


2023 Annual Statement on Market Conduct Public Report



November 2024

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INTRODUCTION

This report provides an overview of notable observations from the 2023 data collected through the Annual Statement on Market Conduct (ASMC) administered by the Canadian Council of Insurance Regulators (CCIR) on behalf of its members.

This report highlights key data points to provide a macro-level overview of the insurance industry in Canada, focusing on the Life & Health (L&H) and Property & Casualty (P&C) insurance sectors, as well as highlight any notable year-over-year changes between data points where applicable. It is intended to provide observations related to these highlighted trends as well as provide insight on how the data provided is relevant to regulatory work conducted by CCIR members.

KEY OBSERVATIONS

- ❖ Most respondents continue to attest Fair Treatment of Customers (FTC) is a priority in their organizations, and they have practices to promote it, but regulatory reviews note potential misalignment between ASMC responses and actual practice.
- ❖ Distribution contracts in the independent channel for both sectors increased. Reviews conducted by insurers with an FTC focus increased in the L&H sector, but decreased in P&C.
- ❖ There was a notable increase in Accident & Sickness policies in force.
- ❖ Commission ratios (measured as the amount of commissions relative to direct written premium) decreased slightly.
- ❖ Almost all sectors reported a decrease in their claims ratios.
- ❖ Large property insurers took over 180 days to close 21.4% of received claims, compared to an industry average of 9.7%.
- ❖ There was an overall increase in the volume of complaints across both sectors, primarily related to claims/settlement. There was also a notable increase in product-related complaints in the L&H sector.

BACKGROUND

WHAT IS THE ASMC?

In 2017, CCIR developed the ASMC as a resource to collect information from insurers across Canada in two sectors – L&H and P&C. The ASMC was designed to forward a harmonized regulatory approach to better understand and assess the insurance marketplace and insurer conduct.

The ASMC is a mandatory filing that collects data on an industry-wide basis. 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.

Within CCIR, the Cooperative Supervision Oversight Committee (CSOC) manages the collection of information and reporting through the ASMC. It also revises the data reporting requirements on an annual basis.

WHAT IS CSOC?

CSOC is a CCIR standing committee overseeing the Memorandum of Understanding and the Framework for Cooperative Market Conduct Supervision in Canada. This includes oversight of CCIR's cooperative supervisory plans and activities, guided by the Fair Treatment of Customers (FTC) Guidance¹. The committee oversees cooperative supervision activities where emerging issues are examined on a thematic and/or insurer basis.

The 2023-2026 CCIR strategic plan demonstrates 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:

1. Regulatory policy;
2. Cooperative supervision; and
3. Regulatory collaboration.

The data collected through the ASMC can be considered under both the second and third pillars and relates to previous work done by CCIR under the first pillar.

WHAT DOES THE CCIR USE THE ASMC DATA FOR?

The information collected consists of key market performance data for regulators to use, with the goal of providing more consistent measurements and comparisons between companies. In general, CCIR members use the ASMC to:

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

Since 2019, CCIR has been publishing annual reports summarizing the key trends based on information collected in the ASMC for all stakeholders, including the public. All provinces and territories participating in the ASMC exercise contribute data to produce this publication as a pan-Canadian data report.

¹ 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](#).

RESULTS FROM THE 2023 ASMC

CCIR is sharing the following key results from the 2023 data collected through the ASMC with the expectation insurers consider their own results against those of their industry, particularly as it relates to FTC outcomes. CCIR members expect insurers to be proactive and make improvements in their FTC policies and procedures on a timely basis. CCIR regularly validates insurers' implementation of FTC principles by conducting various types of reviews and examinations.

Throughout the report, CCIR highlights how its members use the ASMC data and makes key observations when appropriate. The report is intended to provide market intelligence and promote market awareness for all industry participants, including insurers, industry associations and the general public. All the results should be viewed based on the nature, size, and complexity of an insurer's activities.

The information presented in this report is broken down by sections that correspond to the ASMC. 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 is limited to the three largest insurance classes: Accident and Sickness, Automobile, and Property.

WHAT'S NEW IN THE 2023 ASMC

In 2023, data requested pertaining to Individual Life now asks for specific splits between the classes of Term, Universal, Whole and Other. This change provides more detailed information for Individual Life in sections related to policies, products, premiums and incentives. All data affected by this change is presented in full in this report to provide a snapshot of current market conditions, with the plan of moving towards trend analysis later when more data has been acquired over time.

FILING SUMMARY

L&H

There were 66 L&H insurers required to file the ASMC (broken down by size and jurisdiction of incorporation). Of those, 55 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.

	Small	Medium	Large	Commercial & Run Off	Industry Total
Total	22	17	16	11	66

P&C

There were 216 P&C insurers required to file the ASMC (broken down by size and jurisdiction of incorporation). Of those, 149 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.

	Small	Medium	Large	Commercial & Run Off	Industry Total
Total	71	44	34	67	216

GOVERNANCE

FTC is a principle focused on customer outcomes², including having due regard for the interests of the customers. The FTC Guidance refers to the customer-related conduct of insurers and how insurers treat customers at each stage of the product life cycle. The life cycle begins with its design and covers services from the moment obligations under the contract arise until the point at which all obligations under the contract have been fulfilled.

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

- ❖ Implementation and commitment to FTC within the organization;
- ❖ Distribution methods used by the business; and
- ❖ Use of customer satisfaction surveys.

FTC IMPLEMENTATION

According to the FTC Guidance, insurers are expected to establish and implement policies and procedures on FTC as integral parts of their business culture.

