



Canadian Life & Health
Insurance Association
Association canadienne des
compagnies d'assurances
de personnes

Canadian Life & Health Insurance Facts

2025 EDITION



Supporting the health and wealth of Canadians

This year, the *Canadian Life & Health Insurance Facts* report highlights the significant impact our sector continues to make in supporting the health and financial security of Canadians, paying out \$143.3 billion in total benefits, up nearly 12 per cent over the previous year.

These total benefits include \$53.3 billion in health claims, up from \$48.2 billion from the previous year. Critical to reducing strain on the public health system, health benefits cover 27 million Canadians, ensuring access to prescription drugs, dental, vision and other important services that prevent and manage illness, such as physiotherapy and mental health counselling.

While prescription drug costs continue to account for the largest share of health benefits at \$16.6 billion, claims for paramedical services like mental health and massage increased by 16 per cent, leading the growth of health claims in 2024.

When it comes to personal wealth, insurers are helping Canadians achieve financial security, paying \$71.4 billion in retirement benefits and \$18.6 billion in life insurance.

Insurers also continue to boost our country's economy, employing more than 180,000 Canadians and paying \$12.1 billion in taxes. Last year, insurers held \$50 billion in domestic infrastructure and more than \$1 trillion in long-term investments to support our

country's long-term growth. As the federal government looks to further encourage private sector investments to support nation-building infrastructure projects, insurers are ready partners, willing and able to do more.

Canada's life and health insurers will continue to be there for Canadians. Working alongside government partners, we will keep doing our part to ensure Canadians are financially secure and can access the health benefits they value and rely on.

Stephen Frank President and CEO



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In 2024, Canada's life and health insurers...



Paid a record **\$143.3 billion** in supplementary health and accident benefits, which is nearly 12 per cent higher than the previous year



Paid out **\$71.4 billion** in retirement benefits from annuities



Paid **\$18.6 billion** in life insurance benefits



Provided **\$10 billion** in disability benefits which helped **12 million** Canadians replace wages while they were unable to work



Tackled rising drug claims by paying out **\$16.6 billion** in prescription drugs in 2024, compared with \$15.3 billion the previous year



Held **\$50 billion** in domestic infrastructure and more than \$1 trillion in long-term investments to support our country's long-term growth.

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Industry Profile



CLHIA's **65 member companies** account for 99 per cent of Canada's life and health insurance business.

They include **five types of insurers**:

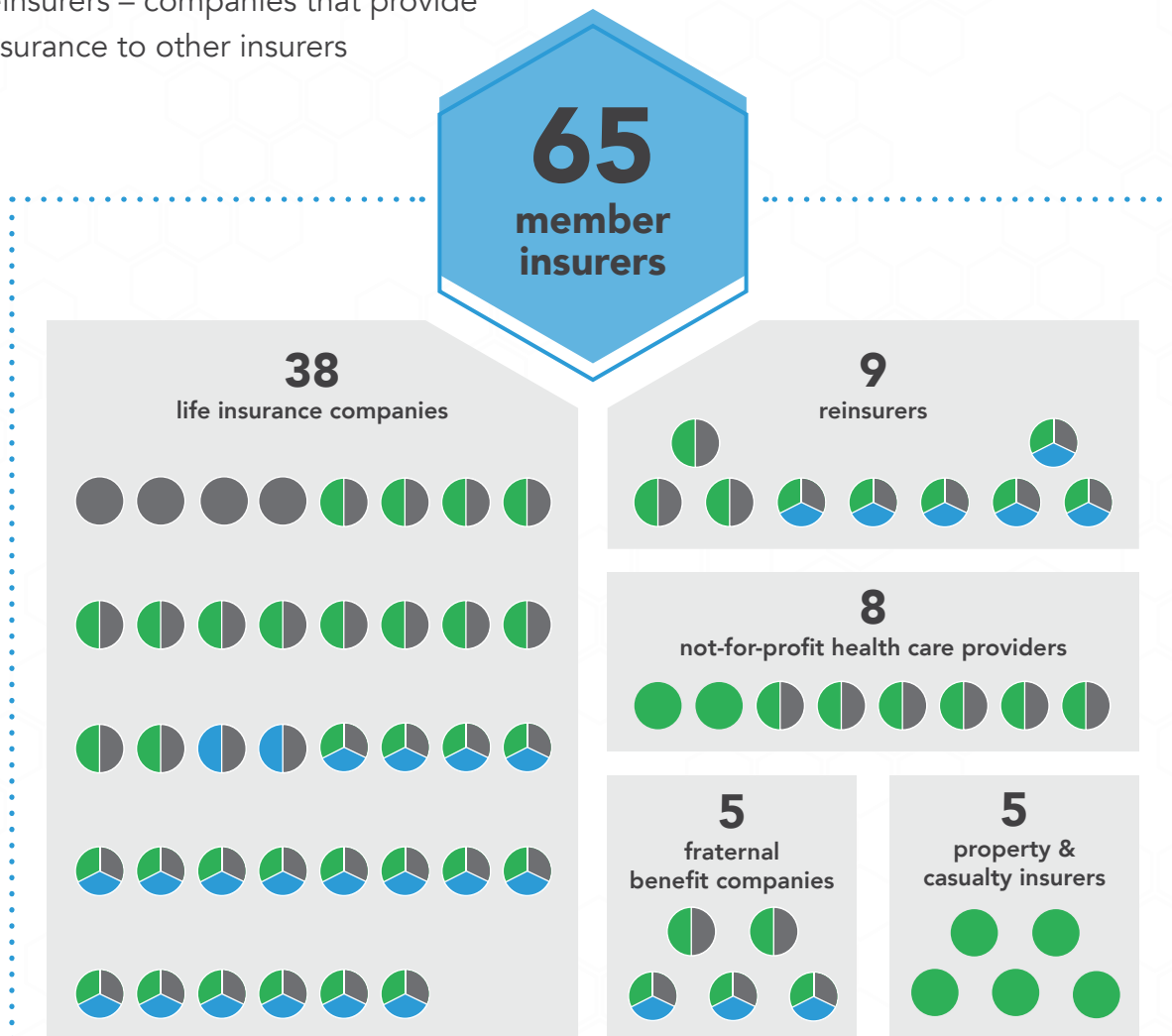
- life insurance companies
- not-for-profit regional health benefits providers
- fraternal benefit societies
- property and casualty insurers who offer health insurance products
- reinsurers – companies that provide insurance to other insurers

What CLHIA's members offer

These companies and their subsidiaries offer products across **three main lines of business** that are profiled in this edition:

- Life insurance products
- Health insurance products
- Retirement solutions

Some insurers offer all three business lines, while others offer one or two.

