are reminded to maintain appropriate oversight of internet-based sales channels, ensuring standards are consistent with those applied to traditional distribution methods.

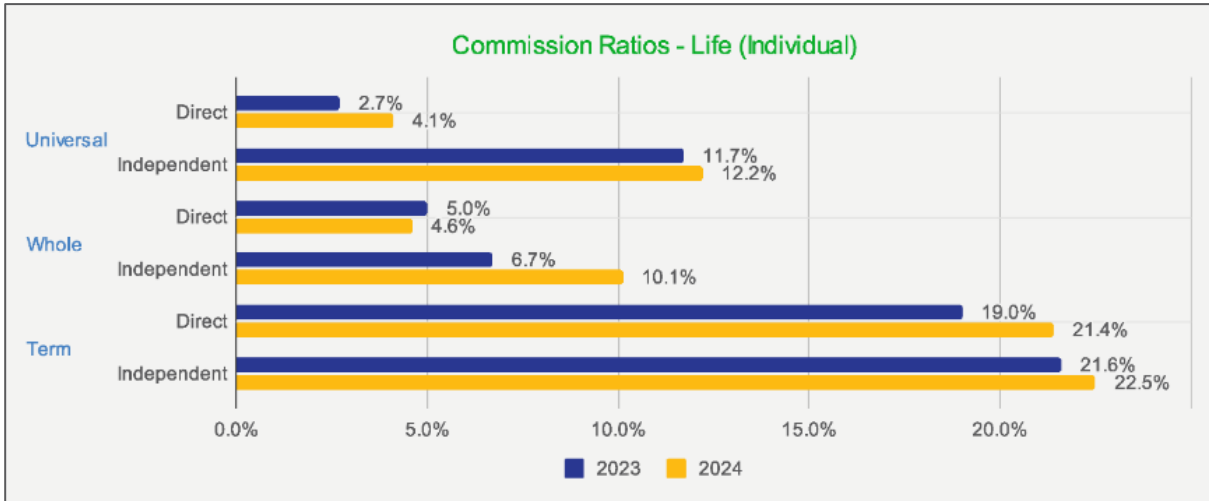
## Sales & Incentives

This section of the ASMC presents data on how various factors influence staff performance metrics, including incentives and commissions. It includes information on the presence and value of both monetary and non-monetary incentives related to the sale and servicing of different insurance products, which will be further detailed below.

## Commission Ratio

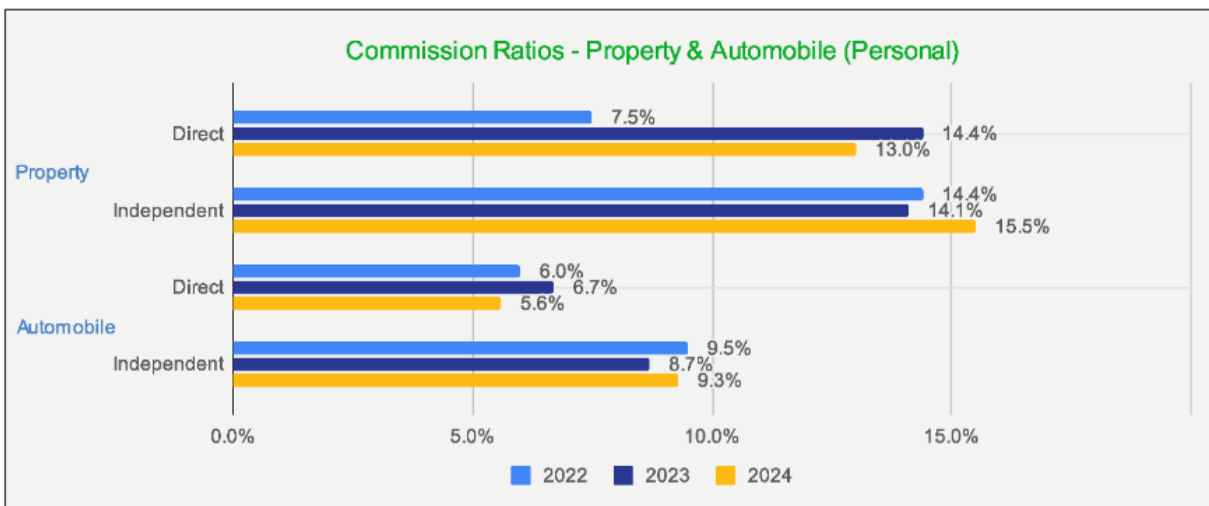
Commission ratios<sup>13</sup> are calculated as the total amount of commissions paid in relation to the total DWP for various classes of insurance. This gives a broad indication as to how commissions are paid relative to the amount of premium written based on the class of insurance.

Ratios are calculated for all classes of insurance covered in the ASMC, but only notable classes will be highlighted in this report for brevity. CCIR will continue to monitor these ratios and report on any unusual trends detected in future iterations of the public report.



Starting in 2023, the ASMC survey began collecting information on specific classes of Life insurance (Term, Whole and Universal) in contrast to a consolidated total.

In the 2 years of split data collected so far, it is observed that the commission ratio for Term Life is higher than Whole and Universal across both Independent and Direct distribution channels. Ratios for Independent distribution are also higher than Direct distribution across all insurance classes. Ratios have also increased across the board in 2024 with the exception of Direct Whole Life insurance.



<sup>13</sup> Commission ratio = Total all distribution channel commissions (Monetary incentives) / total direct written premiums

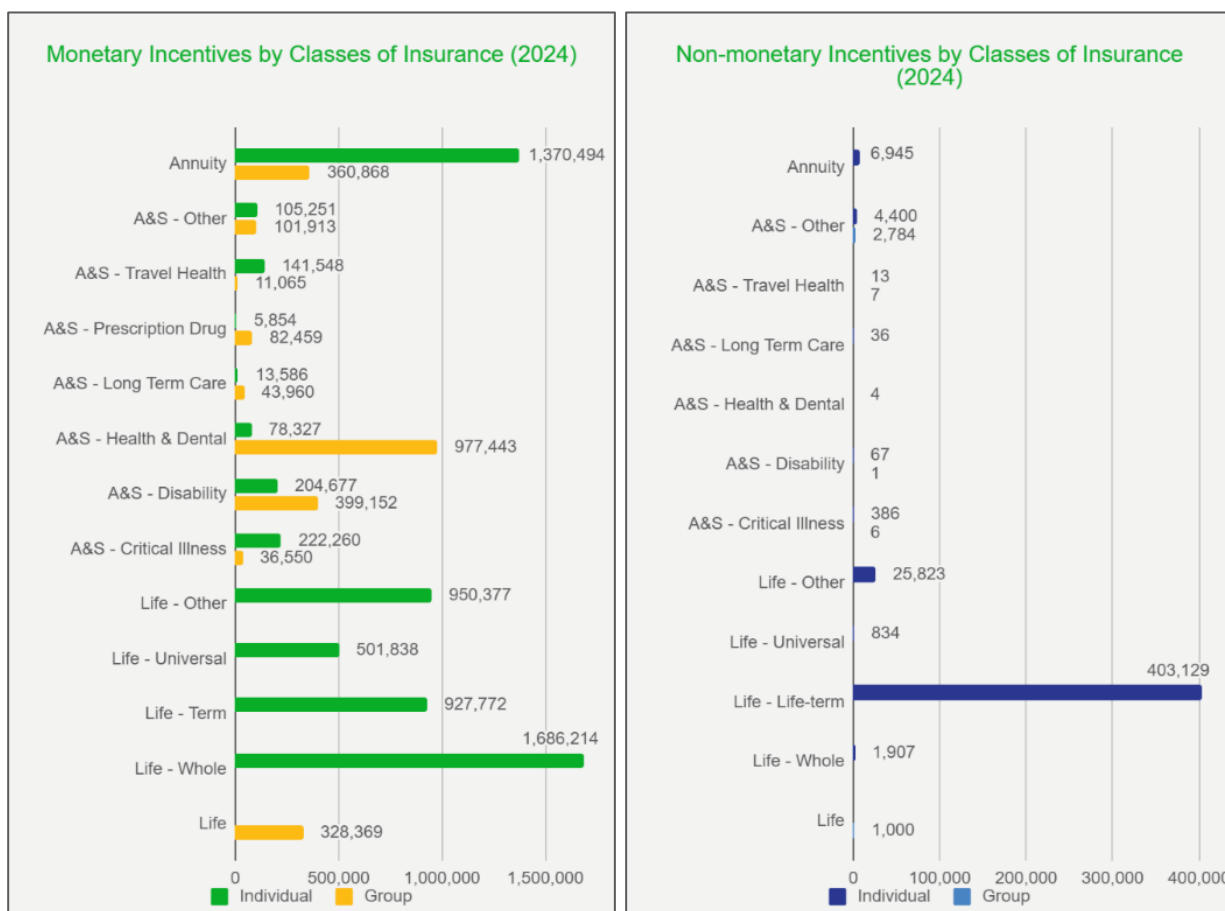
There are no noteworthy year-over-year changes in the commission ratio of Property and Automobile. For the purposes of these calculations, only personal P&C insurance is counted; commissions from commercial or reinsurance products are excluded.

CCIR would like to highlight that while these figures are a consolidated representation of data collected from insurers all across the country, there are variances in insurance systems across different jurisdictions which make these industry totals more relevant to certain provinces than others. As such, they should be taken as a point of reference only and not as a benchmark figure.