Based on ASMC responses over the previous few years, the industry has reached a point where most respondents have indicated FTC is a priority in every area of their operations and have documented practices to promote FTC. This has remained consistent in 2023 as industry averages for both L&H and P&C are in line with responses from the 2022 ASMC. As with last year, CCIR emphasizes the expectation that, despite different sizes and business models within the insurance industry, insurers should be establishing policies and procedures centred on the fair treatment of customers as integral parts of their business culture.

CCIR has found misalignment between responses submitted on the ASMC and practices observed during examinations of some insurers. For example, one recent examination found that an insurer reported it had a stand-alone FTC policy and a documented code that incorporates FTC principles, however, in practice was found to have only a code of ethics and no other documents that would have demonstrated a consumer-centric focus.

² Reference page 8 of [Conduct of Insurance Business and Fair Treatment of Customers Guidance](#)

Insurers should expect regulators to confirm their individual practices when supervisory reviews are conducted and be prepared to demonstrate their implementation, but can also reach out to their jurisdictional regulator for clarity on what would be expected. For further guidance, CCIR released a Consolidated Observations, Recommendations and Good Practices Report³ related to governance and business culture in terms of FTC in June 2024 that sets out observations drawn from various supervisory work in this area over the past few years.

METHODS OF DISTRIBUTION

Insurers were asked to indicate the following with respect to the use of Independent, Direct/Exclusive and Other distribution channels:

- ❖ The total number of distribution contracts (split between Agents and Firms), and
- ❖ The total number of reviews or audits conducted including a focus on FTC.

L&H

It was observed between 2021 and 2022, the industry average of L&H agent distribution contracts in the independent channel increased, but reviews and audits of independent agents including a focus on FTC decreased. In 2023, the industry average of agents continued to increase, primarily driven by growth at Large insurers. In contrast to last year however, the number of audits conducted by insurers including a focus on FTC increased by a similar proportion, with most of the addition found in the Large insurer segment.

Average Number of Distribution Contracts (Independent Agents)				
	Small	Medium	Large	Industry
2022	3083	5192	23146	12620
2023	3136	4217	28048	13705
Change	1.7%	-18.8%	21.2%	8.6%

Average number of reviews or audits conducted by insurers including FTC focus (Independent Agents)				
	Small	Medium	Large	Industry
2022	29	764	200	297
2023	31	950	261	316
Change	6.9%	24.3%	30.5%	6.4%

³ Reference [Governance and Business Culture in terms of Fair Treatment of Customers CCIR Report - Consolidated Observations, Recommendations and Good Practices Report](#)

The P&C sector also reported growth within the overall industry, but the increase is driven by all segments except for Large insurers. Notably, audits including a focus on FTC decreased on average at Small and Large insurers.

Average Number of Distribution Contracts (Independent Agents)					
	Small	Medium	Large	Commercial Only/Run-Off	Industry
2022	358	331	1217	178	414
2023	515	423	1038	352	536
Change	43.9%	27.8%	-14.7%	97.8%	29.5%

Average number of reviews or audits conducted including FTC focus (Independent Agents)					
	Small	Medium	Large	Commercial Only/Run-Off	Industry
2022	122	1108	499	100	346
2023	79	1174	209	100	229
Change	-35.2%	6.0%	-58.1%	0.0%	-33.8%

In recent examinations of P&C insurers, regulators found that insurer audits of intermediaries were focused primarily on financial and statistical accountabilities instead of FTC related topics.

CCIR reminds all insurers of the importance to conduct assessment of practices delegated to intermediaries, proportionate to the size, structure and complexity of operation. This is especially important in light of continuing agent growth. Reviews and audits should include a focus on FTC and not simply on growth and profitability. CCIR will continue to monitor these statistics to identify any notable trends across both sectors.

CCIR members have commenced a cooperative review of distribution channels prevalently used throughout both L&H and P&C sectors. Insurers should expect their supervision practices, including reviews and audits conducted, to be reviewed during regulatory examinations.

CUSTOMER SATISFACTION SURVEYS

The use of customer satisfaction surveys has stayed roughly similar year-over-year with no significant changes in 2023 compared to 2022.

CCIR considers outreach to customers using tools such as customer satisfaction surveys to be a simple, effective, and direct way of assessing outcomes related to the fair treatment of customers. All insurers regardless of size are encouraged to explore all possible avenues to allow the voice of their customers to be heard.

POLICIES

The Policies section of the ASMC requires insurers to provide information on the state of their policies in force and policies issued in their previous reporting period. Some of the data collected in this section include the following:

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

CCIR developed ratios based on the Policies data provided to analyze potential risks and trends associated with different classes of insurance.

L&H INSURANCE POLICIES

As mentioned in the “What’s New in the 2023 ASMC” section above, the most recent version of the survey collected information on specific classes of Life insurance for the first time. As such, the ratios will be posted for all product classes as a snapshot of 2023. Data analysis will move towards trends and changes as more data is collected in future ASMC versions.

The following ratios were calculated and are reflected below:

1. The insurer-initiated cancellations ratio⁴ is designed to provide data on the number of policies cancelled by insurers in a specific class of insurance.
2. The customer-initiated cancellations or non-renewals during free look period ratio⁵ is designed to broadly capture what classes of insurance are mostly likely to have customers cancel policies during the “free look period”.
3. The customer-initiated cancellations or non-renewals excluding “free look period” ratio⁶ is designed to capture which classes of insurance are being cancelled during the normal life span of a product excluding the initial “free look period”.