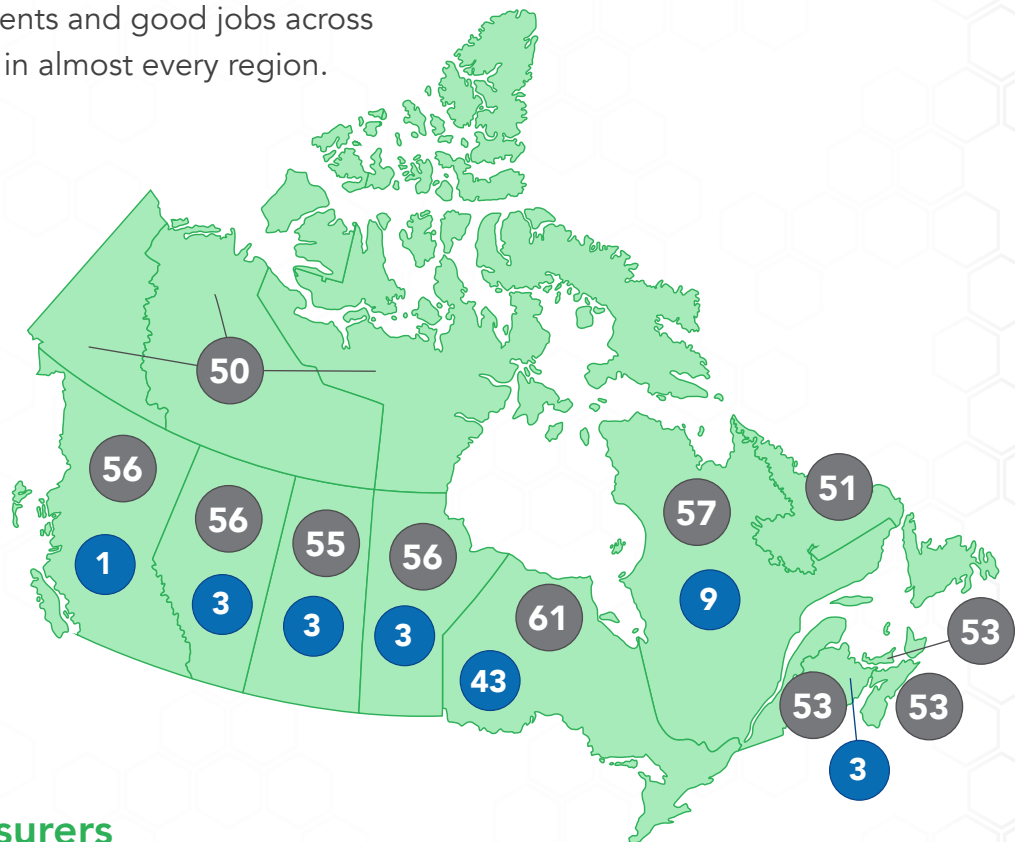
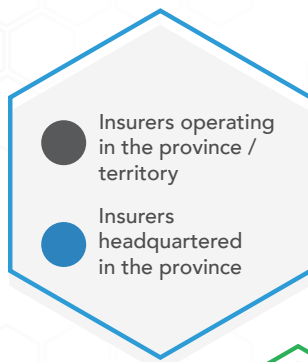


Disclaimer: This chart is not representative of the relative business lines within a given company.

CLHIA's Member Companies

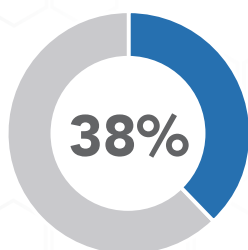
Where our members are

Our members provide investments and good jobs across Canada and have head offices in almost every region.

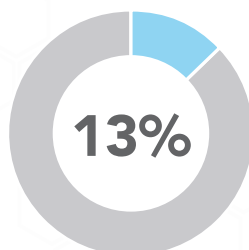


Strong and reliable insurers

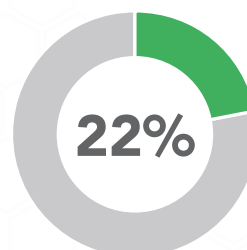
CLHIA's members include some of the longest continually operating companies in Canada. More than a third have been providing insurance for 100 years or more.



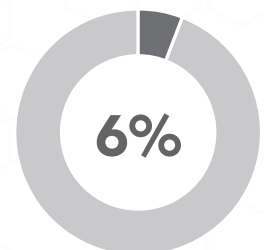
in operation 100 years or more



in operation 75 to 99 years



in operation 50 to 74 years



in operation 25 to 49 years

Our members give back to their communities

Canadian life insurers support charitable initiatives, particularly in the areas of health and wellness, social services and disaster relief.

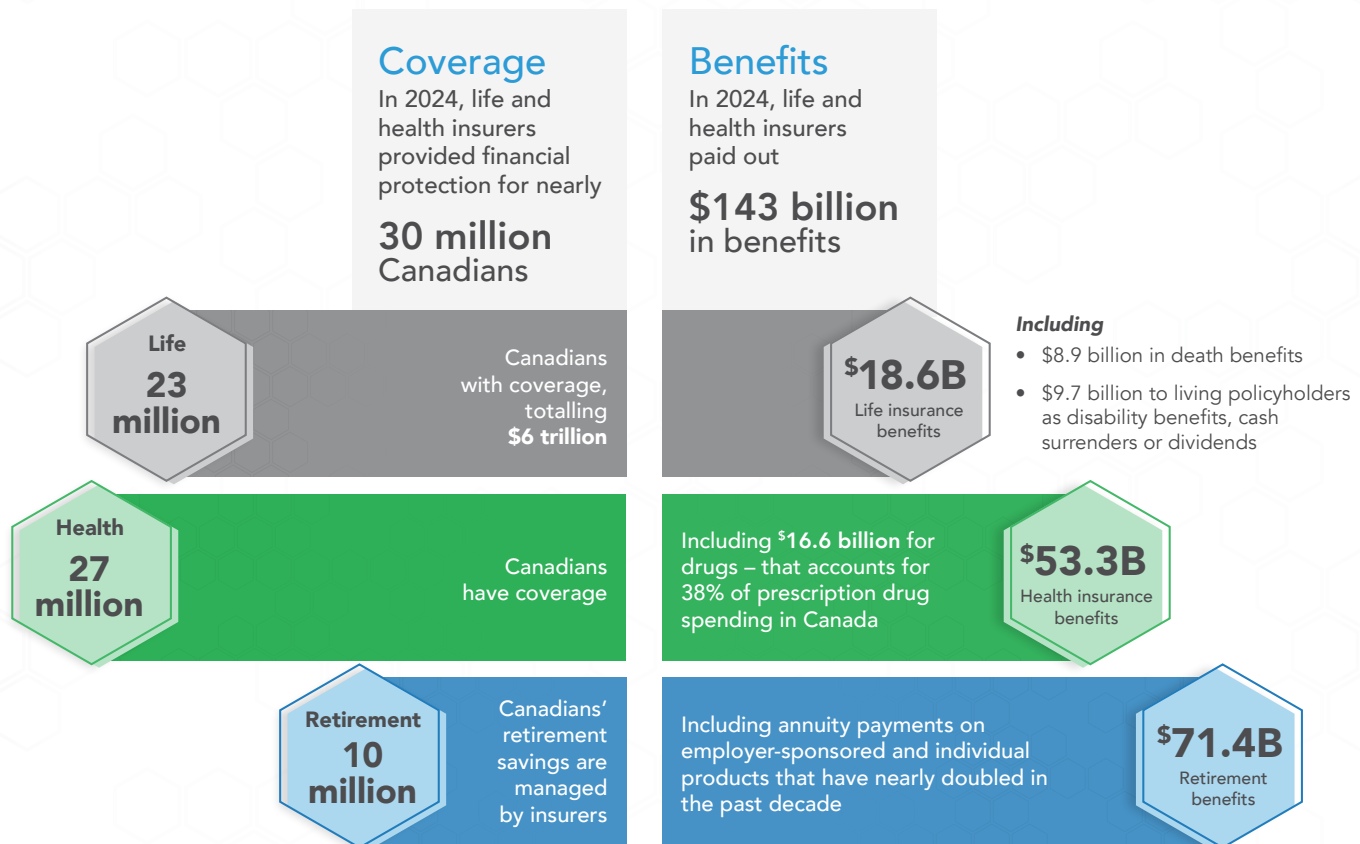


The Canadian Life & Health Insurance Marketplace

Canada's life and health insurers provide financial protection for nearly 30 million Canadians

In 2024, life and health insurers paid out **\$143 billion in benefits** while providing a high degree of customer satisfaction.

Total benefits paid for life, health and retirement have increased **72 per cent** from a decade ago.



How insurance is sold

Life and health insurance products are sold as:

69%

Group plans which provide coverage for a group of people – employees, or members of a union or association – under one contract.