### Sales & Servicing Incentives

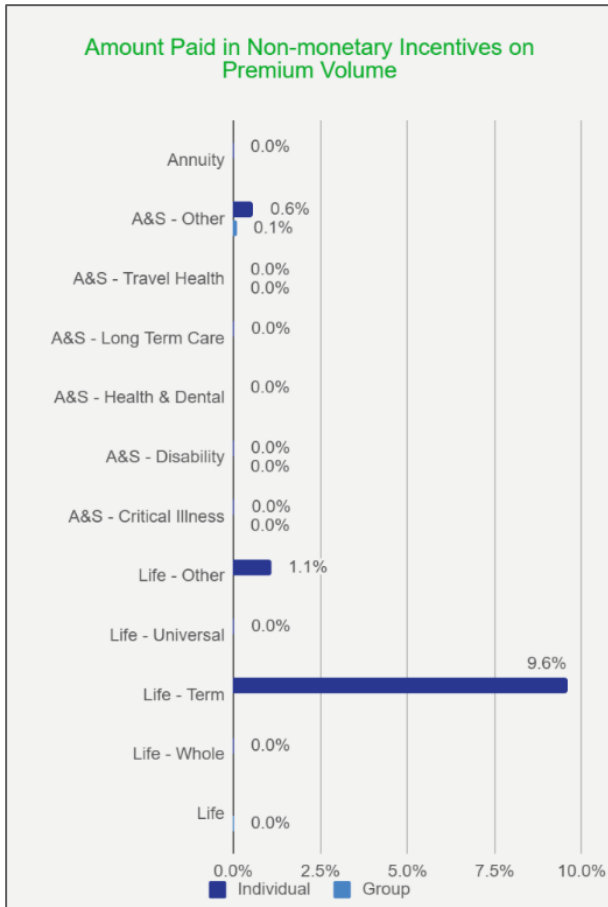
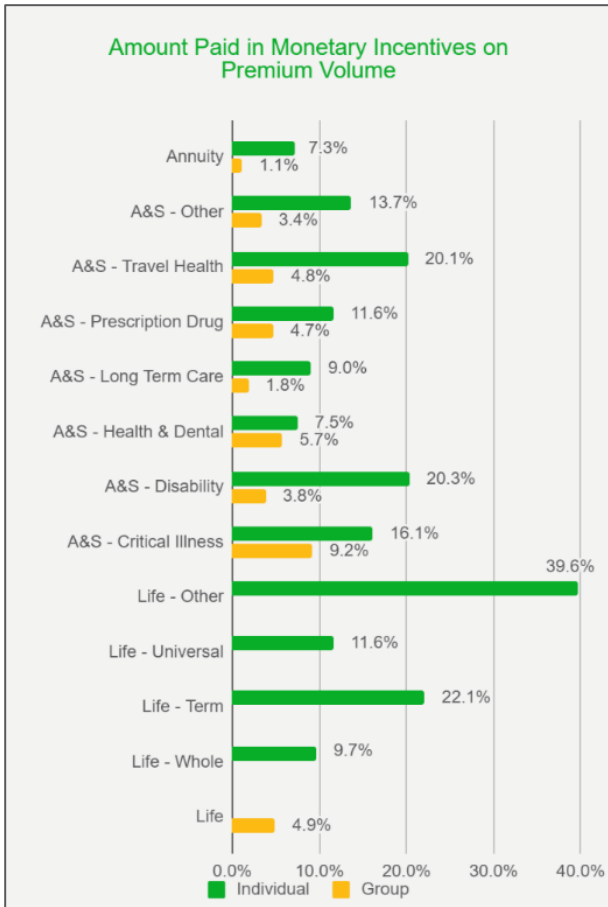
Respondents are asked to provide a total dollar figure for monetary incentives<sup>14</sup> as well as non-monetary incentives<sup>15</sup>.

These are the cumulative industry totals for such incentives in the L&H sector, along with its proportion to premium volume:



<sup>14</sup> Monetary incentives include commissions paid based on sales and services expected and provided and bonuses paid on achievement of performance targets.

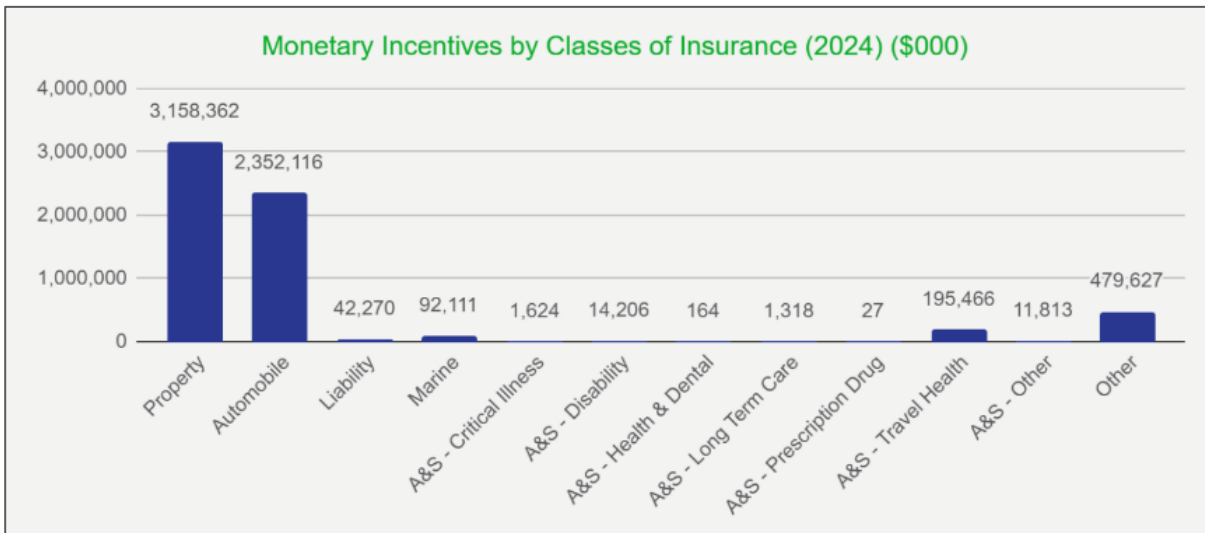
<sup>15</sup> Non-monetary incentives are non-cash benefits, rewards and privileges such as travel, goods and hospitality, entertainment, memberships, contest entry, insurer client referrals, access to services, also related to performance targets. Data presented below refers to the dollar value of such benefits.

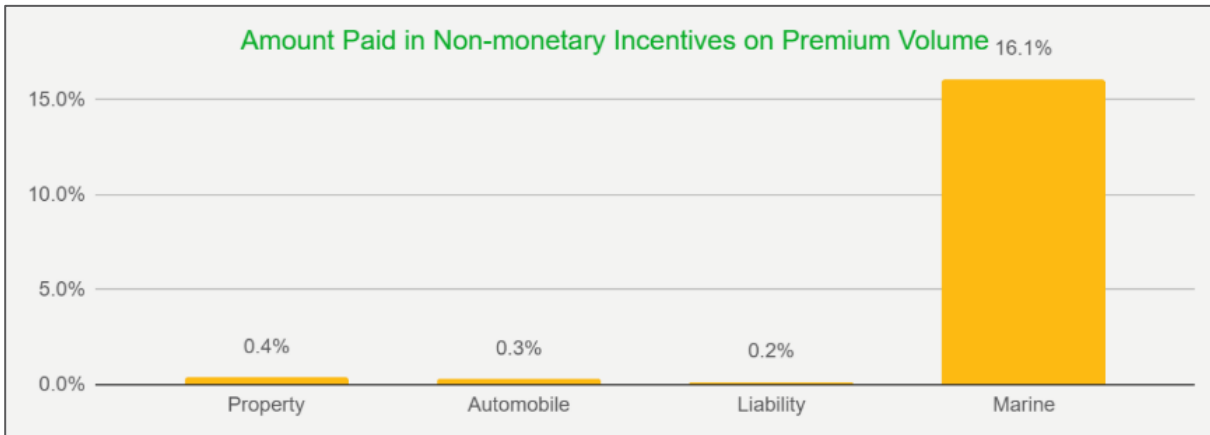
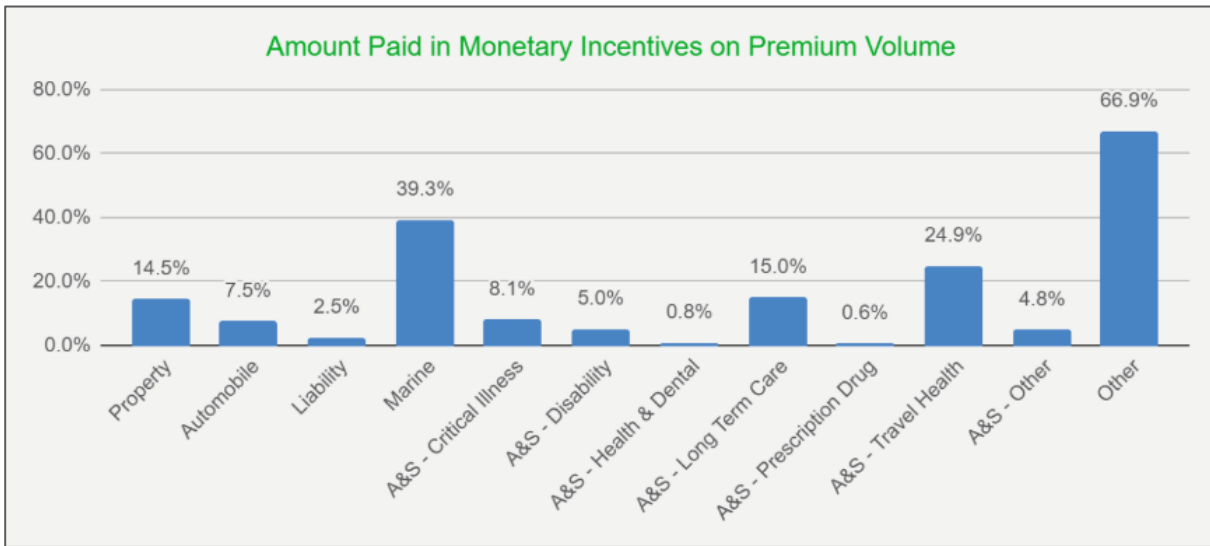
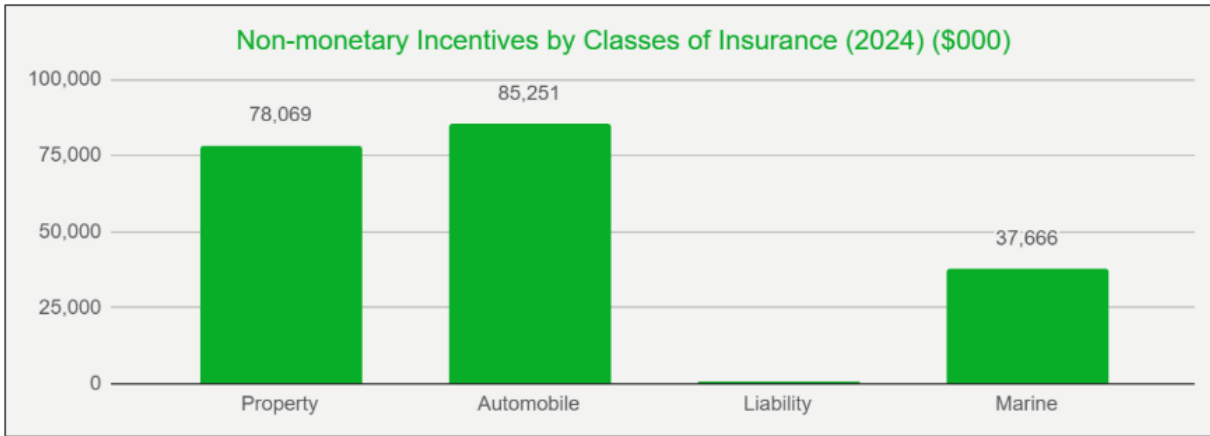


Within the Life insurance category, Individual Whole Life generates the highest total monetary incentives. However, when measured against premium volume, its incentive proportion is lower than that of Universal Life and Term Life. Non-monetary incentives are comparatively minimal and largely limited to Term Life products.

