INSURANCE Journal

$10 Vol. 29 No. 02 April 2025

WHOLE LIFE INSURANCE

An opportunity to demonstrate the value of advice

Nearly 5,000 industry professionals are already taking advantage of **PRO Level** to achieve success!

Join them now!

PRO Level gives you access to exclusive content, industry insights, and valuable benefits designed to support your professional growth.

But don't just take our word for it — here's what your colleagues say:

PRO Level allows me to be informed as quickly as possible about industry news and provides me with relevant information.

Justin Potago, Senior Advisor - Litigation and Insurance, Exo

PRO Level continuously keeps me informed so I don't miss any important information for my work.

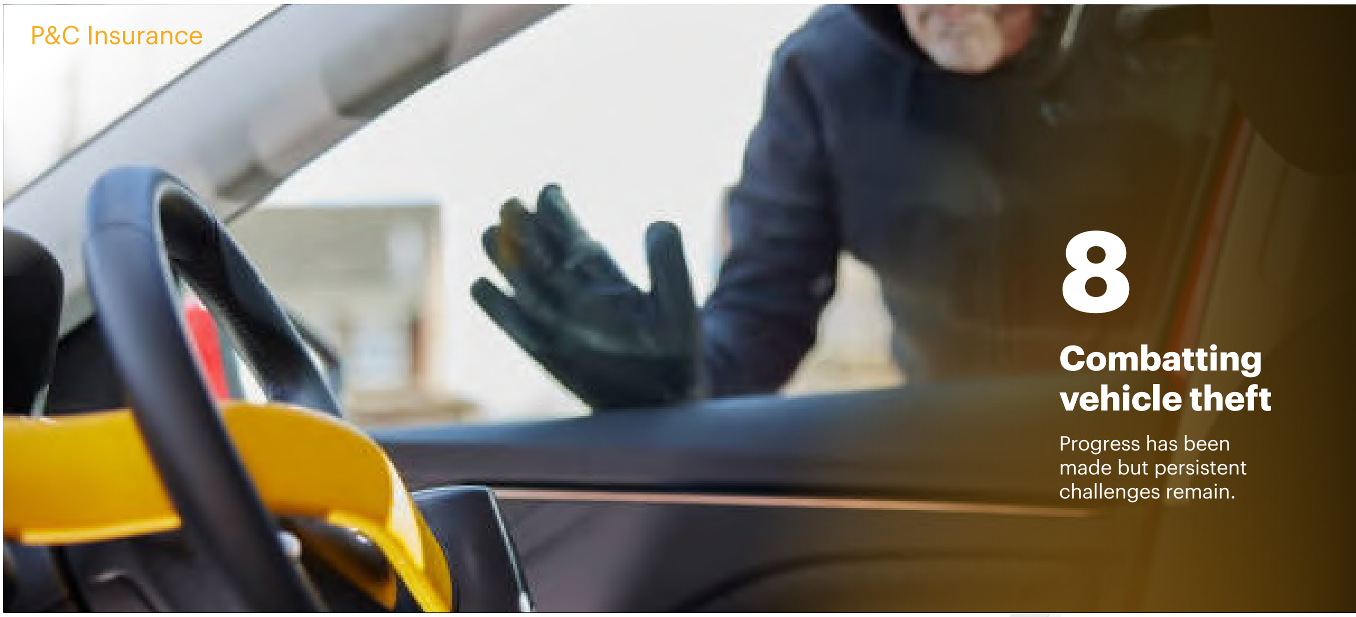
Lucie Corbeil, Quality Assurance Advisor - Business Insurance, L'Unique assurances générales

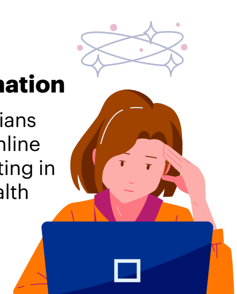
PRO Level keeps me informed of issues that are important to my business, which are not addressed by other media outlets.