31%

Individual policies which provide coverage for one person or a family.

The Canadian Life & Health Insurance Marketplace

145 insurers

sell life and health insurance
products in Canada

65

CLHIA member
companies

20

affiliates &
subsidiaries of
CLHIA members

60

other
insurers*

Lines of business

These 145 insurers offer the same lines of business referenced earlier. Some offer products in all lines, while others offer one or two lines of business.

66 offer life insurance products

119 offer health insurance products

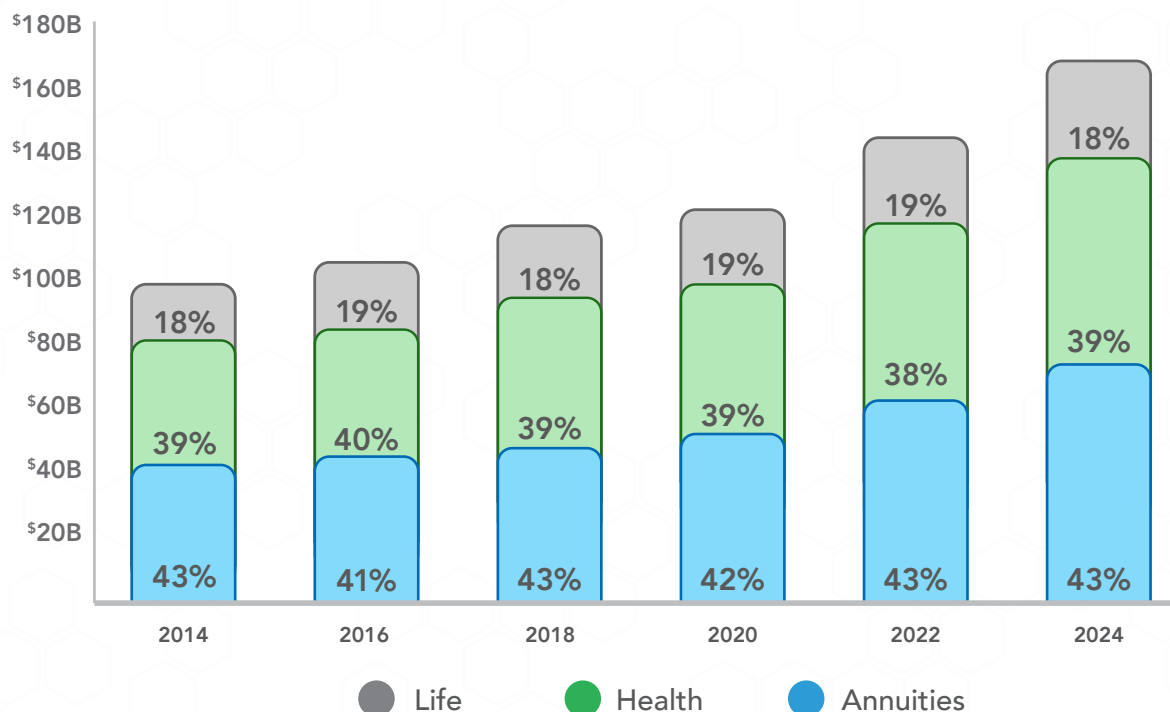
32 offer
retirement
solutions

* Other insurers are mostly property and casualty insurers that also offer one or more life or health insurance product.

The Canadian Life & Health Insurance Marketplace

Life and health insurers collected \$168 billion in premiums

Total premiums and annuity contributions increased \$11 billion to \$168 billion in 2024.* This was led by annuities (including segregated funds)**, up 17.7 per cent; health insurance, up 8.4 per cent; followed by life insurance, up 3.2 per cent.



Insurers are focused on customer satisfaction

Insurers process hundreds of millions of claims annually, yet according to the OmbudService for Life and Health Insurance only about one in every 100,000 claims results in a complaint.

* Includes premiums of \$3.9 billion from foreign branches operating in Canada.

** Based on revised annuity contributions for 2023

Lines of Business



Life Insurance

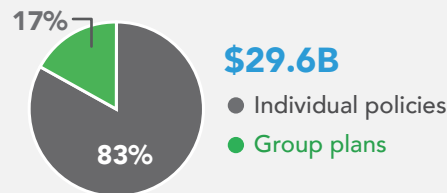
Life insurance

provides financial security to beneficiaries when an insured person dies. Benefits are often used to replace income, pay a mortgage or other debts of the deceased, or contribute to an estate.

Sold as

Most life insurance - **83 per cent** - is purchased by individuals through an agent or advisor.

2024 life insurance premiums

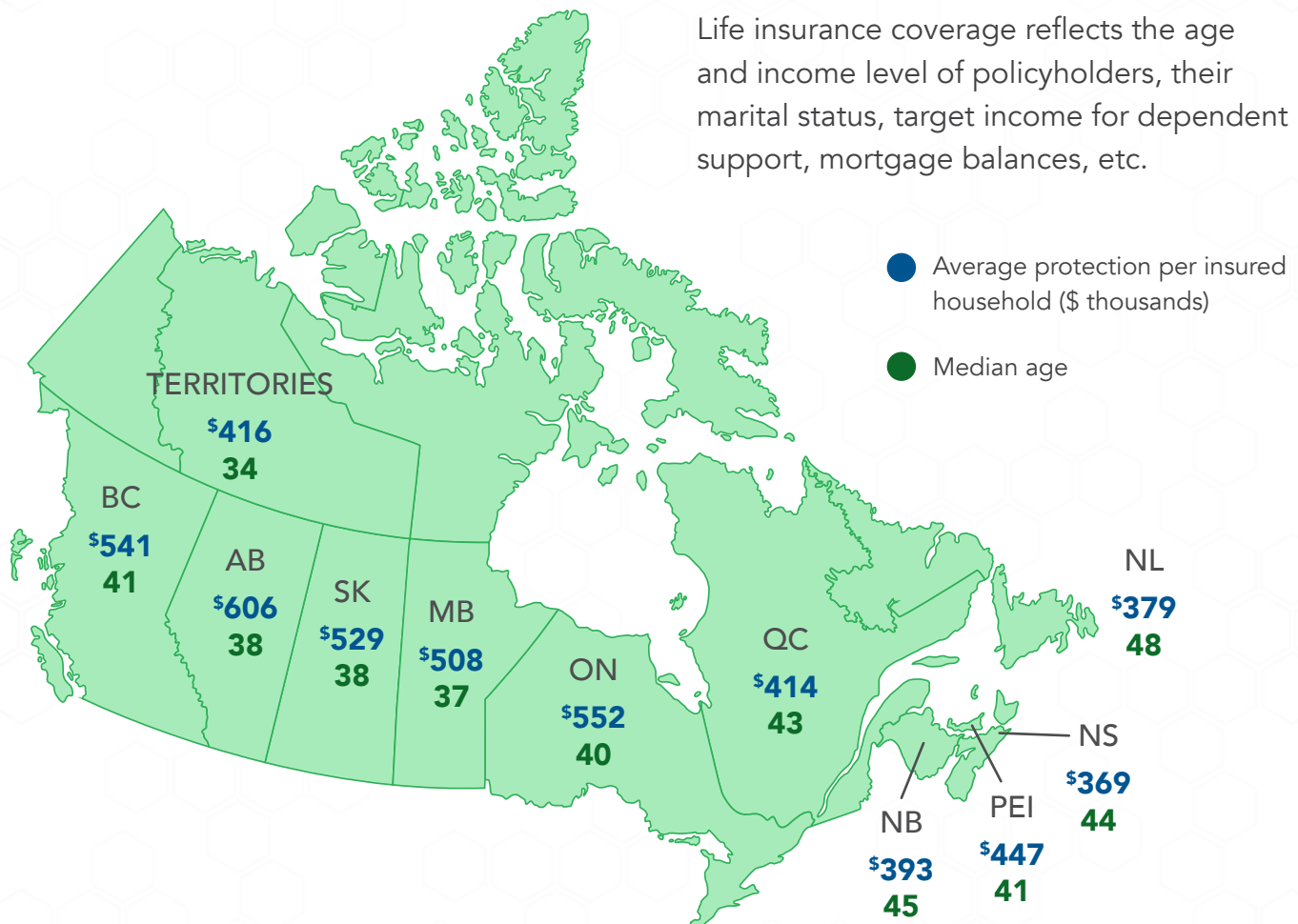


Related products

Supplementary benefits, such as payments on accidental death, disability, critical illness – or a waiver of required premiums upon disability – can be added to life insurance products.