On the A&S side, Group Health and Dental accounts for the largest total of monetary incentives paid, with A&S Disability as the next largest sub-class. Non-monetary incentives are miniscule and negligible.

Here are the totals for the P&C sector:





In the P&C sector, Property and Automobile insurance account for the majority of both monetary and non-monetary incentives which was unsurprising given their business volume relative to other insurance classes. Notably, incentives paid on Marine insurance are proportionally higher when compared to its premium volume.

## Claims

The ASMC collects data related to claims, categorized by class of insurance. Data tracked includes the following:

- ◆ Number of new claims opened or closed,
- ◆ Number of claims denied and reasons, and
- ◆ Time taken to *complete* the claims process after one has been reported.

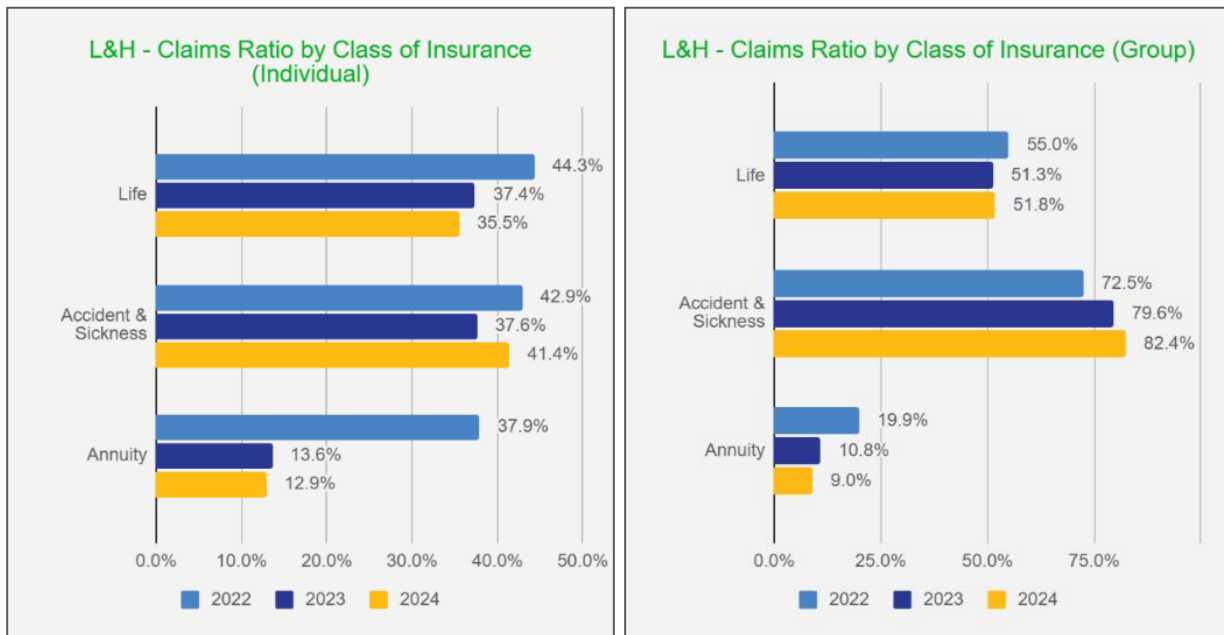
This information helps CCIR members track adherence to the FTC Guidance’s expectation by insurers to “handle claims in a timely and fair manner” and identify areas where improvements are needed in the information provided to the customer.

In addition to discrete data, CCIR has developed ratios based on Claims data provided to analyze potential risks and trends associated with different classes of insurance.

### Claims Ratio

The claims ratio<sup>16</sup> is calculated as the total amount of claims incurred in a class of insurance of its total DWP.

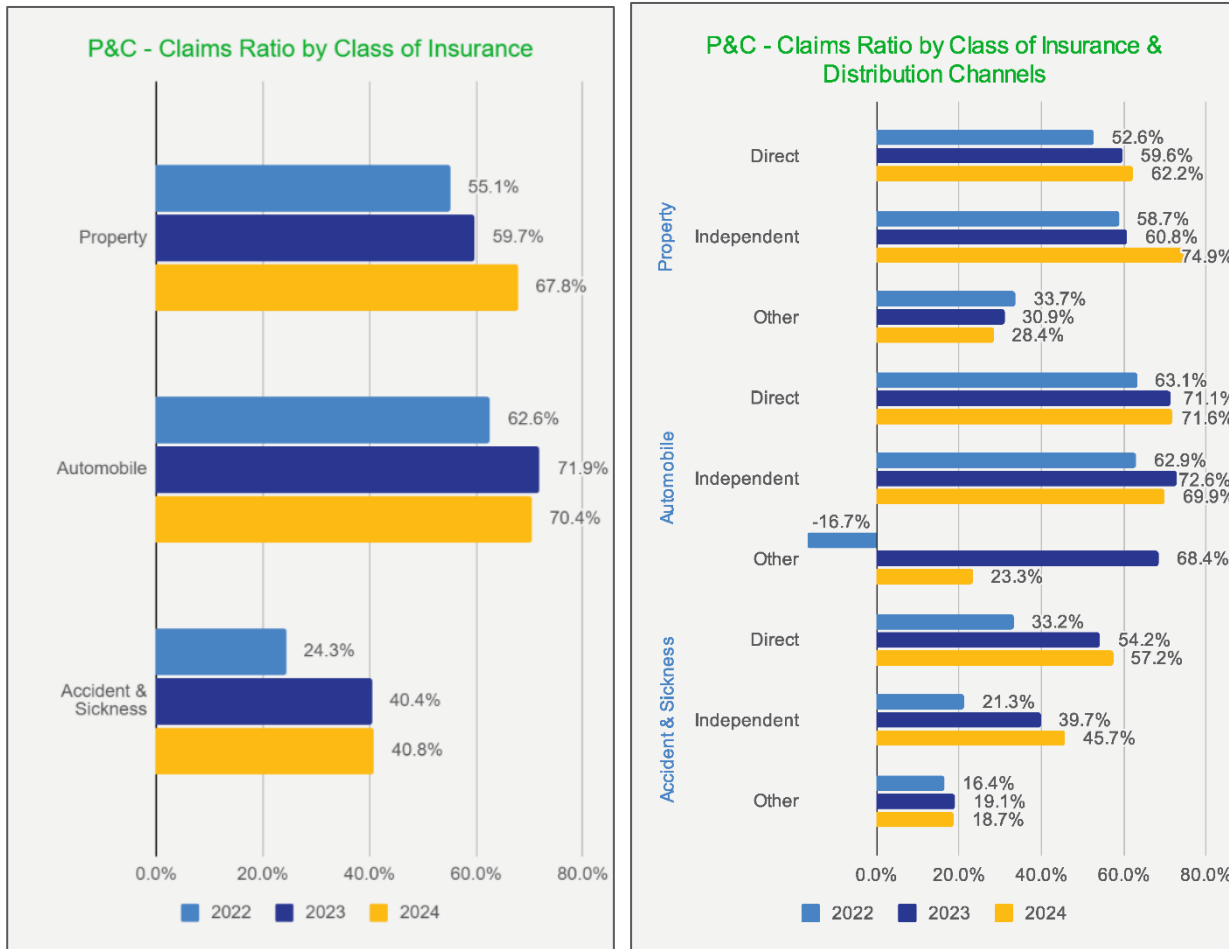
In L&H Individual and Group sectors, claims ratios declined across Annuity insurance classes and Individual Life insurance in 2024, with a marginal increase observed in Group Life insurance. However, Group A&S continued its consistent upward trend over the past three years with a cumulative increase of 9.9 percentage-points, and Individual A&S rose by 3.8 percentage-points from the previous year, though it remained slightly below 2022 levels.



In the P&C sector, Automobile insurance continued to show the highest claims ratio among the three insurance classes in 2024 in the left chart below, but the ratio has slightly decreased from last year. In contrast, Property insurance experienced a notable 13.6% year-over-year increase and 23% between 2022 and 2024.

<sup>16</sup> Claims ratio = Total claims (in \$) / total DWP

Additional data in the below-right chart shows the direct and independent channels of P&C insurance claims have a significantly higher claims ratio when compared with alternatives such as online channels included in the Other channel<sup>17</sup>.



### Average Days To Final Payment And Claims Closed/Rejected Timeframe

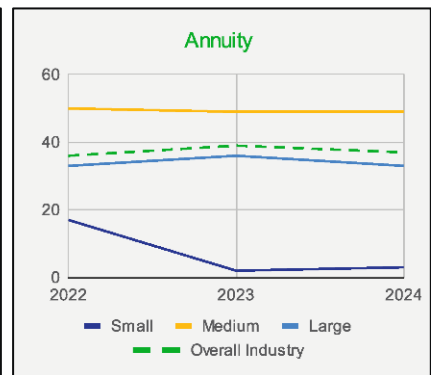
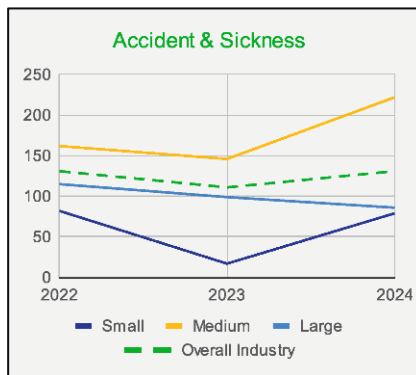
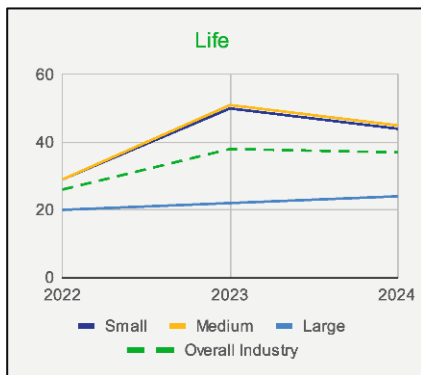
Respondents reported the average number of days taken to make final claim payments for each class of insurance.

For the L&H sector, the industry average timelines for insurance classes were generally stable between 2023 and 2024, except for an increase of 20 days in Individual A&S and a 92-day improvement in Group A&S. Both classes continued to have the longest processing times across the sector in 2024, with averages of 131 days in Individual and 249 days in Group. No other insurance class in the sector exceeded 50 days.