LIFE

Ratio	2023	Change in Percentage Points
Changes in policies in force	-0.12%	-1.09
Customer-initiated cancellations during free look period	0.25%	+0.03
Customer-initiated cancellations excluding free look period	3.15%	+0.29
Insurer-initiated cancellations	0.11%	-0.22

⁴ Insurer-initiated cancellations ratio = Number of insurance-initiated cancellations / policies in force at the end of the period

⁵ Customer initiated cancellations or non-renewals during “free look period” ratio = Total customer-initiated cancellations or non-renewals during free look period / policies in force at the end of the period

⁶ Customer initiated cancellations or non-renewals excluding “free look period” ratio = Total customer-initiated cancellations or non-renewals excluding free look period / policies in force at the end of the period

Insurance Class	Customer Initiated Cancellations (During Free Look Period)	Customer Initiated Cancellations (Excluding Free Look Period)	Insurer Initiated Cancellations
Term	0.41%	5.60%	0.27%
Whole	0.06%	1.29%	0.04%
Universal	0.26%	1.59%	0.06%
Life - Other	0.09%	2.73%	0.62%

ACCIDENT AND SICKNESS

Ratio	2023	Change in Percentage Points
Changes in policies in force	17.25%	+26.12
Customer-initiated cancellations during free look period	0.47%	-0.4
Customer-initiated cancellations excluding free look period	6.08%	-0.02
Insurer-initiated cancellations	0.62%	-0.04

Insurance Class	Customer Initiated Cancellations (During Free Look Period)	Customer Initiated Cancellations (Excluding Free Look Period)	Insurer Initiated Cancellations
Critical Illness	0.13%	3.77%	0.20%
Disability	0.06%	6.67%	0.85%
Health and Dental	0.54%	10.55%	0.46%
Long Term Care	N/A	3.20%	0.25%
Prescription Drug	1.42%	8.56%	12.51%
Travel Health	1.27%	6.51%	0.58%
A&S - Other	0.93%	6.11%	0.78%

P&C INSURANCE POLICIES

For P&C insurance, commercial insurance policies are excluded from the data⁷.

The following ratios have been calculated and are reflected below:

1. The insurer initiated non-renewals ratio⁸ is designed to capture broad industry trends and identify if an insurer has initiated a significant reduction in a class of insurance.

⁷ The FTC Guidance remains applicable to commercial insurance products.

⁸ Insurer-initiated non-renewals ratio = Total number of insurer-initiated non-renewals / policies in force at the end of the period

2. The customer-initiated cancellations ratio⁹ 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.
3. The insurer-initiated cancellations with refund of premium – Fully refunded ratio¹⁰ and the insurer-initiated cancellations (other) ratio are designed to capture which classes of insurance customers are mostly likely to have their policies cancelled.
 - ❖ In these cases, the insurer retroactively canceled the policy and insureds are left without insurance protection.

ACCIDENT AND SICKNESS

Ratio	2023	Change in Percentage Points
Insurer-initiated non-renewal	0.00%	-13.37
Customer-initiated cancellations ratio	2.76%	-2.29
Insurer-initiated cancellations with refund of premium – Fully refunded	0.23%	-0.23
Insurer-initiated cancellations (Other)	0.17%	-0.31

Insurance Class	Customer Initiated Cancellations	Insurer Initiated Cancellations (with Full Refund of Premiums)	Insurer Initiated Cancellations (Other Cancellations)
Critical Illness	0.03%	N/A	0.09%
Disability	7.39%	N/A	N/A
Health and Dental	17.95%	0.05%	N/A
Prescription Drug	22.41%	0.10%	N/A
Travel Health	13.60%	0.12%	0.09%
A&S - Other	0.76%	0.01%	0.03%

⁹ Customer-initiated cancellations ratio = Total number of customer-initiated cancellations / policies in force at the end of the period

¹⁰ Insurer-initiated cancellations with refund of premium – Fully refunded ratio = Total number of insurer-initiated cancellations with full refund of premium / policies in force at the end of the period

AUTOMOBILE

Ratio	2023	Change in Percentage Points
Insurer-initiated non-renewal	0.49%	-0.06
Customer-initiated cancellations ratio	7.15%	-0.10
Insurer-initiated cancellations with refund of premium – Fully refunded	0.21%	-0.01
Insurer-initiated cancellations (Other)	1.68%	-0.56

PROPERTY

Ratio	2023	Change in Percentage Points
Insurer-initiated non-renewal	0.46%	-0.87
Customer-initiated cancellations ratio	6.94%	-0.25
Insurer-initiated cancellations with refund of premium – Fully refunded	0.13%	-0.04
Insurer-initiated cancellations (Other)	1.04%	-0.29

SALES AND INCENTIVES

This section of the ASMC captures data regarding how various factors affect performance measurements of staff as well as their incentives and/or commissions. Some data collected in this section includes:

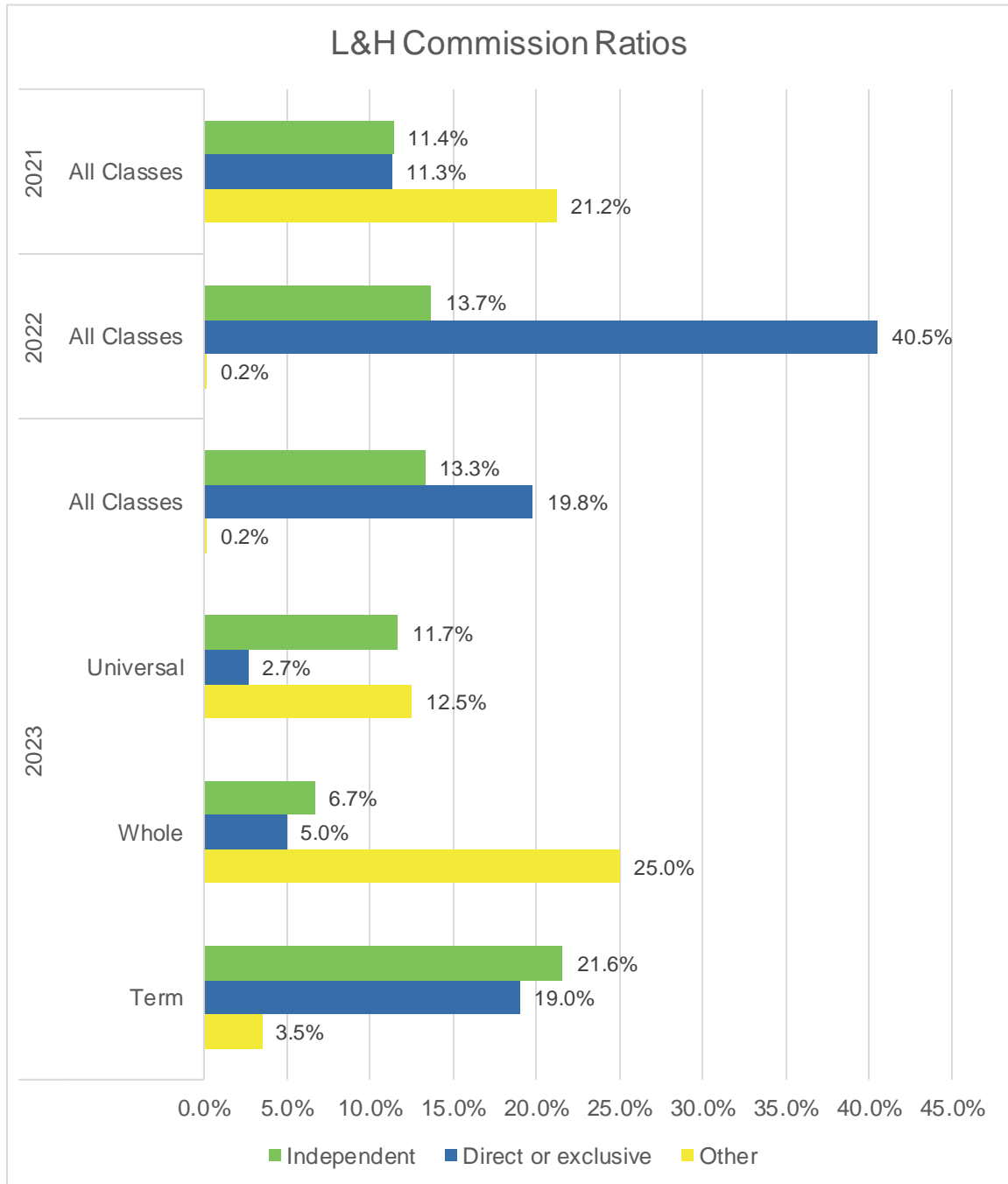
- ❖ The presence of monetary and/or non-monetary incentives for the sale and servicing of different types of insurance products; and
- ❖ Factors that may have an influence on the performance assessment or issuance of incentives and/or commissions to insurance salespeople.

The most recent version of the survey collected information on specific classes of Life insurance for the first time. As such, the commission ratio will be posted for all product classes as a snapshot of 2023 until year-over-year or trend data can be derived.

The commission ratio¹¹ is calculated as the total amount of commissions paid in relation to the total direct written premiums (DWP) for a class of insurance. In this instance, commissions from commercial or reinsurance products are excluded. This gives a broad indication as to how commissions are paid relative to the amount of premium written based on the class of insurance.

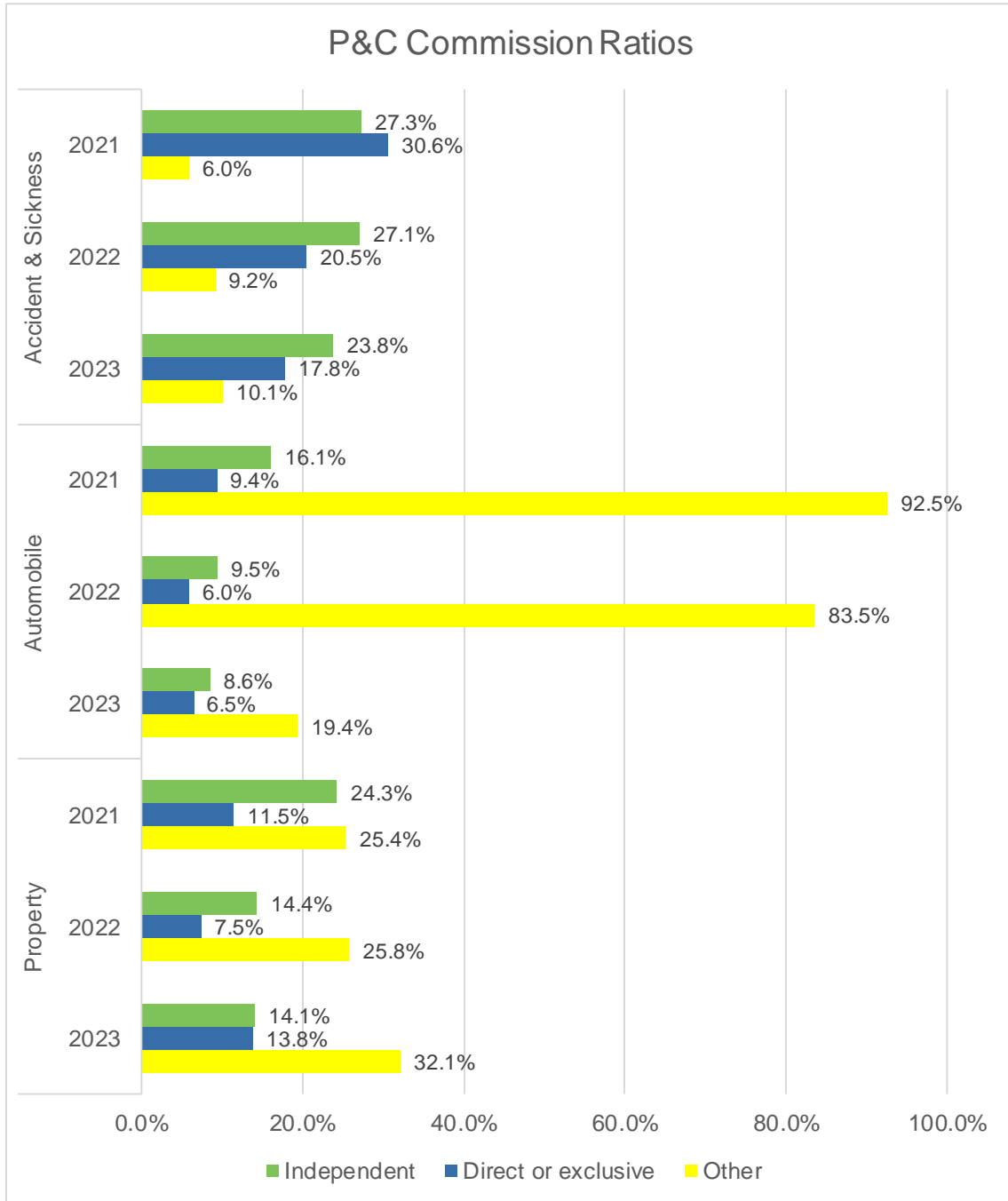
¹¹ Commission ratio = Total all distribution channel commissions (Monetary incentives) / total direct written premiums