Protection and age breakdown

Life insurance coverage reflects the age and income level of policyholders, their marital status, target income for dependent support, mortgage balances, etc.



23 million Canadians own \$6 trillion in life insurance coverage

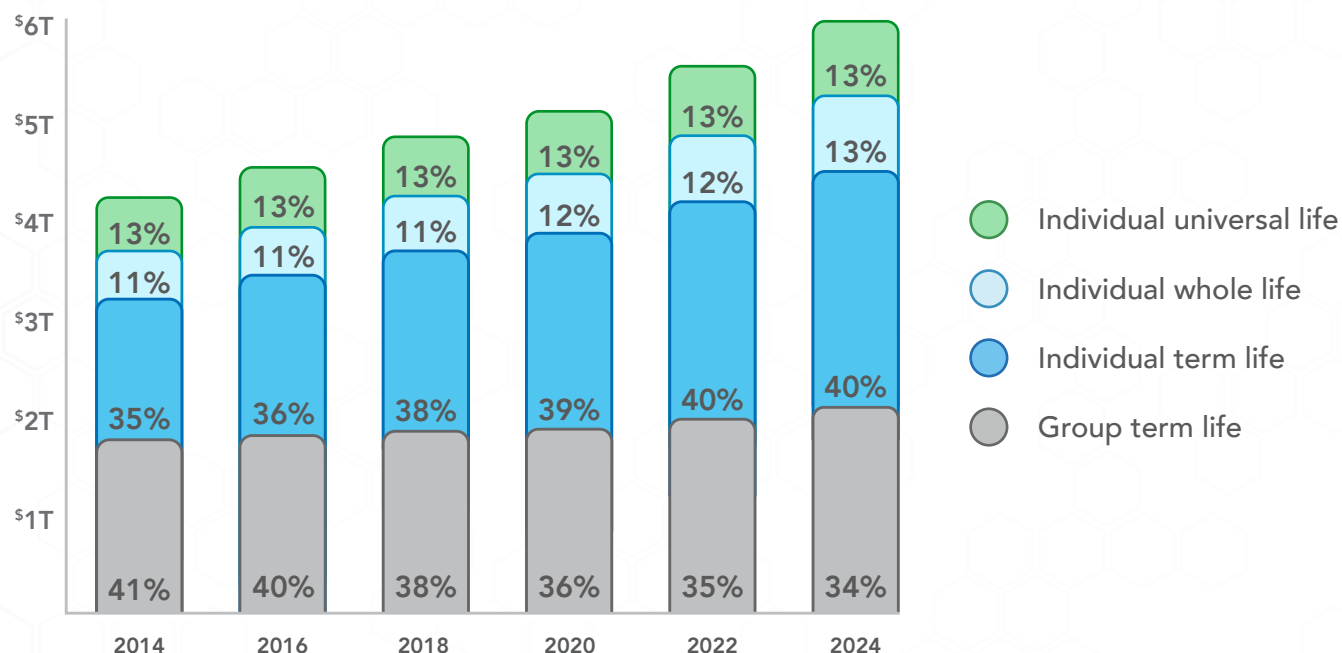
Total coverage has increased steadily over the past decade. The increase may be due to individuals needing to cover larger mortgages and higher cost of living.

The average life insurance protection per household in Canada is **\$509,000.**

That's up from **\$483,000** in 2023 and approximates five times household income.

Individual life coverage continues to grow

Individual life insurance now equals **66 per cent** of the value of total policies in-force, up from 59 per cent in 2014 – driven primarily by term life insurance.



Health Insurance

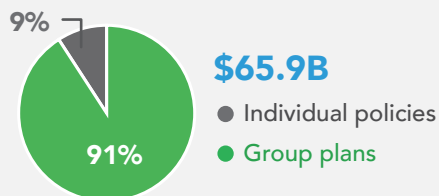
Health insurance

provides coverage for hospital and medical expenses not covered by public health plans, such as prescription medicines, vision care, dental care and mental health supports. This type of insurance can also provide income replacement for those unable to work due to disability.

Sold as

Ninety-one per cent of health insurance is purchased through a group plan.

2024 health premiums

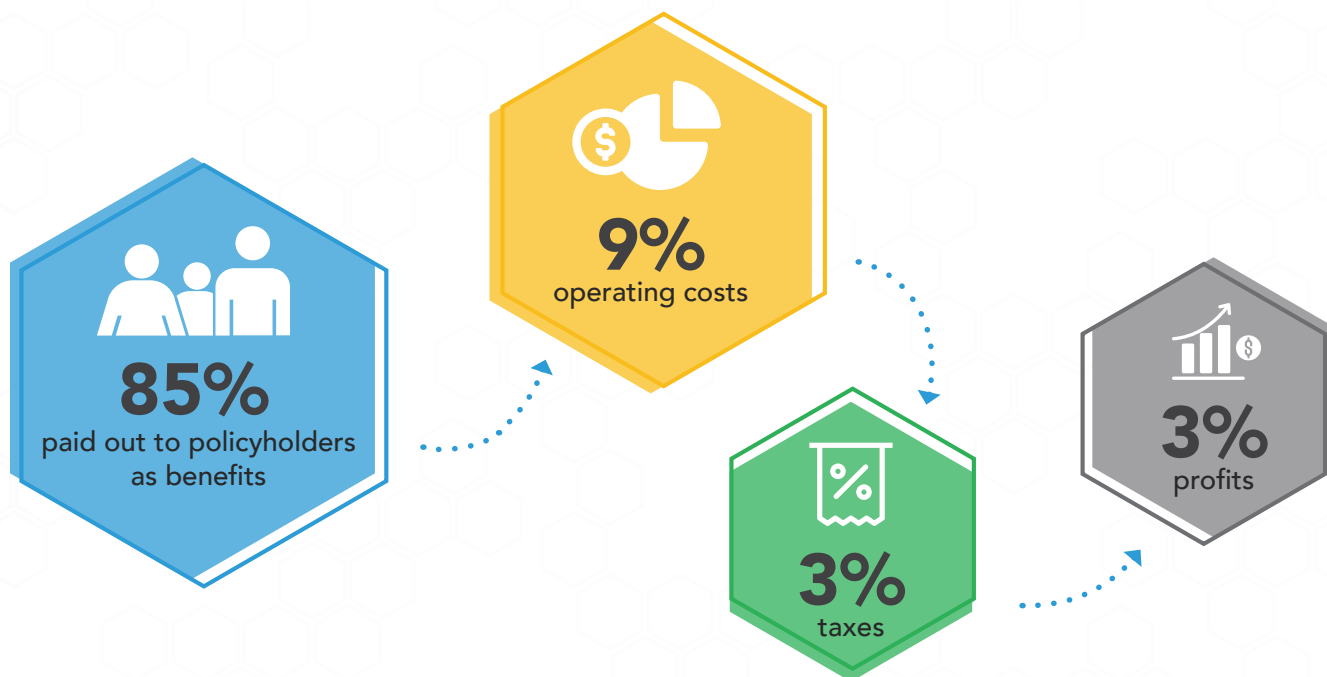


Related products

Supplementary health insurance; travel insurance; critical illness insurance; disability insurance; accidental death and dismemberment insurance; and health care spending accounts.