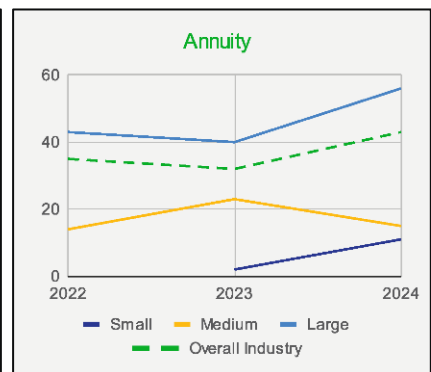
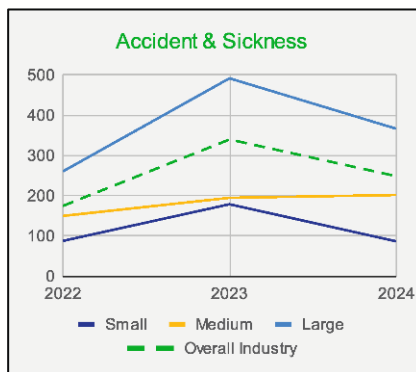
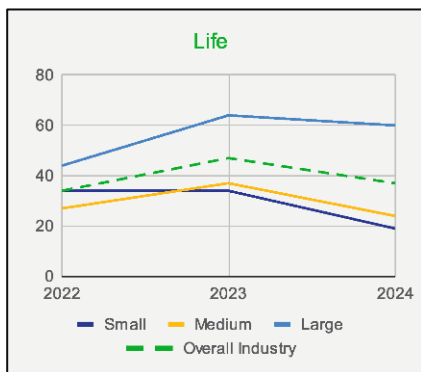
Over the past 3 years, both Individual and Group A&S insurance types have consistently recorded longer average times to final payment compared to other insurance classes. Specifically, Individual A&S claims from medium-sized insurers exceeded the industry average by 91 days, while Group A&S claims from large insurers surpassed it by 118 days.

<sup>17</sup> For the 2022 Automobile claim ratio under the Other channel, there was a -16.7% change, which may be attributed to data quality issues in the ASMC submission.

L&H - Average Days to Final Payment (Individual)												
	Life				Accident & Sickness				Annuity			
Year	Small	Medium	Large	Overall Industry	Small	Medium	Large	Overall Industry	Small	Medium	Large	Overall Industry
2022	29	29	20	26	82	162	115	131	17	50	33	36
2023	50	51	22	38	17	146	99	111	2	49	36	39
2024	44	45	24	37	79	222	86	131	3	49	33	37

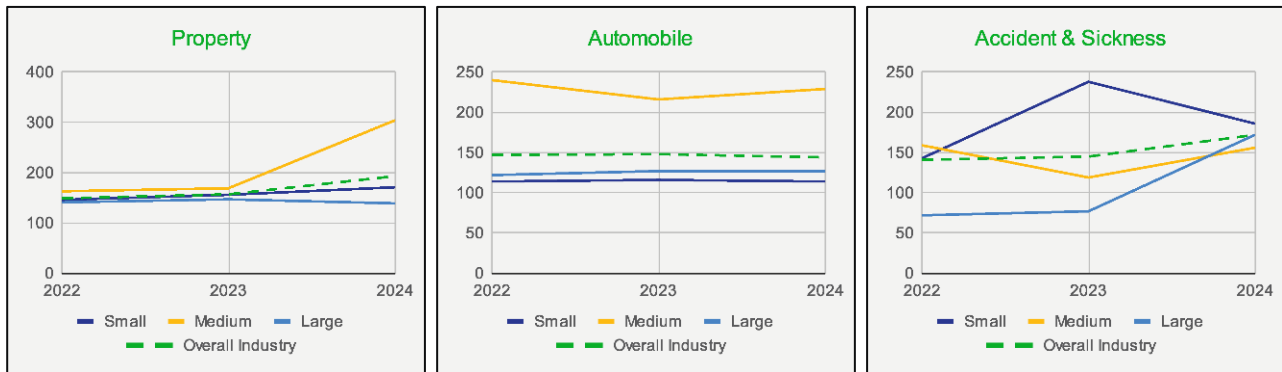


L&H - Average Days to Final Payment (Group)												
	Life				Accident & Sickness				Annuity			
Year	Small	Medium	Large	Overall Industry	Small	Medium	Large	Overall Industry	Small	Medium	Large	Overall Industry
2022	34	27	44	34	88	150	261	175		14	43	35
2023	34	37	64	47	179	195	492	340	2	23	40	32
2024	19	24	60	37	87	202	367	249	11	15	56	43



In the P&C sector, average days to final payment increased in 2024 from 2023 for Property by 36 days, increased in A&S by 27 days, and decreased in Automobile by 5 days. Property recorded an average of 193 days and a 3-year increase of 29.4%, while A&S had an average of 172 days and a 3-year increase of 21.7%. In contrast, Automobile claims were processed in an average of 144 days, a decrease of 5 days from last year. Of note, medium-sized Property insurers required an average of 135 additional days to process payments in 2024 compared to 2023 (+79.9%), and large A&S insurers needed 95 more days (+123%).

P&C - Average Days to Final Payment												
Year	Property				Automobile				Accident & Sickness			
	Small	Medium	Large	Overall Industry	Small	Medium	Large	Overall Industry	Small	Medium	Large	Overall Industry
2022	146	163	141	149	114	240	122	147	143	159	72	141
2023	156	169	147	157	116	216	127	148	238	119	77	145
2024	171	304	139	193	114	229	127	144	186	156	172	172



Additionally, when examining the total number of claims closed or denied, the percentage processed within 90 days remained stable and continued to represent the dominant timeframe across all L&H and P&C insurance classes in 2024—ranging from 65.1% to 99.6%. However, as previously highlighted in last year’s report, Large Property insurers had a high percentage of claims processed after 181 days, significantly worse than the industry average. This area saw a slight improvement in 2024 by reducing the time by 2 percentage points, but 19% of claims were still unresolved after 181 days (11 percentage points below the industry average). This remained an area requiring attention, particularly considering the concurrent rise in claims ratios and average processing times for this class.

While CCIR monitors these trends, industry averages should not be interpreted as benchmarks. Insurers are reminded to meet the expectation of handling claims in a timely and fair manner and to comply with applicable regulatory requirements. CCIR emphasizes that timely claims settlement is critical to the customer experience. Persistent delays may indicate operational inefficiencies or poor service quality, potentially falling short of FTC expectations related to fairness and responsiveness.

### Claims Rejection Ratio

CCIR uses a claims rejection ratio<sup>18</sup> to measure the proportion of claims denied<sup>19</sup> relative to the total number of claims handled.

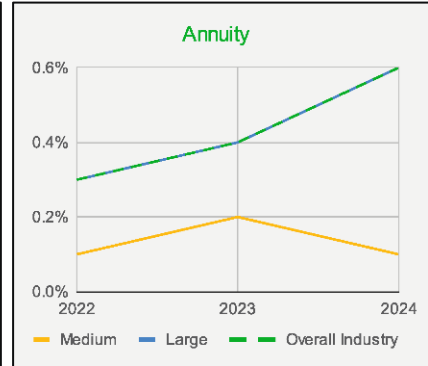
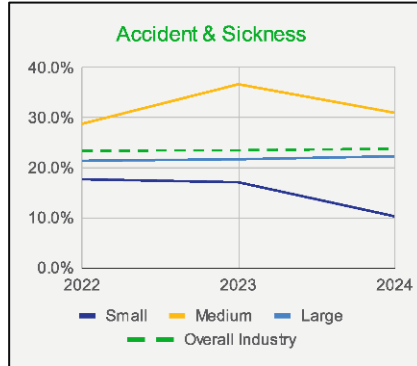
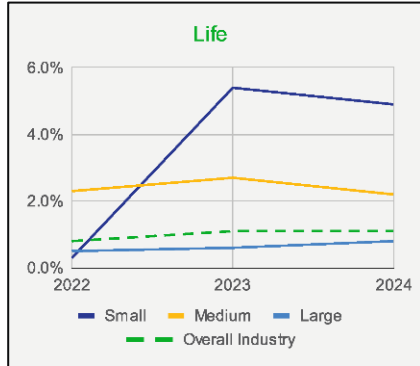
In the L&H sector, average industry rejection ratios remained relatively stable for all Individual and Group insurance classes in 2024. Group A&S notably showed a decrease of 4.3 percentage points compared to 2023. However, both Individual and Group A&S continue to have significantly higher industry denial rates among all insurances classes; at least 10 percentage points higher than all other L&H classes.

<sup>18</sup> Claims rejection ratio = # claims denied in the period / (# of claims opened at the beginning of the period + # of new claims opened during the period – # of claims opened at the end of the period)

<sup>19</sup> A claim is considered denied if an insurer refuses to pay any amount of the claim.

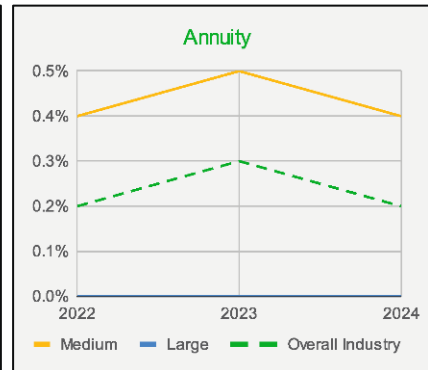
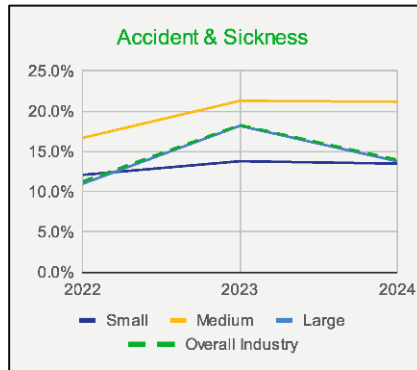
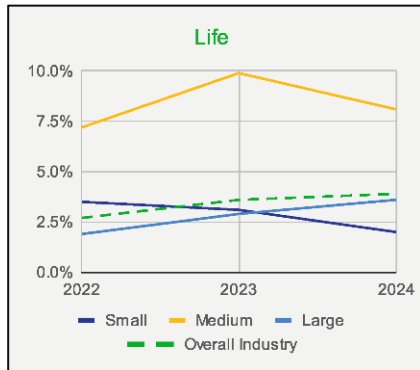
### L&H – Claims Rejection Ratio (Individual)