L&H COMMISSION RATIOS



Please note that “All Classes” refers to the combined total of all L&H sub-classes, including Life, Accident & Sickness, and Annuities.

P&C COMMISSION RATIOS



While only the ratios for Property, Automobile and Accident & Sickness reported here for brevity, CCIR collects data for other classes of P&C insurance also and will continue to monitor all data received for notable trends.

FACTORS CONTRIBUTING TO PERFORMANCE MEASUREMENT

In the data shown below, the percentage indicated refers to the proportion of respondents who confirmed the noted factor does indeed affect either performance or incentives and commissions.

Across both sectors, premium volume continues to be the most prevalent factor contributing to both performance assessment and issuance of incentives/commissions. The P&C sector has no other dominant contributing factor. In the L&H sector, number of lapses continues to be the other major factor. These trends have carried on from 2022.

CCIR continues to refer insurers to the Incentive Management Guidance¹² (a complementary document to the FTC Guidance published on November 30, 2022) which sets out expectations for the management of incentive arrangements related to the sale and servicing of insurance products, with the goal of ensuring any such arrangements achieve FTC. Expectations are also informed by results of supervisory activities conducted by CCIR members.

CLAIMS

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

- ❖ Number of new claims opened;
- ❖ Number of claims denied; 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 for 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 ratio¹³ is calculated as the total amount of claims incurred in a class of insurance in relation to the total DWP. The claims ratio is useful for CCIR to determine which classes of insurance provide the highest value of return for customers, and if this is impacted by distribution channel.

<i>Life & Health</i>	<i>Individual</i>		<i>Group</i>	
	2023	Change in Percentage Points	2023	Change in Percentage Points
<i>Accident & Sickness</i>	37.6%	-5.3	79.6%	+7.1
<i>Annuities</i>	13.6%	-24.3	10.8%	-9.1
<i>Life</i>	37.4%	-7.5	51.3%	-3.7

¹² Reference [CCIR Incentive Management Guidance](#)

¹³ Claims ratio = Total claims (in \$) / total DWP

<i>Property & Casualty</i>	<i>Personal</i>	
	2023	Change in Percentage Points
<i>Accident & Sickness</i>	40.4%	+16.4
<i>Automobile</i>	72.2%	+9.6
<i>Property</i>	60.1%	+5.0

The data show a decrease in the claims ratio in all insurance classes in the L&H sector, notably in Annuities (Individual). The only significant increase in this sector was seen in Accident & Sickness (group). In the P&C sector, all the major classes of insurance saw an increase in the claims ratio, the largest being in Accident & Sickness.

CLAIMS DENIALS¹⁴

CCIR uses a claims rejection ratio¹⁵ which measures the proportion of claims denied relative to the total number of claims made.

<i>Life & Health</i>	<i>Individual</i>		<i>Group</i>	
	2023	Change in Percentage Points	2023	Change in Percentage Points
<i>Accident & Sickness</i>	23.6%	+0.2	18.3%	+7.0
<i>Annuities</i>	0.4%	+0.1	0.2%	N/A
<i>Life</i>	1.10%	+0.3	3.6%	+0.9

<i>Property & Casualty</i>	<i>Personal</i>	
	2023	Change in Percentage Points
<i>Accident & Sickness</i>	8.6%	+0.4
<i>Automobile</i>	3.2%	+0.1
<i>Property</i>	14.4%	+1.3

The claims rejection ratios remained relatively consistent with data from the previous three years across all major classes of insurance in both sectors. The top main reasons reported by insurers for denial of claims also remained the same across both sectors: exclusions and limitations in policy, missing information or documentation, and failure to disclose or misrepresentation of material facts.

¹⁴ A claim is considered denied if an insurer refuses to pay any amount of the claim.

¹⁵ 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)

AVERAGE FINAL DAYS TO PAYMENT

Respondents were asked to indicate their average days to final payment with respect to claims for each class of insurance.