Insurers provide cost-effective health protection

At 85 per cent, the **vast majority** of health insurance premiums are paid out as benefits to policyholders (5-year average).





Prescription drug claims grew 8 per cent in 2024

Supplementary health insurance plans provided **27 million** people with access to a wide range of prescription drugs, including specialty medications to treat serious, chronic, and complex health conditions. Drug claims grew by about 8 per cent in 2024 as both coverage and the number enrolled in workplace plans increased. Drugs to treat inflammatory conditions, diabetes, asthma, chronic obstructive pulmonary disease, cancer, as well as depression, accounted for over a third of all drug benefits paid.*

Insurers are making high-cost drugs more affordable through pooling for small and medium-sized employers

Costing millions each year, the price of some high-cost drugs can be a significant burden for group benefit plans. That's why many CLHIA members work together to spread these costs over several plans through the Canadian Drug Insurance Pooling Corporation (CDIPC).

In 2023, the 21- member insurance companies belonging to CDIPC's high-cost drug framework provided Extended Policy Protection Plans (EP3s) to almost 17,000 employers who had at least one employee with annual drug costs exceeding \$10,000.

High-cost drug inflation outpaced the Consumer Price Index for 2023 by almost 400%. Despite this, CDIPC member companies and private insurers continue to offer extensive drug coverage that often exceeds public coverage.

CDIPC at a glance

- EP3s benefited more than **36,000** employees and their families, whose annual out-of-pocket drug costs exceeded \$10,000.
- CDIPC's pooling framework of member companies eliminated over **\$946 million** in out-of-pocket expenses to Canadians while maintaining the affordability of their drug plans.
- **43** new high-cost drugs were made available through the pool in 2023.

**Express Scripts. 2025 Drug trends report*





Insurers protect nearly 70 per cent of Canadians against added healthcare costs

In 2024, Canada's life and health insurers paid out **\$53.3 billion** in total health benefits. This is up 10.7 per cent over the previous year. This includes **\$40.5 billion** in benefits for things like drugs, dental, mental health support, and other paramedical services.

2024 health insurance benefits by coverage type



Supplementary health

\$40.5 billion
27 million individuals



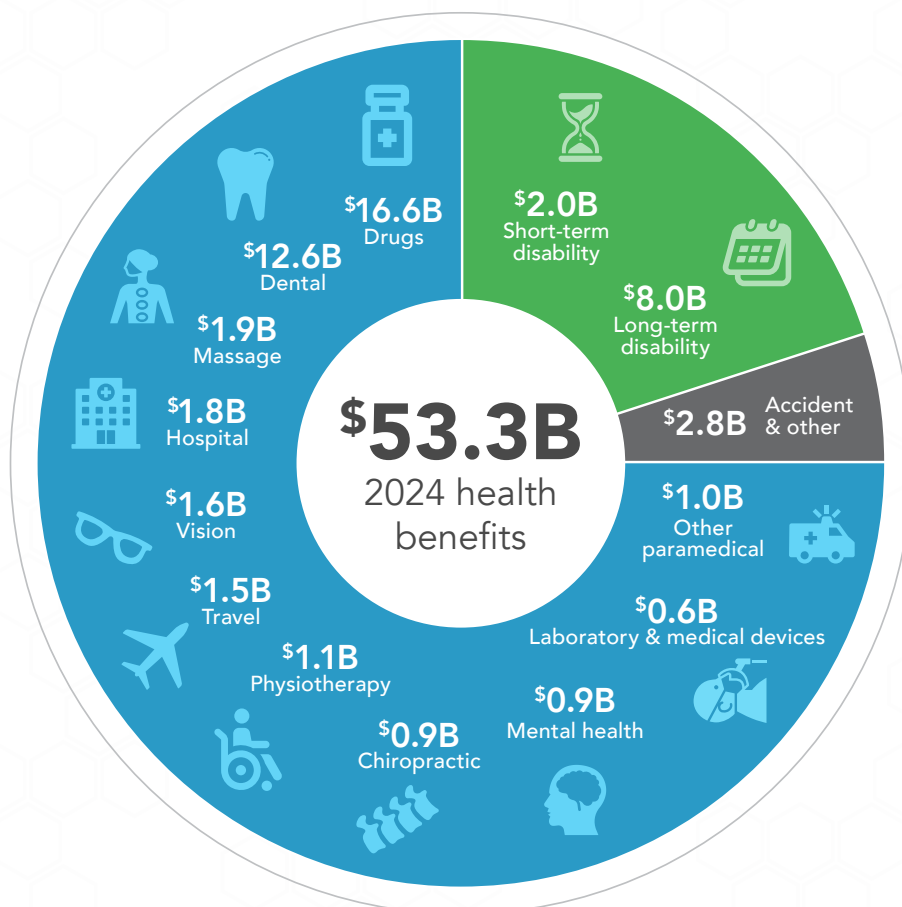
Disability

\$10 billion
12 million individuals



Accident & other

\$2.8 billion
20 million individuals





Working together to tackle fraud and keep health benefits affordable

Every year in Canada, health benefits fraud and abuse costs employers and insurers hundreds of millions. False claims, fraudulent charges for non-covered services, plus the costs insurers bear for investigations add up. That's why insurers are working together through CLHIA's [Fraud = Fraud](#) program on initiatives to reduce benefits fraud and abuse and help to keep plans affordable.

The CLHIA has introduced three industry wide tools to mitigate benefits fraud—a central registry of providers, a pool of anonymized claims data, and a framework for investigations between insurers. These initiatives enhance insurers' own programs and produce results.

As of the end of 2024:



Education campaigns about how to recognize benefits fraud and abuse reached over **12M Canadians**



Over 500 alerts about potential fraud involving over **700 entities** were recorded in our alert registry



Data from over **200 million claims** was analyzed using artificial intelligence and generated over **13,000 alerts** for potential fraud



Collaboration with insurers resulted in close to **40 joint investigations** of suspected provider fraud

Annuities

are insurance contracts sold by life insurers as either an accumulation product or a pay-out product. **Accumulation annuities** build up funds for the future through contributions, income and capital growth. With a **pay-out annuity**, in exchange for upfront contributions, life insurers make regular benefit payments for a specified number of years, or for the lifetime of the insured. A **segregated fund** is a separate fund maintained by a life insurance company where the value varies depending on the market value of the assets being held. A segregated fund is kept separate from the general assets of a life insurance company. Segregated funds provide potential growth and

can be included as the underlying investment in a deferred annuity or a pay-out annuity. Segregated fund annuity contracts are available only through licensed life insurance advisors.

Sold as

Seventy per cent of annuities is purchased through a group plan.



Life and health insurers manage retirement savings for over 10 million Canadians

Over eighty-five per cent of small businesses that provide pensions, Registered Retirement Savings Plans (RRSPs), Tax-Free Savings Accounts (TFSAs), and Registered Retirement Income Funds (RRIFs) to their employees offer these through life and health insurers.