Year	Life				Accident & Sickness				Annuity			
	Small	Medium	Large	Overall Industry	Small	Medium	Large	Overall Industry	Small	Medium	Large	Overall Industry
2022	0.3%	2.3%	0.5%	0.8%	17.7%	28.8%	21.4%	23.4%		0.1%	0.3%	0.3%
2023	5.4%	2.7%	0.6%	1.1%	17.1%	36.7%	21.7%	23.5%		0.2%	0.4%	0.4%
2024	4.9%	2.2%	0.8%	1.1%	10.3%	31.0%	22.3%	23.8%		0.1%	0.6%	0.6%



### L&H - Claims Rejection Ratio (Group)

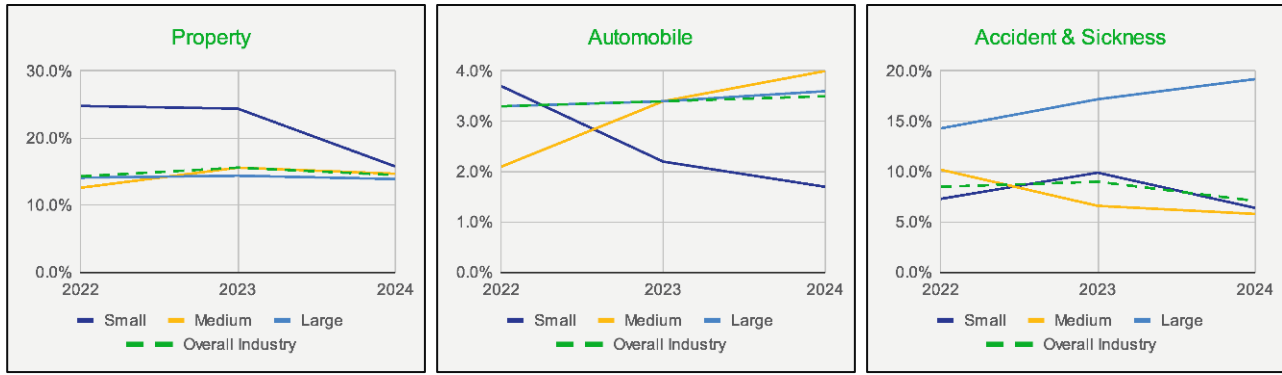
Year	Life				Accident & Sickness				Annuity			
	Small	Medium	Large	Overall Industry	Small	Medium	Large	Overall Industry	Small	Medium	Large	Overall Industry
2022	3.5%	7.2%	1.9%	2.7%	12.1%	16.7%	11.0%	11.3%		0.4%	0.0%	0.2%
2023	3.1%	9.9%	2.9%	3.6%	13.8%	21.3%	18.2%	18.3%		0.5%	0.0%	0.3%
2024	2.0%	8.1%	3.6%	3.9%	13.5%	21.2%	13.8%	14.0%		0.4%	0.0%	0.2%



In the P&C sector, the average industry rejection ratios remained relatively stable across all insurance classes over the past 3 years. Overall, Property insurance had the highest denial rate, followed by A&S. Specifically, in 2024, small Property insurers improved their ratios by 8.6 percentage points compared to 2023, while large A&S insurers showed an increase in denial ratio by 2 percentage points from 2023.

### P&C - Claims Rejection Ratio Payment

Year	Property				Automobile				Accident & Sickness			
	Small	Medium	Large	Overall Industry	Small	Medium	Large	Overall Industry	Small	Medium	Large	Overall Industry
2022	24.8%	12.6%	14.1%	14.3%	3.7%	2.1%	3.3%	3.3%	7.3%	10.2%	14.3%	8.5%
2023	24.4%	15.6%	14.4%	15.6%	2.2%	3.4%	3.4%	3.4%	9.9%	6.6%	17.2%	9.0%
2024	15.8%	14.7%	13.9%	14.5%	1.7%	4.0%	3.6%	3.5%	6.4%	5.8%	19.2%	7.1%



High claims rejection ratios may potentially point to issues such as lack of product clarity, insufficient disclosures by insurers or customers, or misalignment between product design and customer needs.

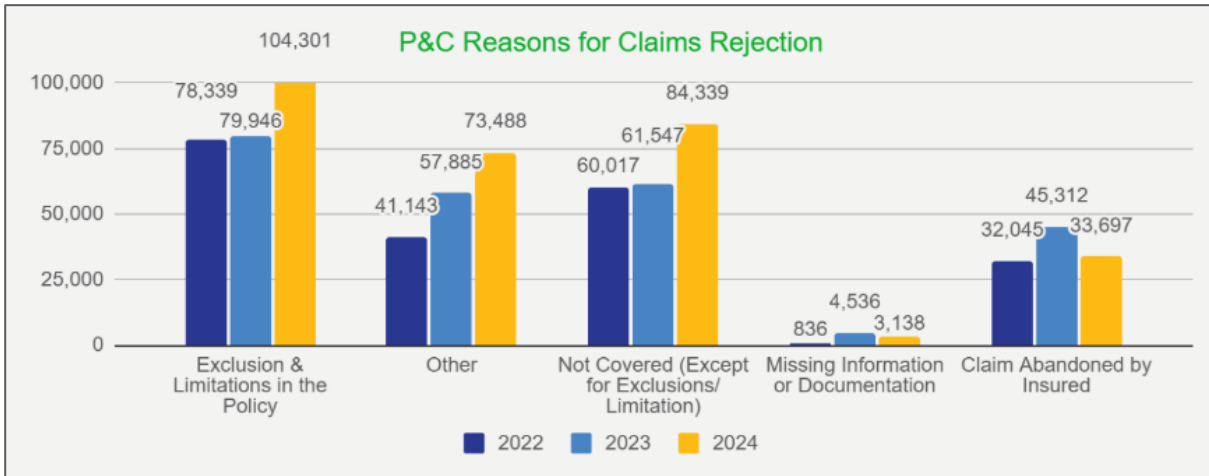
Across both sectors, “Exclusions and Limitations in the Policy” and “Not Covered” remain the top few reasons for claim denials across the last three years. In addition, “Missing Information” or “Documentation – Claims Process” was frequently cited by L&H insurers<sup>20</sup>, while “Other” was specific to the P&C sector<sup>21</sup>.

Please refer to Appendix A and B for breakdown of claims rejection reason by the size of the L&H and P&C insurers.



<sup>20</sup> For L&H in 2023, the leading claim denial reason— Insured Not Eligible —accounted for 68% of rejections. However, this reason saw a significant decline in 2024 and no longer ranks among the top five, so it was excluded from current reporting.

<sup>21</sup> As the ASMC return asked each insurer to provide specific reasons for their top three claim rejection categories, all remaining reasons were grouped under ‘Other’. For 2024, the key reasons within the ‘Other’ category include Duplicate Claim, Missing or Incomplete Documentation, and No Coverage on the Policy. Some may overlap with the standalone rejection reasons already presented in the chart.



## Complaints

Insurers are required to file all complaints as defined by the ASMC definition of complaint through the AMF e-services platform.

CCIR reminds insurers that the definition of complaint in the ASMC now matches the definition included in the FTC Guidance. All insurers will have to follow this definition when reporting complaints, if not currently then by January 1, 2026 at the latest. There have been some noted discrepancies with the complaints data filed which may be caused by inconsistencies in how complaints are recorded and updated through CCIR's online tool. Insurers are highly encouraged to attend upcoming CCIR information sessions centred on this topic which aim to provide guidance and clarity on managing complaint submissions.

### Complaint Examination

ASMC responses indicated most respondents attest to having complaint handling mechanism(s) in place, including senior officer(s) responsible for complaint handling and documented complaint handling policies, procedures, reporting mechanisms and training in place.

% of insurers (industry average) reported having:	P&C			L&H		
	2022	2023	2024	2022	2023	2024
<b>A senior officer responsible for complaint handling</b>	100%	99%	98%	100%	98%	98%
<b>Documented complaint handling policies and procedures guideline</b>	97%	97%	97%	97%	97%	98%
<b>A complaint handling unit or department</b>	77%	79%	80%	84%	85%	86%
<b>Reporting mechanism regarding aggregated complaints on a periodic basis to management and the board of directors</b>	88%	88%	88%	96%	95%	98%
<b>Ongoing training program for staff whose activities include complaint handling</b>	78%	81%	79%	87%	83%	88%

The reported data did not show significant shifts in practice year-over-year. There were slight variances (+/- 3% change) across the data points across this time period, with both an increase and reduction of insurers reporting having identified mechanisms and/or controls in place.

The data showed L&H insurers reported more mature FTC processes in some areas in comparison to P&C insurers. For example, 98% of L&H insurers reported having complaint reporting mechanisms to management and their board of directors in place in the 2024 ASMC, compared to 88% of P&C insurers. Additionally, 88% of L&H insurers reported having ongoing training in place for staff involved in complaint handling, compared to 79% of P&C insurers.