Milan Topolovec, CEO, TK Financial

Subscribe to PRO Level now: **insurance-portal.ca/prolevel**

Vol. 29 No. 02 April 2025





INSURANCE Journal

Vol. 29 No. 02 — April 2025

THE INSURANCE JOURNAL PUBLISHING GROUP: AN EXPANSIVE RANGE OF PRODUCTS TO SERVE YOUR NEEDS!

Created in 1992, the Insurance Journal Publishing Group now counts ten products in three formats: magazines, industry events and Web information services.

Insurance Journal and ***Journal de l'assurance*** publish in-depth articles to enable insurance industry professionals to stay on top of industry developments. This knowledge will assist our readers with their goal of helping Canadians get the insurance coverage they need to protect their families, their wealth and their dreams. Our magazines are available by subscription across Canada.

The ***Répertoire des fournisseurs en assurance de dommages*** provides an excellent overview of the products and services offered by professionals in restoration and non-standard risks in the P&C industry.

Digital services

As part of our digital transformation, our company has created the ***Insurance Portal***, a one-stop shop that will eventually bring together all of our information services and products. It has customization and keyword search functions. It will also host the services of other organizations and companies interested in offering their products to financial services industry professionals. A true insurance business centre, the Portal is a powerful tool for helping industry professionals grow their businesses.

Available online, ***InsuranceINTEL*** is a market intelligence centre for the life and health insurance industry in Canada. The database is constantly updated and provides the features of more than 470 insurance and investment products through easy to analyze comparative tables.

Users can also access 3,000 marketing documents, as well as 350 insurance applications. Various levels of membership are available for insurance companies, banks, MGAs and advisors to enable them to stay on the forefront of new industry developments. ***RADAR*** monitors the trends and changes in the life & health insurance industry in Canada: product launches, changes in premium rates, modifications to commission schedules, technological developments and marketing campaigns.

Our annual events

The ***Canada Sales Congress*** focuses on sales and business development. It brings together approximately 1,000 participants, 20 speakers and about 40 exhibitors and sponsors.

On Thursday, October 2, 2025,
at Delta Hotels by Marriott Toronto Airport & Conference Centre
Details on: insurance-portal.ca/csc

Each year, ***Life Insurance Convention*** brings together around 1,000 participants & over 30 speakers and 65 exhibitors.

On Tuesday, November 18, 2025
at the Palais des congrès de Montréal
Details on: portail-assurance.ca/cap

The ***Group Conference*** is a niche event promoting group health insurance.

On Thursday, February 26, 2026
at the Palais des congrès de Montréal
Details on: portail-assurance.ca/cc

P&C Day held annually attracts some 1,000 participants, 20 speakers and 70 exhibitors and sponsors.

On Tuesday, March 31, 2026
at the Palais des congrès de Montréal
Details on: portail-assurance.ca/jad

CONTACT US

Administration
Nedjine Eugène
nedjine.eugene@insurance-journal.ca
514 289-9595, ext. 221

Serge Therrien
serge.therrien@insurance-journal.ca
514 289-9595, ext. 224

Editorial
Serge Therrien
serge.therrien@insurance-journal.ca
514 289-9595, ext. 224

Subscriptions
insurance-portal.ca
subscriptions@insurance-journal.ca

Advertising — REP Communications inc.
Ghislaine Brunet
Sales Manager
gbrunet@repcom.ca
514 916-5818

Lise Flamand
Ad Design
lflamand@repcom.ca
514 207-2508

President and Publisher
Serge Therrien

Managing Editor
Aurélia Morvan

Editor-in-Chief
Donna Glasgow

Director, Life & Health insurance, Taxation & Investment
Alain Thériault

Coordinator, Insurance*INTEL*
Jean-Alexandre Doyon

Director of Production
Myriam Lauzon

Director of Digital Growth
Philippe Le Roux

Digital News Desk Journalist
Sabrina Fekih

Contributors
Alain Castonguay, Kate McCaffery, Jim Ruta, Serge Therrien, Alain Thériault

Graphic Designer
Marjorie Poirier

Accounting
Nedjine Eugène

Digital Technology Team
Hussein Saadé

Photographer
Réjean Meloche

Insurance Journal is published by
Les Éditions du Journal de l'assurance inc.