<i>Life & Health</i>		Individual	Group
Life		38	47
Accident and Sickness	Critical Illness	54	73
	Disability	48	176
	Health and Dental	25	10
	Long Term Care	21	N/A
	Prescription Drug	7	4
	Travel Health	50	64
	Other	49	273
Annuity		39	32

<i>Property and Casualty</i>		Small	Medium	Large	Industry
Accident and Sickness	Critical Illness	69	64	13	40
	Disability	N/A	51	5	28
	Health and Dental	N/A	209	N/A	209
	Long Term Care	472	N/A	N/A	472
	Travel Health	197	77	69	87
	Other	119	112	50	99
Automobile		116	216	127	148
Property		156	169	147	157

While CCIR collects this data and monitors it for trends, it should be emphasized these industry averages are not to be construed as benchmarks to be measured against. Insurers are reminded to adhere to the expectation that customer claims should be handled in a timely and fair manner and to respect additional specific regulatory requirements on this matter, where applicable.

One specific point of note is when looking at the total number of claims closed or denied, collected data shows for Large Property insurers, 21.4% of all claims reported took over 180 days to be closed or denied, compared to the industry average of 9.7%. CCIR has noted in reviews that delays in claims handling continue to be a noted issue within the industry.

COMPLAINTS

Insurers are required to file all applicable complaints which meet the standards established through the ASMC. Complaint data reported in the ASMC captures the following information:

- ❖ Line of business involved;
- ❖ Class of insurance and type of product;
- ❖ Distribution channel; and

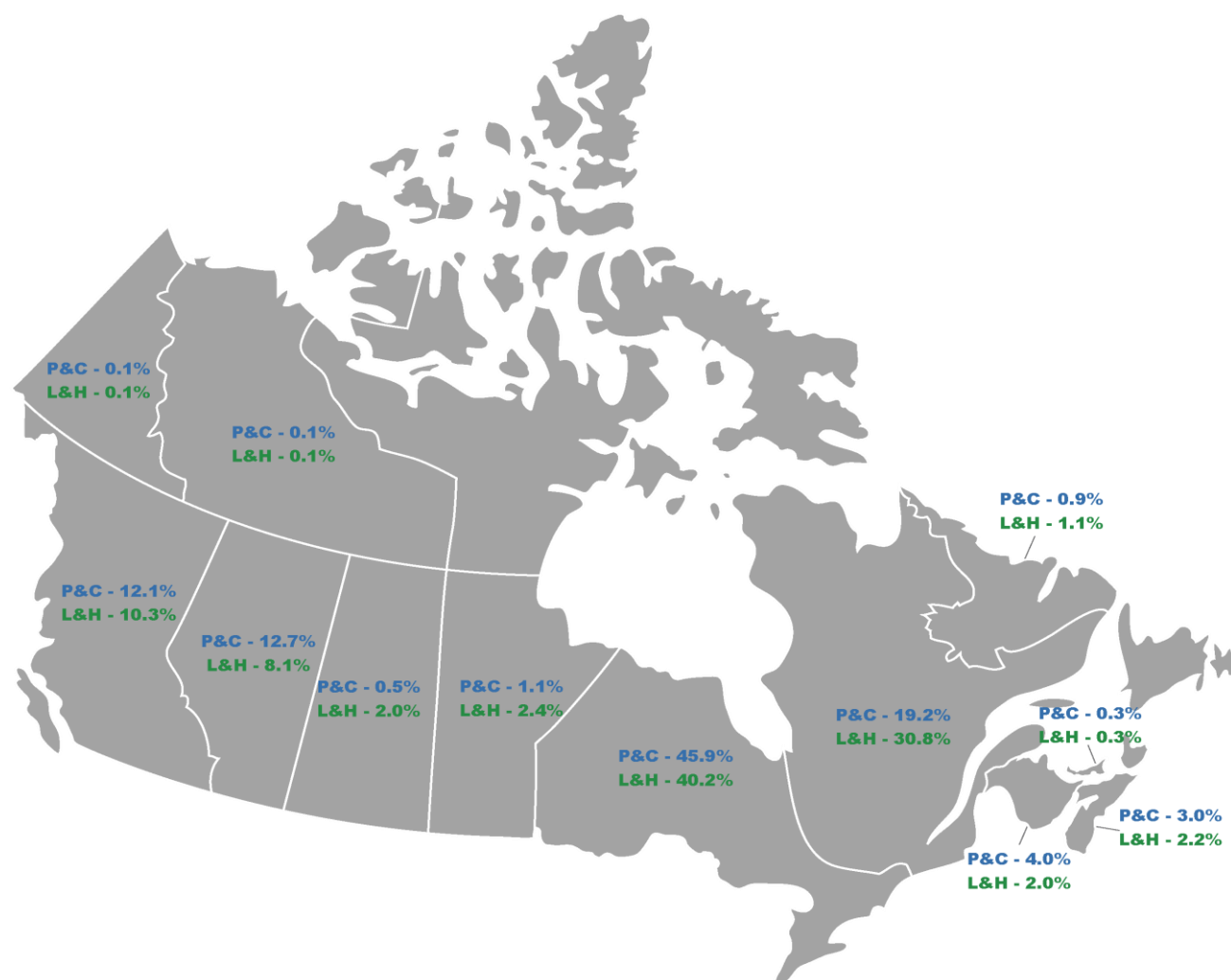
- ❖ Cause of complaint and any resolution.

CCIR reminds insurers of the expectations regarding the handling of complaints and dispute resolution laid out in the FTC Guidance¹⁶.

COMPLAINTS HANDLING

Similar to data pertaining to FTC implementation, ASMC responses indicate most respondents attest to having complaint handling mechanisms in place, including senior officer(s) responsible for complaint handling and documented policies and procedures in this area. As with the 2022 data, there is slight variance in more specific mechanisms such as the presence of a complaint handling service and ongoing training. CCIR re-emphasizes the expectation for insurers to have appropriate procedures in place to ensure complaints are handled in a fair and timely manner without unnecessary delay. Expectations related to complaint examination and handling as outlined in the FTC Guidance should also be observed and put into practice.