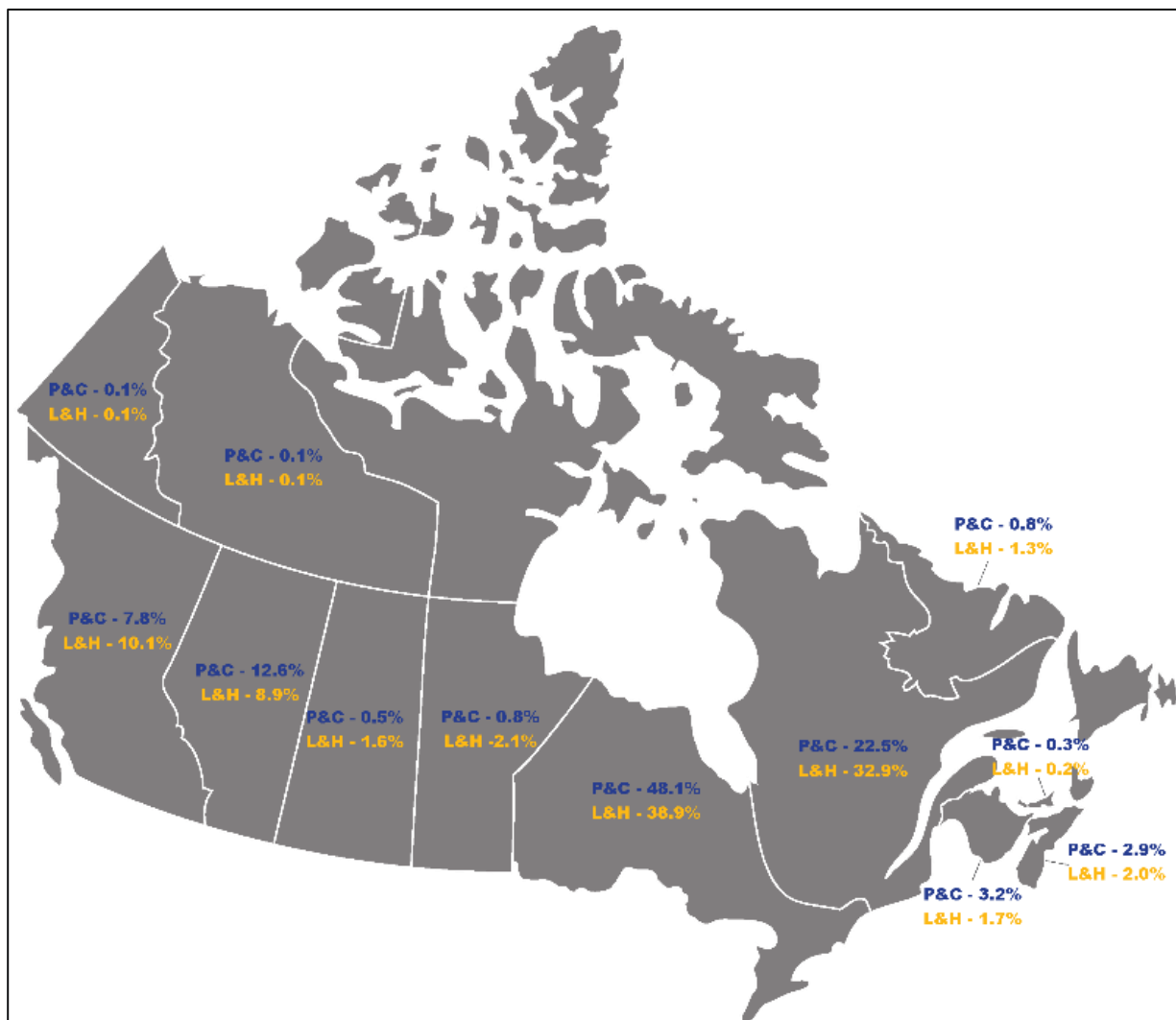
CCIR emphasizes complaint examination and dispute resolution processes as key indicators for assessing organizational performance regarding FTC<sup>22</sup>. This includes proactively identifying issues in line with their product design and operation. Insurers who reported not having identified complaint handling mechanisms and/or controls in place are encouraged to review existing practices to strengthen business practices and demonstrate that FTC is part of their business culture.

### Complaints Handling

ASMC captures the following data points related to reported complaints:

- ◆ Complainant’s place of residence,
- ◆ Line of business (P&C and L&H), class of insurance and type of product (personal, commercial, group or individual),
- ◆ Distribution channel,
- ◆ Cause of complaint, and
- ◆ Complaint resolution details.

Complaints data was sorted by province (according to the complainant’s place of residence) and its proportion relative to the country’s overall population distribution was assessed:



<sup>22</sup> Reference page 27 of [Conduct of Insurance Business and Fair Treatment of Customers Guidance](#).

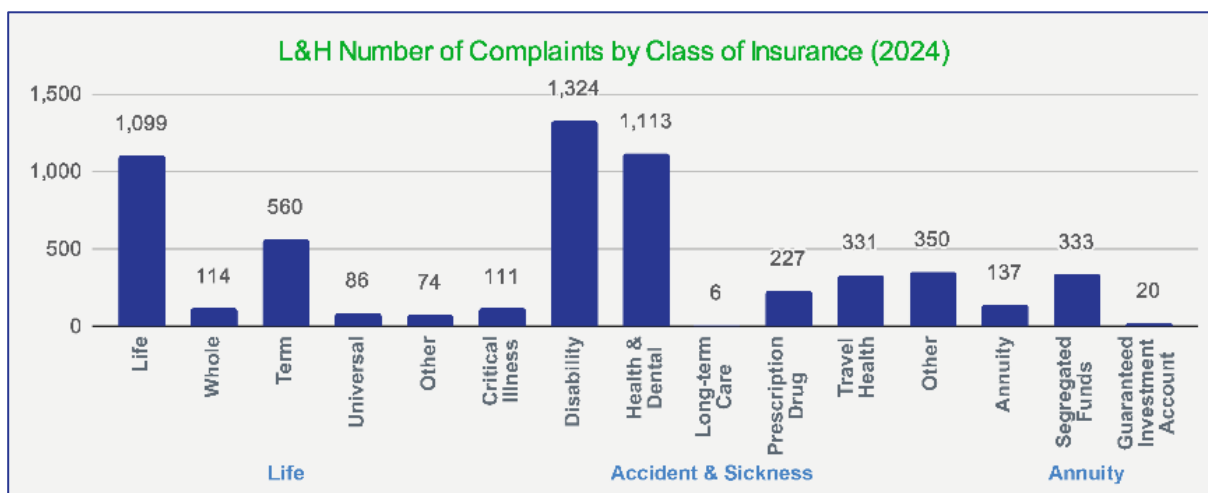
In the L&H sector, complainants in Ontario (2,287), Quebec (1,934) and British Columbia (592) reported the most complaints respectively. In the P&C sector, complainants in Ontario (4,128), Quebec (1,933) and Alberta (1,085) reported the highest volume of complaints. While ASMC does not collect policy information on a provincial level, the volume of complaints in these provinces can be partially explained by market share.

### Life & Health

The total number of L&H complaints filed in 2024 was 5,885 (2,767 individual, 3,118 group).

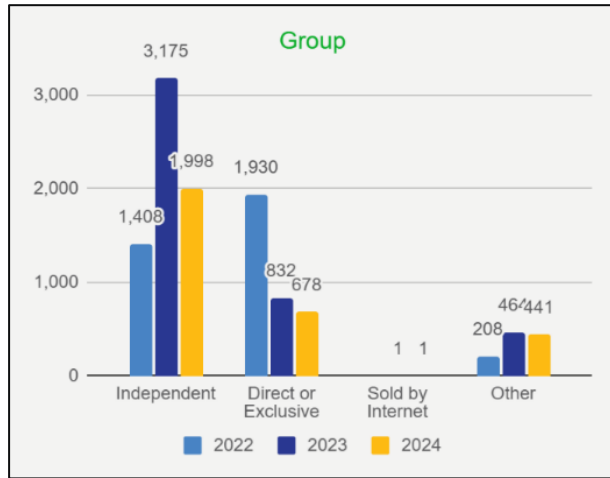
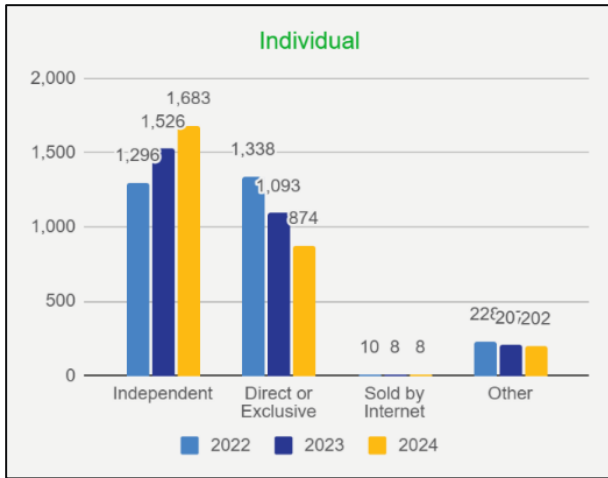
L&H complaints decreased by 19.6% in 2024. The decrease in complaints in 2024 may be partially explained by insurer’s early adoption of the revised complaint definition for ASMC complaint reporting purposes.

See below the number of L&H complaints split by class of insurance in 2024. The data shows A&S – Disability insurance generated the most complaints in 2024, with A&S – Health and Dental and general Life rounding out the top three.



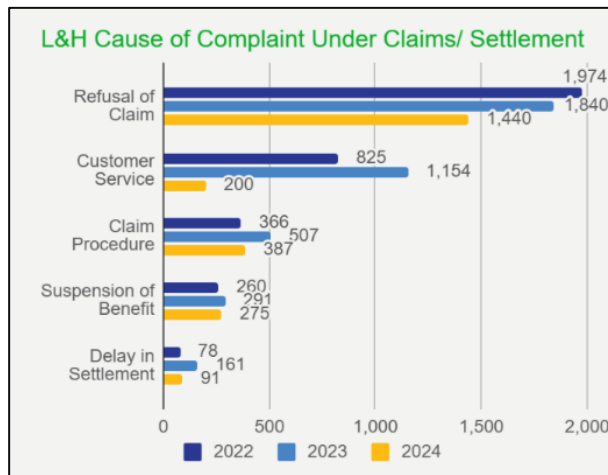
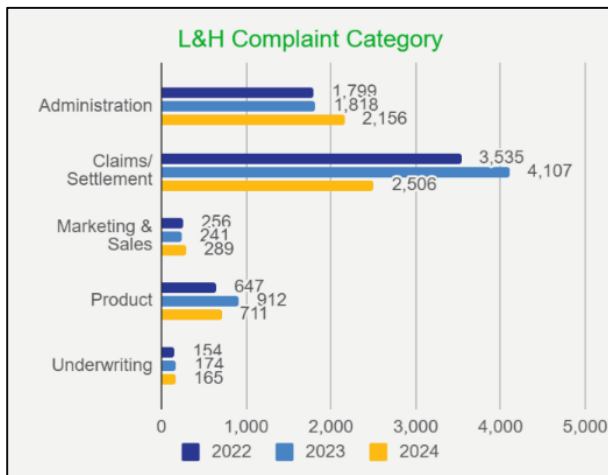
See below the number of L&H complaints split by distributions channel between 2022 – 2024, as well as the proportion each channel represents. The proportion of Individual L&H complaints in the Independent channel have risen each year, from 45% of all complaints in 2022, to 54% in 2023, and finally to 61% in 2024. This increase is taken almost directly from the Direct channel, which made up 47% of complaints in 2022, down to 39% in 2023 and finally 32% in 2024.