A neutral, objective and independent source of information

Created in 1992, Les Éditions du Journal de l'assurance inc. is a private company that operates independently of any insurance industry association or agency. It is a neutral, independent source of information that is financed through advertising and subscription revenues.

All rights reserved. Neither this publication nor any part of it may be reproduced or transmitted by any form or any means without the prior permission of *Insurance Journal*.

Legal deposit: National Library of Quebec and National library of Canada, ISSN 2562-0843

Publications Mail Agreement No. 40011544

Subscribe now:
insurance-portal.ca/prolevel

Something to think about...

It's not really just about selling insurance or investment services. It's about sharing your story so you can actually connect with people. Just be real.

– Angelina Hung of Financial Tech Tools

Page 30

In this issue...

Communicating, recruiting and streamlining: the keys for Foresters Financial

Matt Berman, President and CEO of Foresters Financial, believes the industry needs to boast and recruit more if it is to sell more.

BY ALAIN THÉRIAULT

After a year at the helm of **Foresters Financial** in Canada, the United States and the UK, **Matt Berman** wants to increase the number of policyholders. He urges the industry to communicate and recruit better. Berman also wants to enhance the company's technology platform to sell better and faster. He is preparing tools that will make the advisor experience easier.

In an exclusive interview with the *Insurance Journal*, Berman took a moment to share his impressions on trade policy, which will be one of his three concerns in 2025. His other two: the political environment in general and artificial intelligence.

"What insurance can provide is certainty in an uncertain world," he maintains.

"Tariffs impact GDP, and any compression in GDP has real implications for everyday Canadian families. Our customer base is middle-market, and they often feel economic pressures first. That's why we think so carefully about how our products, especially protection and retirement solutions, can offer certainty in uncertain times."

"I feel incredibly privileged to be in this seat," he said. "But one thing I've realized is that uncertainty has now joined death and taxes as one of life's certainties. That's what we're navigating, uncertainty."

Berman pointed out that, in terms of premiums, Foresters Financial's share of business is split 60% in the United States and 40% in Canada, where the insurer's head office is located.

Better communication

How can we sell more? "What we need is to better communicate the value proposition of what we do. Insurers can do a lot on promotion and marketing, but consumers are pretty savvy. They may see those strategies and tactics as self-serving," observes Berman.

To avoid this bias, he suggests using third-party research. "LIMRA is a research trade association, rich with credible data. They serve the industry at large, not as a commercial entity. The sector has the ability to leverage some of these touchpoints where there's a collective voice that brings younger customers in the ecosystem."

Matt Berman urges the industry to change its approach with younger people: emphasize the benefits these products pay for, make it a broad campaign with an objective collective message.

He suggests a message for graduates on a tight budget: "Hey, you're insuring your future insurability!" With term insurance, we can afford protection now, and turn it into permanent insurance later, regardless of our state of health. In Canada, Foresters Financial offers term 10, 20 and 30, participating whole life and simplified term life insurance. It also offers critical illness insurance.

Berman also suggests offering investment products to younger people, saying, "You are planting the seeds on tax advantaged saving vehicles that can grow when you need it most: when you get married, when you start a family, when you buy a house."

In Canada, Foresters Financial sells two accumulation products (deferred annuities) in the form of guaranteed interest accounts. *Annuity Plus* can be set up as a Registered Retirement Savings Plan (RRSP), while *Annuity Plus TFSA* can be set up as a Tax-Free Savings Account (TFSA).

The insurer withdrew from the segregated funds market in both Canada and the U.S. in the summer of 2020, saying it wanted to focus more on the life insurance market.