Benefits of owning life annuities

Life annuities aren't like other retirement income products. Here's what they offer that's different:



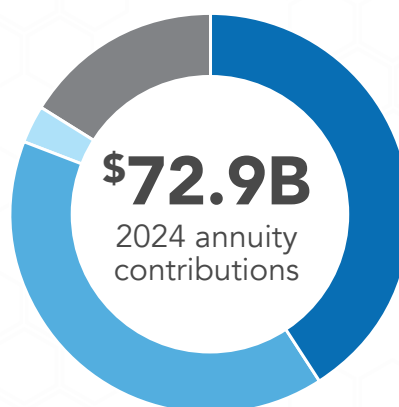
Lifetime income benefits that reduce the risk of outliving your savings



Pension plans can lessen the investment and longevity risks of defined benefit plans by transferring these risks to insurers to manage



Maturity guarantees mitigate the risk of volatile investment returns



Sources of annuity contributions

- Pension plans
- RRSPs & TFSAs
- RRIFs
- Non-registered savings

Growing assets to support retirees

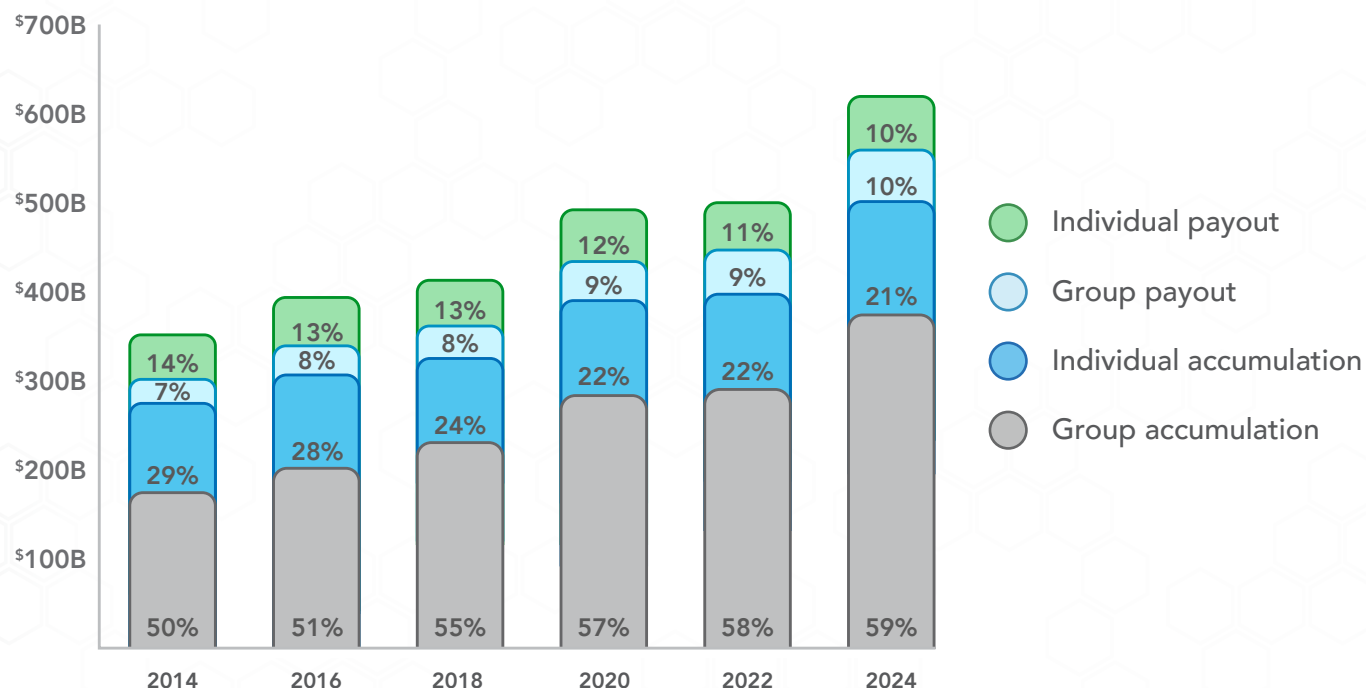
Over the last decade, accumulation annuities* have driven growth in retirement assets held by insurers - up an average of **six per cent annually** since 2014.

81%

of assets are in the accumulation stage
– up from 79% a decade ago

84%

of assets are invested in segregated funds**
– up from 78% a decade ago



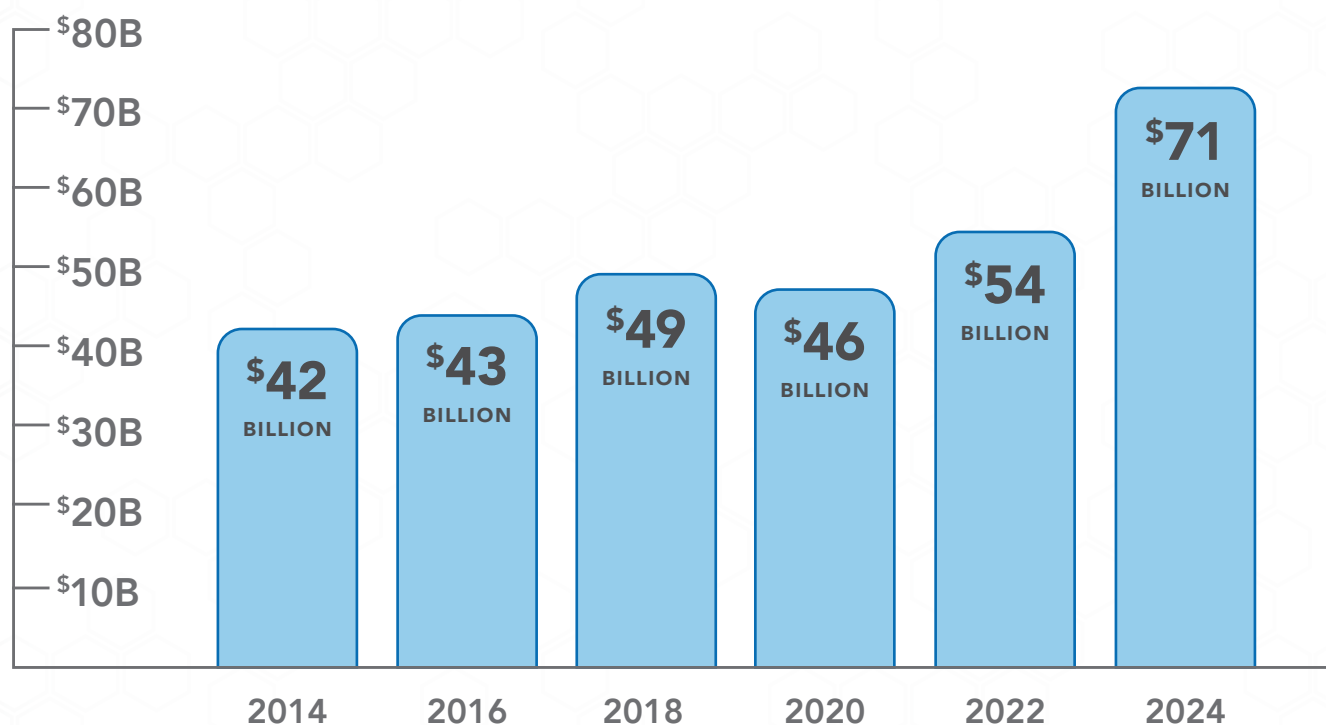
* Accumulation annuities are a flexible and secure investment vehicle for pension plans, RRSPs, TFSAs and non-registered funds during the savings stage.

** See "How Insurers Invest."



Insurers paid out \$71.4 billion in retirement benefits in 2024

Of this, 64 per cent was paid out to group plan members, and 36 per cent to policyholders of individual plans.



Since 2014, benefits have increased at an average rate of

6% per year

74%

of benefits are provided through segregated funds

Canada's insurers play an important role in helping Canadians obtain financial security in retirement

Insurers managed **\$420 billion** of the \$3 trillion in total private pension assets in Canada in 2023. This includes assets in over 15,000 private employer-based plans that provide retirement protection for **3.3 million people**.*

Canadians receive pension income in three ways: from their employer, individually, or from the government. Canadians who retire with a pension from both an employer-based plan and a public plan, e.g. Canada Pension Plan (CPP) prove to be better off financially when they retire. In 2021, workplace pension plans paid out \$84 billion, representing five per cent of all income received by Canadians—exceeding income from RRIFs, CPP/Québec Pension Plan, and Employment Insurance**.