	Individual						Group					
	2022		2023		2024		2022		2023		2024	
	#	%	#	%	#	%	#	%	#	%	#	%
<b>Independent</b>	1,296	45%	1,526	54%	1,683	61%	1,408	40%	3,175	71%	1,998	64%
<b>Direct or Exclusive</b>	1,338	47%	1,093	39%	874	32%	1,930	54%	832	19%	678	22%
<b>Sold by Internet</b>	10	0%	8	0%	8	0%			1	0%	1	0%
<b>Other</b>	228	8%	207	7%	202	7%	208	6%	464	10%	441	14%
<b>Total</b>	<b>2,872</b>	<b>100%</b>	<b>2,834</b>	<b>100%</b>	<b>2,767</b>	<b>100%</b>	<b>3,546</b>	<b>100%</b>	<b>4,472</b>	<b>100%</b>	<b>3,118</b>	<b>100%</b>



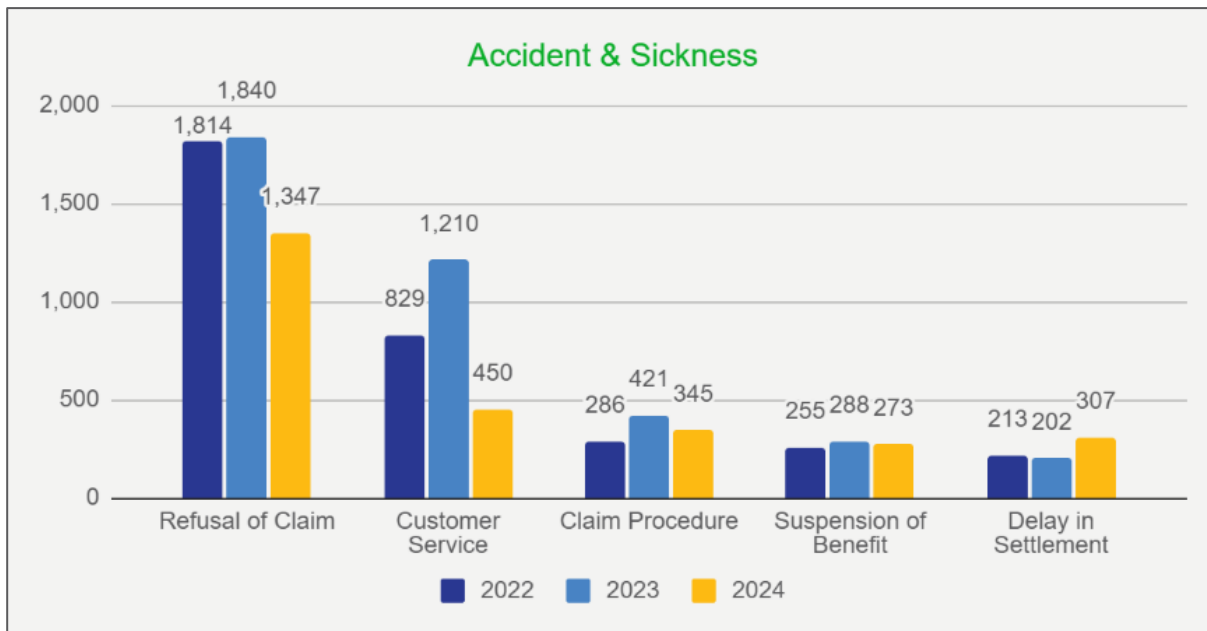
When looking at the complaint categories year-over-year by volume, “Claims/Settlement” continued to be the most prevalent category. However, there was a notable 39% reduction in overall volume of these complaints as shown below. “Administration” remained the second largest complaint category; its overall total of complaints increased by 18.6% in 2024.

Within the different sub-categories of “Claim/Settlement”, “Refusal of Claim” was identified as most prevalent.



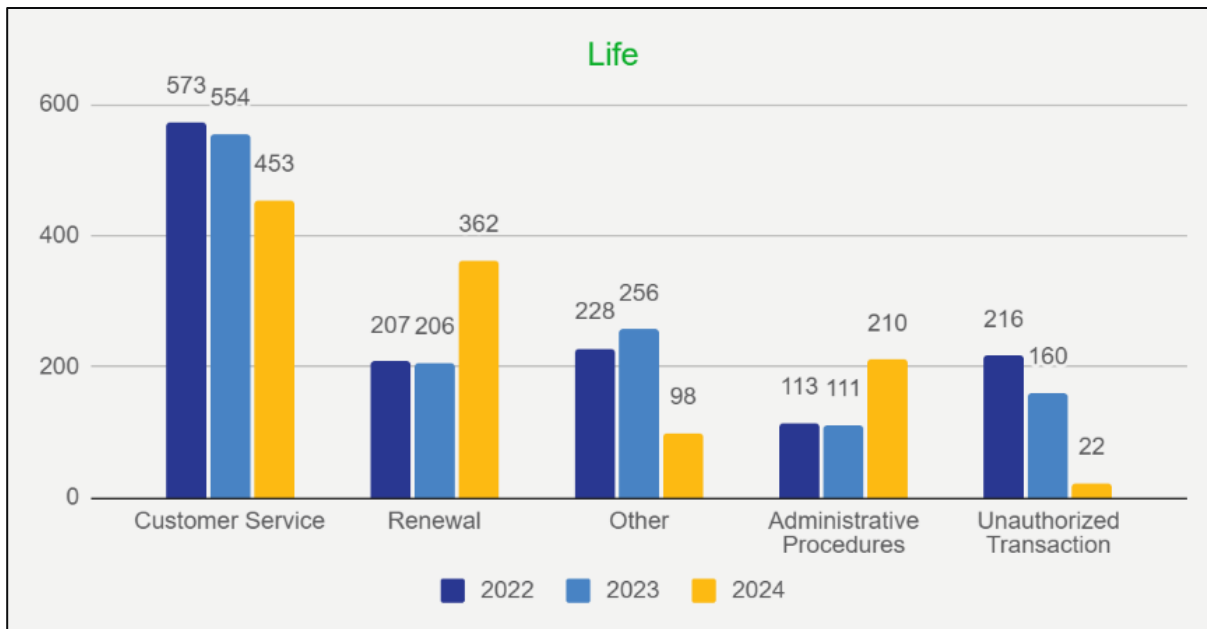
### A&S (Individual & Group Aggregated)

The total volume of complaints in A&S dropped in 2024. When looking at top complaint causes by class of insurance, “Refusal of Claim” and “Customer Service” ranked as the top 2 causes for A&S insurance, consistent with previous years of data.



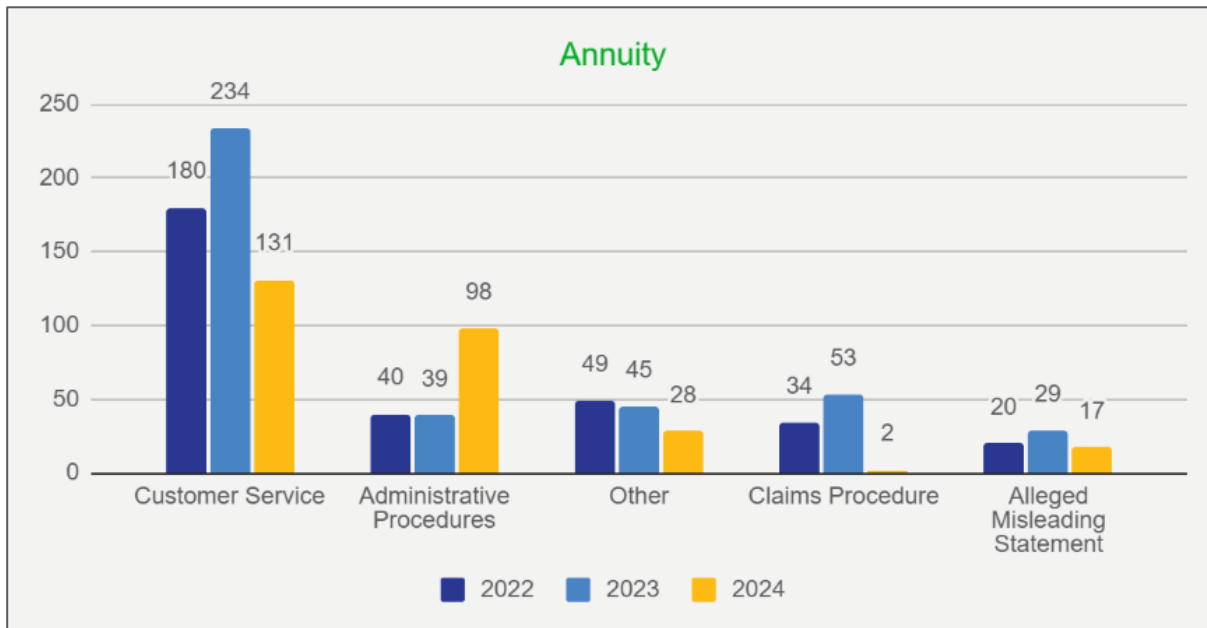
### Life (Individual & Group Aggregated)

Analysis showed while “Customer Service” complaints decreased in volume year-over-year, it remained the top cause of complaints for life insurance. Renewal complaints notably increased by 76% in 2024 and was the next most common cause.



### Annuity (Individual & Group Aggregated)

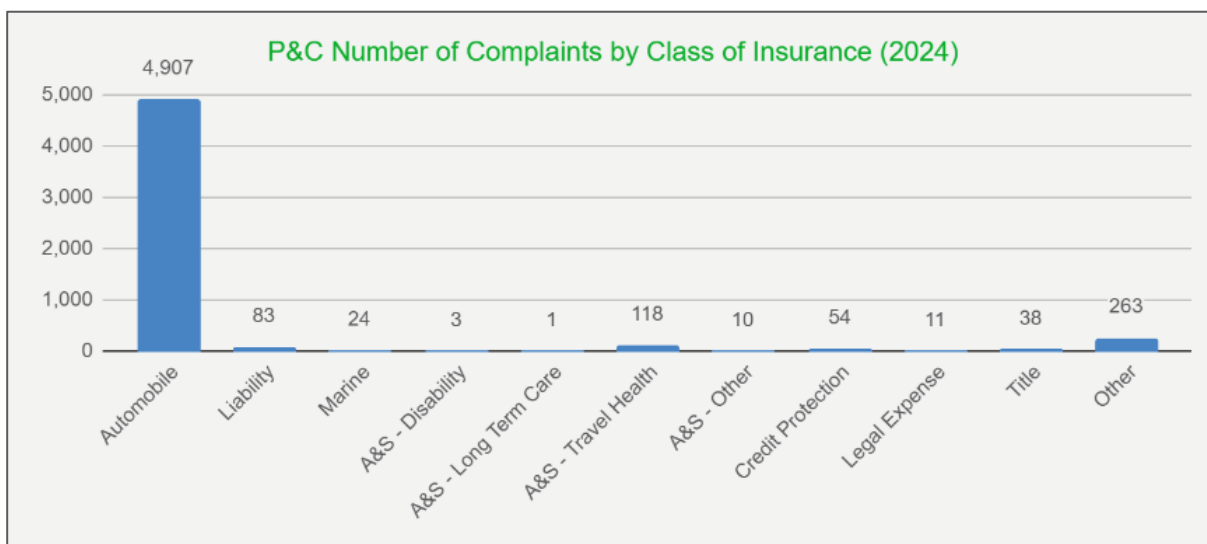
“Customer Service” and “Administrative Procedures” were the top 2 causes of complaints for annuity, respectively.