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:

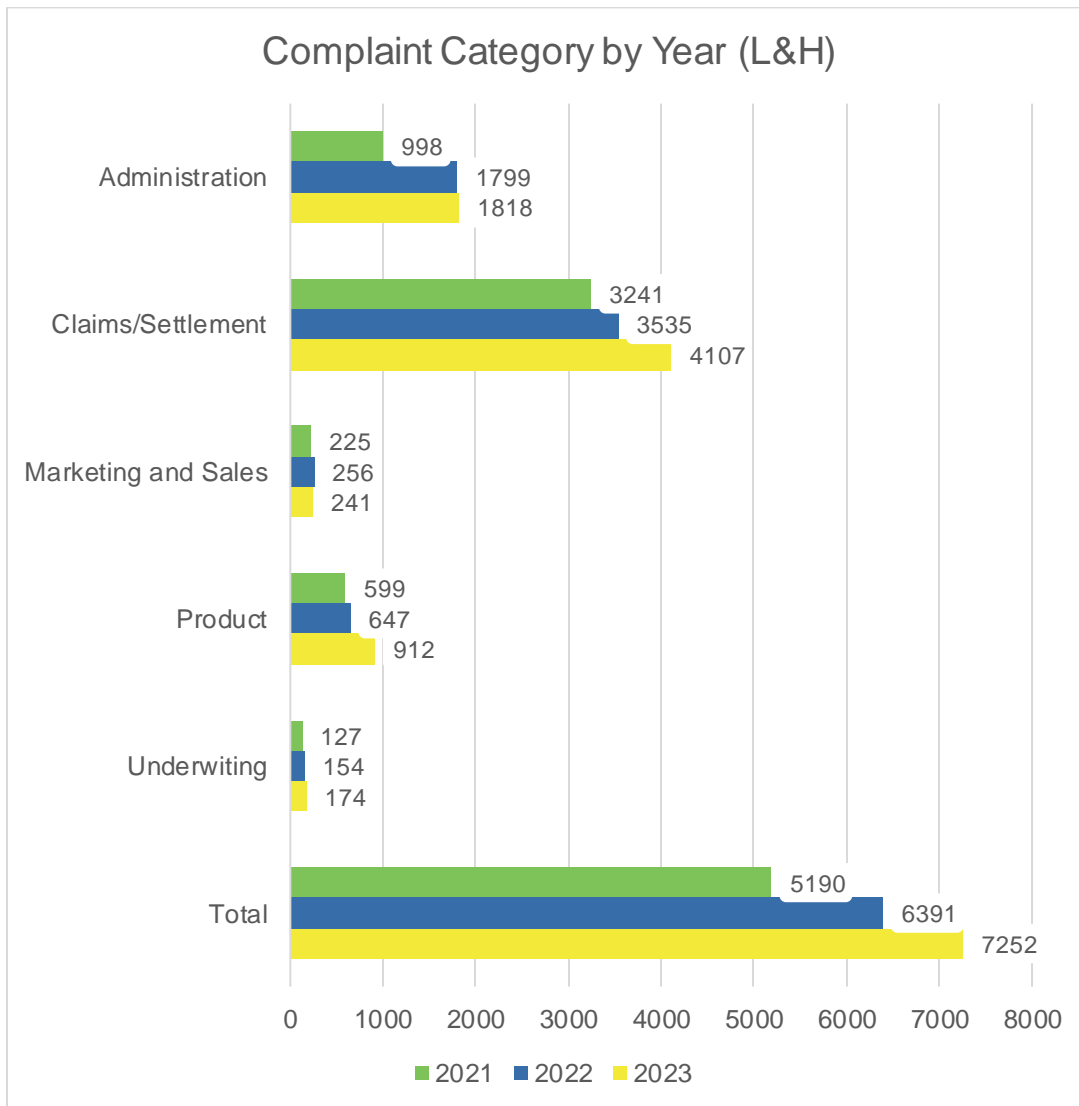


¹⁶ Reference page 22 of [Conduct of Insurance Business and Fair Treatment of Customers Guidance](#)

LIFE & HEALTH

The total number of L&H complaints filed in 2023 was 7,252 (2,787 individual, 4,465 group).

L&H complaints split by categorization is as follows:



When looking at complaint categorizations by volume, claims/settlement continues to be the most prevalent category. There was a 16% increase in overall volume of claims/settlement complaints, and a notable 41% increase in product complaints.

The proportion of L&H (individual) complaints split by distribution channel is as follows:

Year	Independent	Direct or Exclusive	Sold by Internet	Other
2021	68.0%	23.7%		8.3%
2022	44.7%	47.0%	0.4%	7.9%
2023	53.5%	38.9%	0.2%	7.4%

Complaints pertaining to individual L&H policies stayed roughly consistent with recent averages when looking at splits by distribution channels.

The proportion of L&H (group) complaints split by distribution channel is as follows:

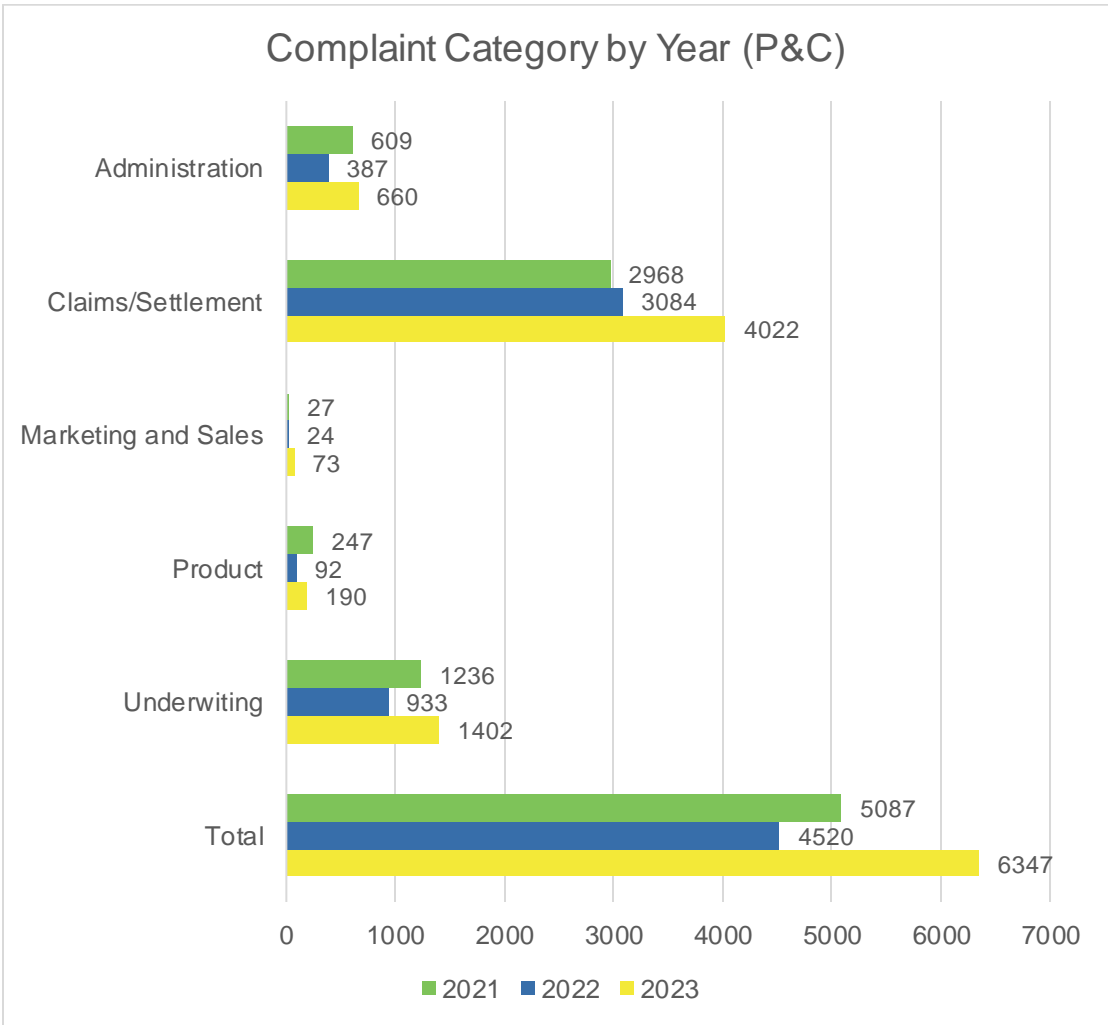
Year	Independent	Direct or exclusive	Sold by Internet	Other
2021	47.1%	48.7%		4.2%
2022	39.7%	54.5%		5.9%
2023	71.1%	18.6%		10.3%

Complaints pertaining to group L&H policies notably increased in the independent and ‘other’ channels in 2023 and sharply decreased in the direct channel.

PROPERTY & CASUALTY

The total number of P&C complaints filed in 2022 was 6,347 (6,175 personal and 172 commercial).

P&C complaints split by categorization is as follows:



Like L&H, the most represented complaint category in the P&C sector is also claims/settlements. There was a 30% increase in overall volume of claims/settlement complaints in 2023.

The proportion of P&C (personal) complaints split by distribution channel is as follows:

Year	Independent	Direct or exclusive	Sold by internet	Other
2021	38.6%	52.5%		8.9%
2022	39.7%	56.8%	0.1%	3.4%
2023	33.8%	61.1%	1.3%	3.9%

Complaints pertaining to personal P&C policies stayed roughly consistent with recent averages when looking at splits by distribution channels.

CONCLUSION

NEXT STEPS

As the ASMC finishes its 7th year since inception, CCIR members continue to derive value from the collection of this data each year. CCIR strives to continually improve the data collection process on an ongoing basis by:

- ❖ Analysing trends using collected historical data to identify movements and developments in the industry;
- ❖ Amending data collection to align with identified areas of concern within the marketplace;
- ❖ Developing more efficient methods to collect and analyse data; and
- ❖ Updating instructions and ASMC forms to provide clarity and ensure ease of reporting for insurers.

CCIR members see value in publishing this report to communicate observations to the industry and the general public. CCIR will continue to use the ASMC to support its efforts and activities such as co-operative examinations. ASMC data coupled with risk assessments inform regulators' supervisory plans and activities and may include but not limited to thematic reviews, questionnaires to examine practices to ensure fair treatment of customer outcomes.

CCIR appreciates the steps taken by the industry to develop practices to ensure FTC and recognize 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 one-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.

RELEVANT OR REFERENCED PUBLICATIONS

Reference the following publications from CCIR or its members:

- ❖ CCIR published its [Governance and Business Culture in terms of Fair Treatment of Customer CCIR Report – Consolidated Observations, Recommendations and Good Practices](#) in July 2024
- ❖ BCFSa published its [Insurer Oversight of Functions Delegated to Intermediaries in British Columbia - Consolidated Observations Report](#) in July 2024
- ❖ FSRA published a [Home Insurance Thematic Review Report](#) in June 2024
- ❖ CCIR published the [2022 Annual Statement on Market Conduct Public Report](#) in December 2023
- ❖ BCFSa published its [Home Warranty Claims and Complaints Management Guideline](#) in June 2022

Visit the website for more information and updates <http://www.ccir-ccrra.org>.