Canada's total private pension assets

Employer-based plans
\$656 billion

\$222 billion

or 34% is **managed by life insurers**, accounting for **70% of private pension plans**, primarily for small-to medium-sized businesses

Individually owned plans
RRSPs, TFSAs, etc.

\$2,298 billion***

\$198 billion

or 9% is **managed by life insurers**

*According to Statistics Canada Registered Pension Plans, 2023

** Source: [The power of pensions](#), Canadian Centre for Policy Alternatives, November 25, 2024

*** Data provided by ISS Market Intelligence, Investor Economics 2025 Household Balance Sheet Report.



Life insurance

Term insurance provides cost-effective, temporary coverage. Premiums typically increase over time in five, 10 or 20 year “steps”. Term insurance usually provides a right to convert to permanent insurance with the same insurer without further underwriting, providing consumers with the ability to adjust coverage features to address long-term needs.

Permanent insurance – such as universal life or whole life – meets life-long protection needs. In addition to death protection, cash values are accumulated and can be used for financial emergencies, or to supplement retirement income. Premiums can be paid over a set number of years or for life.

Whole life insurance is a type of permanent life insurance that provides coverage for your lifetime. It has fixed premiums and builds up cash value.

Universal life insurance allows consumers to select – and change – premium levels and investment options while the insurer assumes the risk related to death.

Health insurance

Supplementary health reimburses a variety of expenses, such as prescription drugs, dental, hospital and medical expenses that are not covered by provincial government plans.

Disability insurance helps replace lost income due to disability (frequently integrated with public pension plans, workers’ compensation benefits and Employment Insurance), usually paying around two-thirds of earnings.

Accident & other insurance includes coverage for accidental death and dismemberment, long-term care and critical illness.

Retirement solutions

Accumulation annuities are a flexible and secure investment product used to build up income to be used later in life. They can be registered as RRSPs, RRIFs, TFSAs, etc., and can be offered through group retirement and savings plans.

Pay-out annuities are a type of decumulation annuity that provides guaranteed income for life or over a defined term in exchange for an upfront payment.

Industry in Detail



Insurers are a significant source of long-term investments in Canada

Over
\$1T

of stable industry investment is driving economic growth and innovation across Canada. What the industry earns from these investments helps reduce the cost of insurance for Canadians.

90%

of insurers' assets are held in long-term investments. The long-term nature of insurers' liabilities is especially well suited to financing infrastructure investments.

Insurers' investments support the economy and governments

\$50 billion

Infrastructure investments*

\$111 billion

Provincial, territorial & municipal government bonds

\$25 billion

Federal government bonds

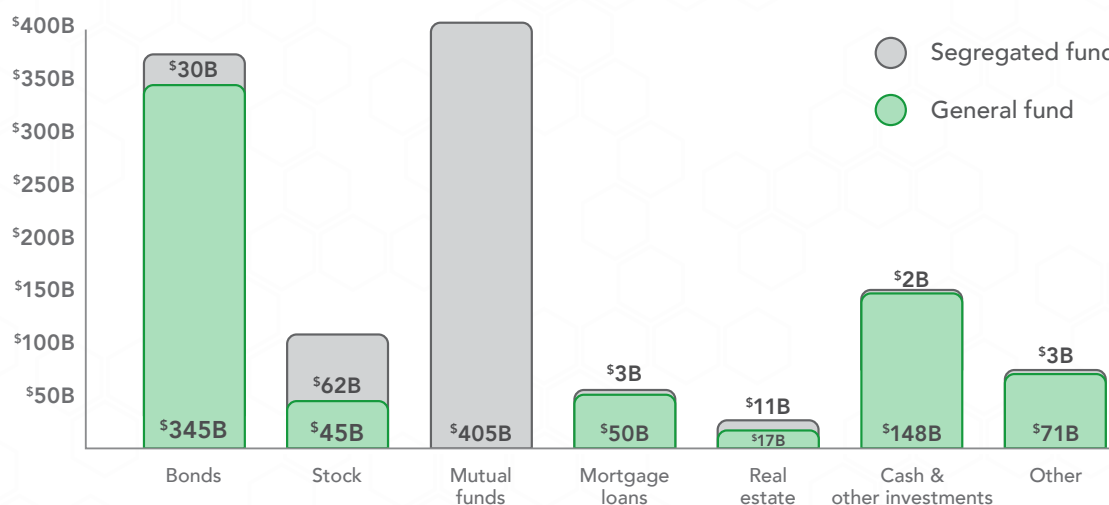
**Infrastructure investments have been updated to reflect Canadian debt and equity investments only, including public-private partnerships.*

How Insurers Invest

Insurers' investments help cover future claims and contribute to Canada's economic growth

Segregated funds have grown at an annual average rate of **6.6 per cent**. Their share of total industry assets has increased from 38 per cent to **43 per cent** over the past decade.

General funds have grown at **4.2 per cent** annually over the past decade. General fund investments include amounts for policyholder benefits (expected future contractual claims), and other liabilities.



Canada's life and health insurers remain a pillar of financial strength and stability

In 2024, Canadian life and health insurers' total capital ratio* was **137 per cent****, significantly exceeding the regulatory supervisory target of 100 per cent.

With capital levels well in excess of the high standards set by regulators, Canadians can rely on life and health insurers to safeguard policyholders, clients, and creditors. This financial strength is a key reason why Canadians can rely on their insurers in times of need.



* Measured as total capital resources (available capital, surplus allowance and eligible deposits) as a per cent of regulatory capital required to cover risks.

** 137 per cent is for federally regulated life and health (re)insurers excluding fraternal benefit societies and life & health (re)insurers who operate in Canada on a branch basis.

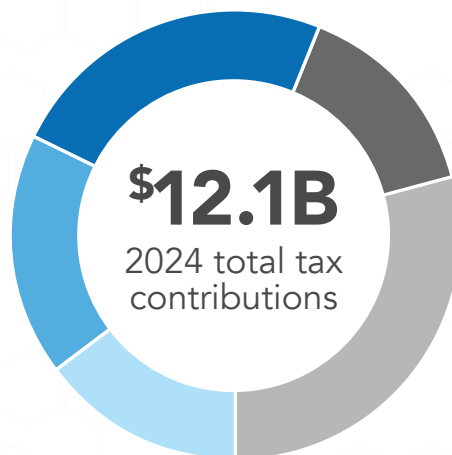
Insurers' Tax Contributions

Canadian life and health insurers contributed \$12.1 billion in taxes

Taxes borne: \$6.8B

- Corporate income tax & federal capital tax: \$2.9B
- Provincial premium tax: \$2.1B
- Payroll & other taxes borne: \$1.8B

Taxes borne are taxes paid by insurers directly to governments.