### Property & Casualty

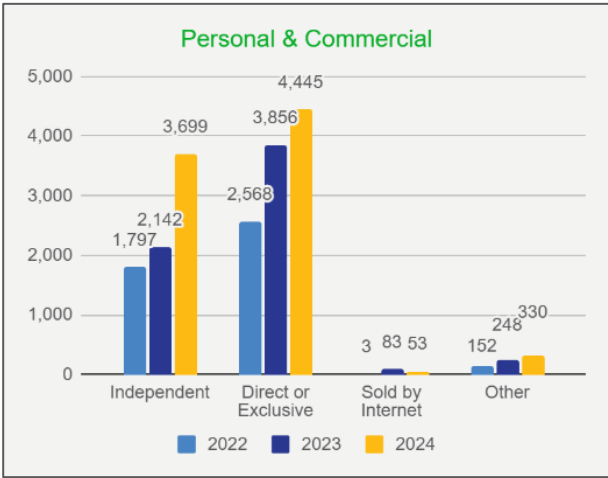
The total number of P&C complaints filed in 2024 was 8,537 (8,087 personal and 440 commercial), up 38% from a total of 6,175 in 2023. There was observed growth in complaints from both Personal and Commercial lines of business, although Personal accounted for most of the increase.

P&C complaints split by class of insurance showed automobile insurance generated the most complaints in 2024, as per below.

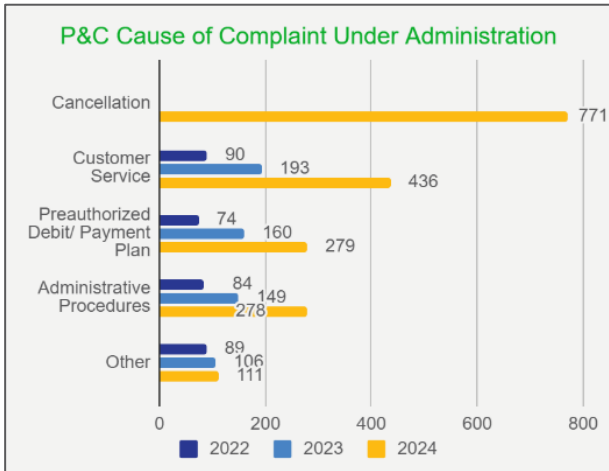
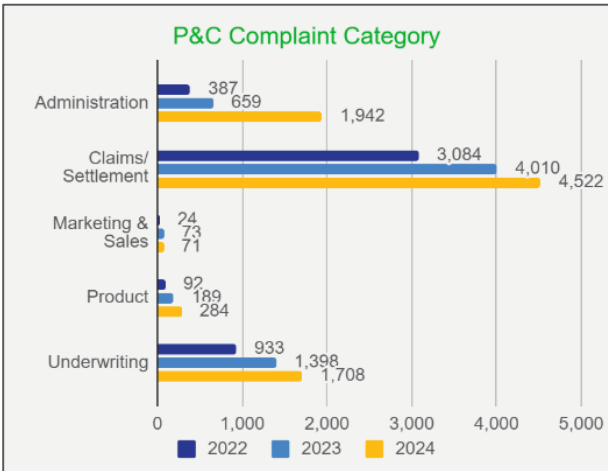


When analyzing splits of complaint volume by distribution channel, it is noted that the volume of complaints has risen year-over-year. There is no identified trend between distribution channels, though the difference between Independent and Direct/Exclusive narrowed in 2024 compared to the previous year.

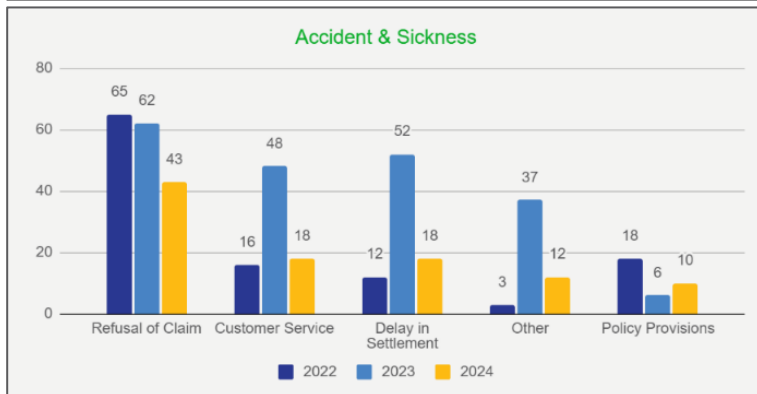
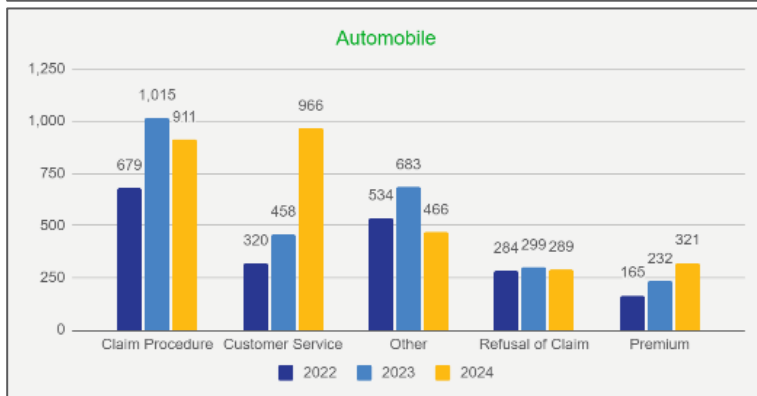
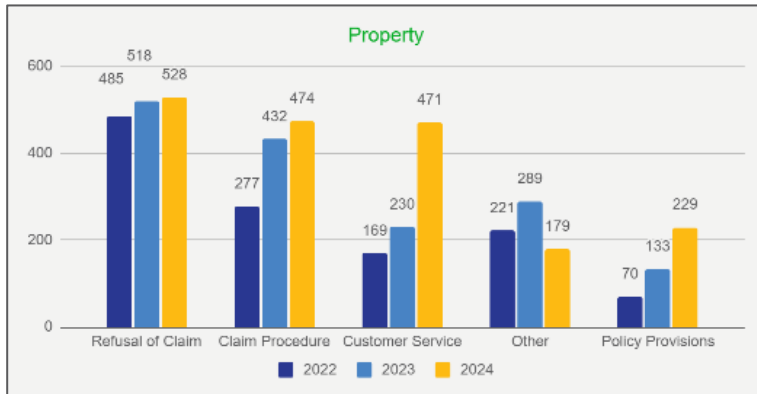
Personal & Commercial						
	2022		2023		2024	
	#	%	#	%	#	%
<b>Independent</b>	1,797	40%	2,142	34%	3,699	43%
<b>Direct or Exclusive</b>	2,568	57%	3,856	61%	4,445	52%
<b>Sold by Internet</b>	3	0%	83	1%	53	1%
<b>Other</b>	152	3%	248	4%	330	4%
<b>Total</b>	<b>4,520</b>	<b>100%</b>	<b>6,329</b>	<b>100%</b>	<b>8,527</b>	<b>100%</b>



Like L&H, the most represented complaint category in the P&C sector in 2024 was “Claims/Settlement”. While the volume of complaints increased almost all categories, “Administration” saw a notable increase of 195%.



When looking at complaint causes for the largest classes of P&C insurance, “Refusal of Claim” was the top cause for Property and A&S, while “Claim Procedure” was the top cause for Automobile.



CCIR reminds all insurers of the importance to use received complaints to identify possible areas of recurring risk within the business. Analysis of complaint causes can help identify specific trends, thematic issues and areas of concerns, and also assist with making adjustments to business practices to better address consumer needs and concerns.

# Conclusion

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## Next Steps

CCIR members continue to derive value from the collection of ASMC data each year and strives to improve the process with each new cycle. This iteration of the Public Report has introduced some new data points in addition to bringing back some previously reported indicators that were not included in more recent reports. We hope that the information contained within this publication will be useful to all readers.

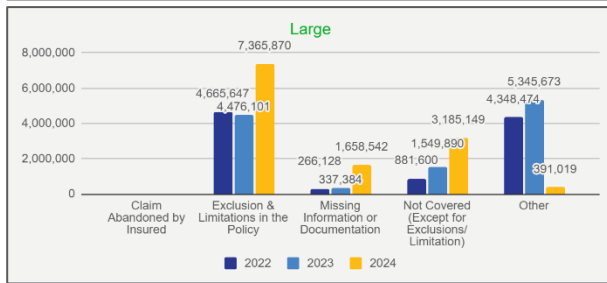
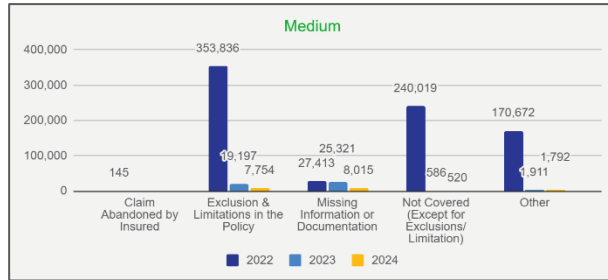
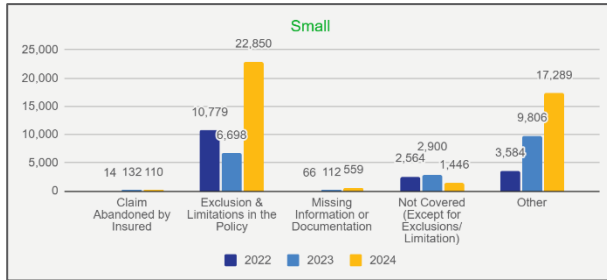
CCIR appreciates the steps taken by the industry to develop FTC practices and use them towards achieving better customer outcomes. It is recognized that FTC initiatives and approaches must evolve to keep pace with an ever-changing insurance market. As noted in the FTC Guidance, insurers differ in size, business procedures and company culture. A 1-size-fits-all approach may not achieve the desired outcomes for all insurers. Insurers are encouraged to review this report and consider how their organization is conducting business in a manner meeting CCIR's expectations regarding the fair treatment of customers.

Regulators will continue to use ASMC data to monitor developments and trends in the industry and assist with their own supervisory activities such as thematic reviews, questionnaires and cooperative initiatives conducted across multiple jurisdictions where applicable.

# Appendix

## Appendix A - Claim Rejection Reasons for L&H Insurers by the Company Size

### L&H Reasons for Claims Rejections



## Appendix B – Claim Rejection Reasons for P&C Insurers by the Company Size

### P&C Reasons for Claims Rejections