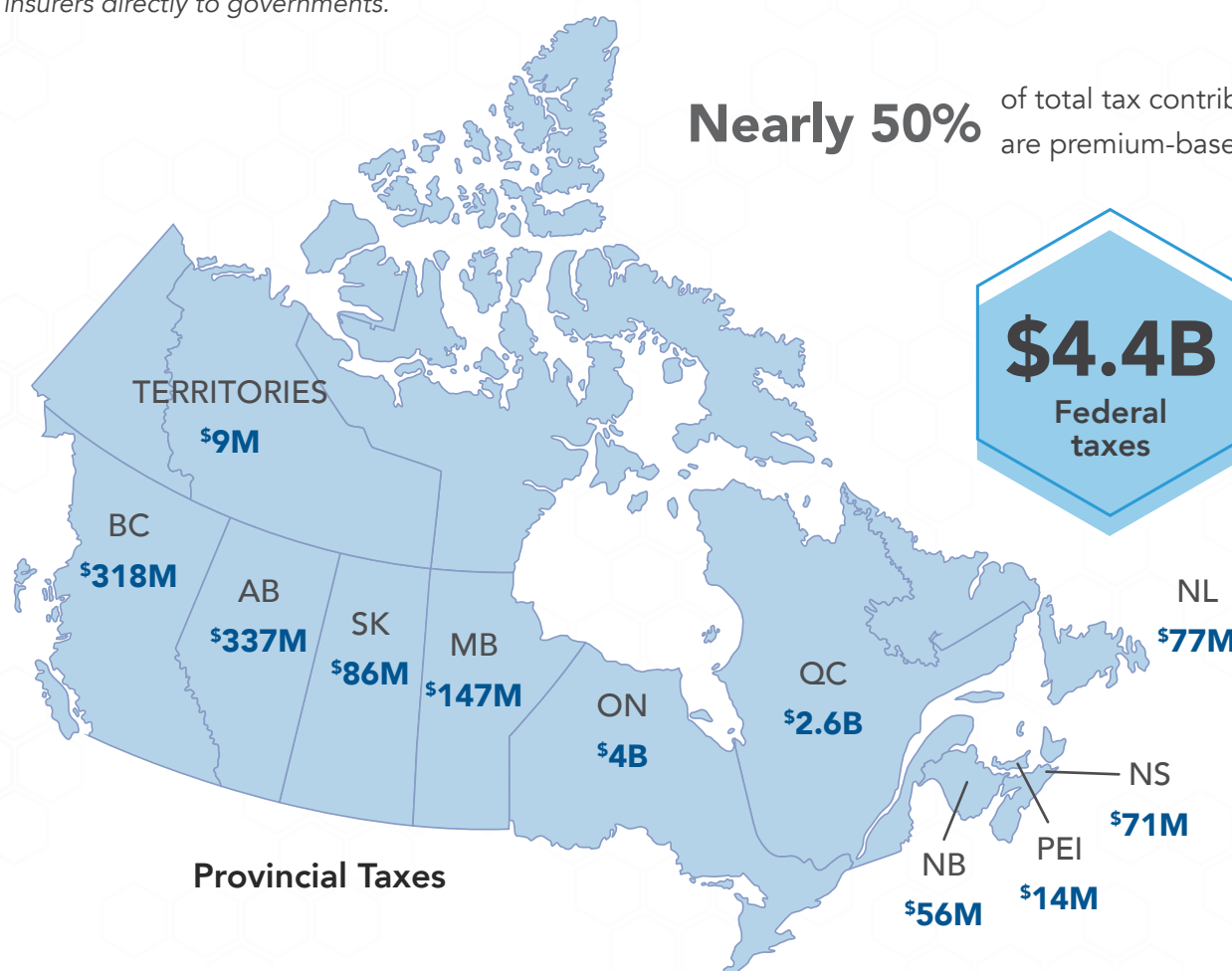


Taxes collected: \$5.3B

- Federal payroll taxes collected: \$1.8B
- Provincial retail sales tax on premiums: \$3.5B

Taxes collected are taxes that insurers collected from customers and employees and paid to governments on their behalf.

Nearly 50% of total tax contributions are premium-based taxes*



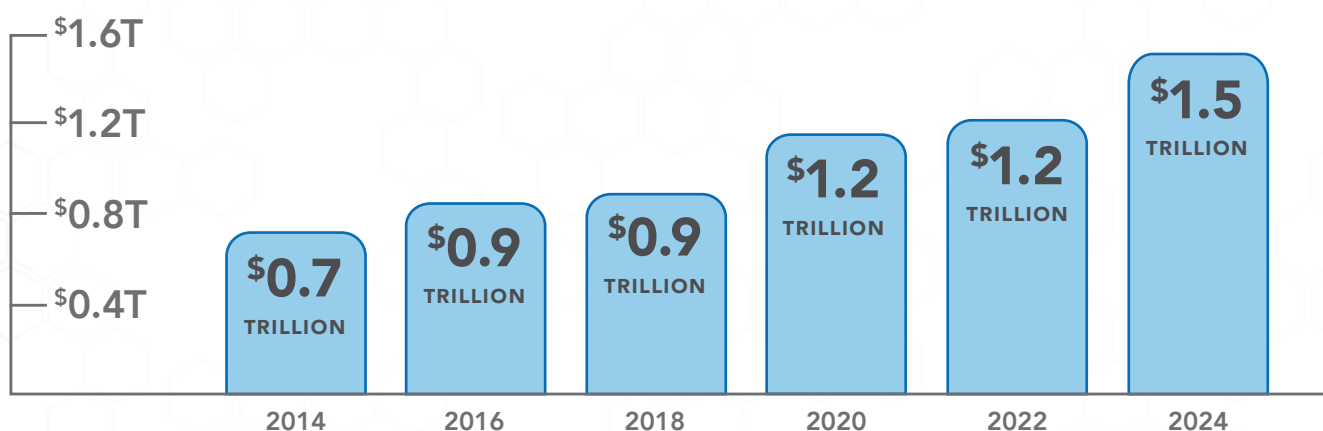
* The industry's contribution is especially high for health insurance, accounting for about 50 per cent of value-add generated. See [Piling On - How Provincial Taxation of Insurance Premiums Costs Consumers](#), C.D. Howe Institute.

Canadian life and health insurers are trusted at home and around the globe



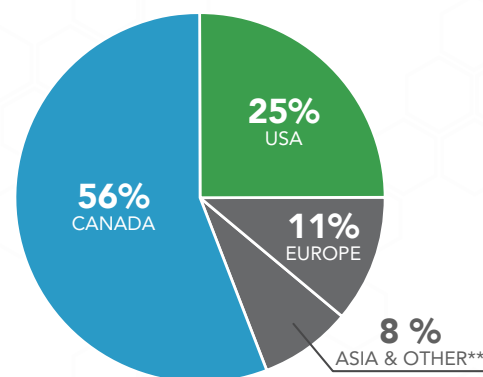
Canadian insurers continue to grow their international operations

Assets held by Canadian life and health insurers on behalf of all policyholders outside of Canada amounted to **over \$1.5 trillion** at the end of 2024, twice the level from ten years ago.



Source of insurance service revenue

International operations contributed **44 per cent** of the insurance service revenue* of Canadian life and health insurers in 2024.



* This is a measure as defined in IFRS 17 and has been used since 2023.

** Includes the Caribbean and Latin American countries



For simplicity, we use the letters K, M, B, and T to refer to thousands, millions, billions and trillions, respectively.

Wherever possible, figures presented here relate to the Canadian life and health insurance business of companies of all national origins. However, where relevant, the numbers relate only to the worldwide business of Canadian companies.



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Canadian Life and Health Insurance Facts, 2025 Edition presents authoritative, factual information about the life, health and annuity business of all federally registered and provincially incorporated insurance providers in Canada (including the health business of property and casualty insurers), unless stated otherwise.

The sources of material for this publication include information from these insurance providers as well as relevant data from government agencies, regulatory bodies, and other associations. Their assistance is acknowledged with thanks.

The CLHIA is a voluntary association whose member companies account for 99 per cent of Canada's life and health insurance business. These insurers provide a wide range of financial security products including life insurance, annuities (including RRSPs, RRIFs and pensions) and supplementary health insurance to nearly **30 million** Canadians. They hold **nearly \$1.2 trillion** in assets in Canada and employ **over 180,000 Canadians**.



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