Retirement and recruitment

The industry needs to recruit more to sell more, acknowledges Matt Berman. "Unfortunately, the advisor population is aging," he adds. "Looking at the pipeline of output and input: for every advisor that retires are you getting a newly recruited advisor into the field? I haven't looked at the statistics but I would be somewhat bearish on what those statistics would suggest. This is a problem the industry has to solve."

"There's a lot to be excited about in terms of being an advisor, and the industry needs to say so," says Berman. Beyond the flexible hours and unlimited income, what could be more motivating than providing for a family, so that the next generation can devote themselves to their studies? Protecting a spouse's income and preserving their lifestyle and that of their children, should their partner die? "The ability of advisors to help people and do something beyond themselves is a very compelling story," Berman says.

The industry isn't for everyone, he warns. "You must be self-motivated. You've got to be willing to get in front of people and manage rejection." But he says insurers and managing general agents can facilitate new advisors' integration with training, education and even lead generation.

Canada VS the United States

However, it's easier said than done, admits Matt Berman, who believes that the United States has been very successful in tackling the recruitment problem.

Since March 2024, Matt Berman has been a member of the Board of Directors of **LL Global**, which brings together the **Life Insurance Marketing and Research Association (LIMRA)** and the **Life Office Management Association (LOMA)**. Since entering the industry in 1999 as Underwriting Director for **American International Group (AIG)**, he has held a variety of positions in the New York region. He manages the Toronto-based activities of Foresters Financial, a fraternal society founded in 1874.

> The advisor's ability to help people and do something that is beyond them is a very compelling story.
>
> — Matt Berman

"What we've seen in the US is a lot of acceleration, momentum around what are called network marketing distributors. Now, there is a similar emergence happening in Canada," he says. As network marketing distributors, these managing general agents may, for example, recruit an advisor who will later become a managing general agent associated with the organization, and may himself recruit advisors.

Domestically, momentum isn't as robust as in the U.S., observes Berman, but these distributors "have become big recruiting engines. They leverage lead generation strategies. They also leverage simplified issue products that can be underwritten, issued and commission paid very quickly."

Simplified issue term and whole life products can be underwritten with a few simple questions. It's a niche that made **Canada Protection Plan** famous, long before it was acquired by Foresters Financial in the fall of 2020.

Why is it that this type of network marketing distribution not growing as fast in Canada as in the United States? (**Greatway Financial** and **World Financial Group** are two examples of this kind of distribution in Canada.)

Berman cites several reasons: the limited availability of data and instant issue products in Canada. The industry will have to create more, he believes. "But I think those emerging distribution channels have attracted a lot of younger people into the space."

The activities of these organizations were targeted in a report published in the fall of 2023 by the **Financial Services Regulatory Authority of Ontario** (FSRA), which was the result of an analysis in which the **Canadian Council of Insurance Regulators** (CCIR) collaborated. In two separate disciplinary decisions, FSRA had requested corrective action, from Greatway Financial on October 14, 2022, and from World Financial Group on April 3, 2023, among other things because of a lack of training for advisors.

Matt Berman says that this is to be expected. "It's more a question of growing pains If there's an emerging distribution channel, the regulator will always pay attention and I'm confident that the distribution channel and the regulatory ecosystem will converge," he expects, in the longer term.

Major updates

In 2025, Berman wants to accelerate innovation at Foresters. "We're building new infrastructures to make our members and advisors journey easier, and the experience delightful."

He reports that since the acquisition of Canada Protection Plan, Foresters Financial has been working to harmonize technological systems to achieve economies of scale. Among other things, the insurer will be wiping the slate clean of its legacy systems. "We're making sure that all our products are sitting on one administrative system, to streamline," he explains.

Foresters Financial has also created a new "underwriting workbench," reveals Berman. "On a simplified issue product, it will make the amount of time the application is completed, submitted, underwritten and issued become much smaller. It eliminates the internal friction," he adds, mentioning "the number of hands that have to touch the application before the insurance policy is issued."

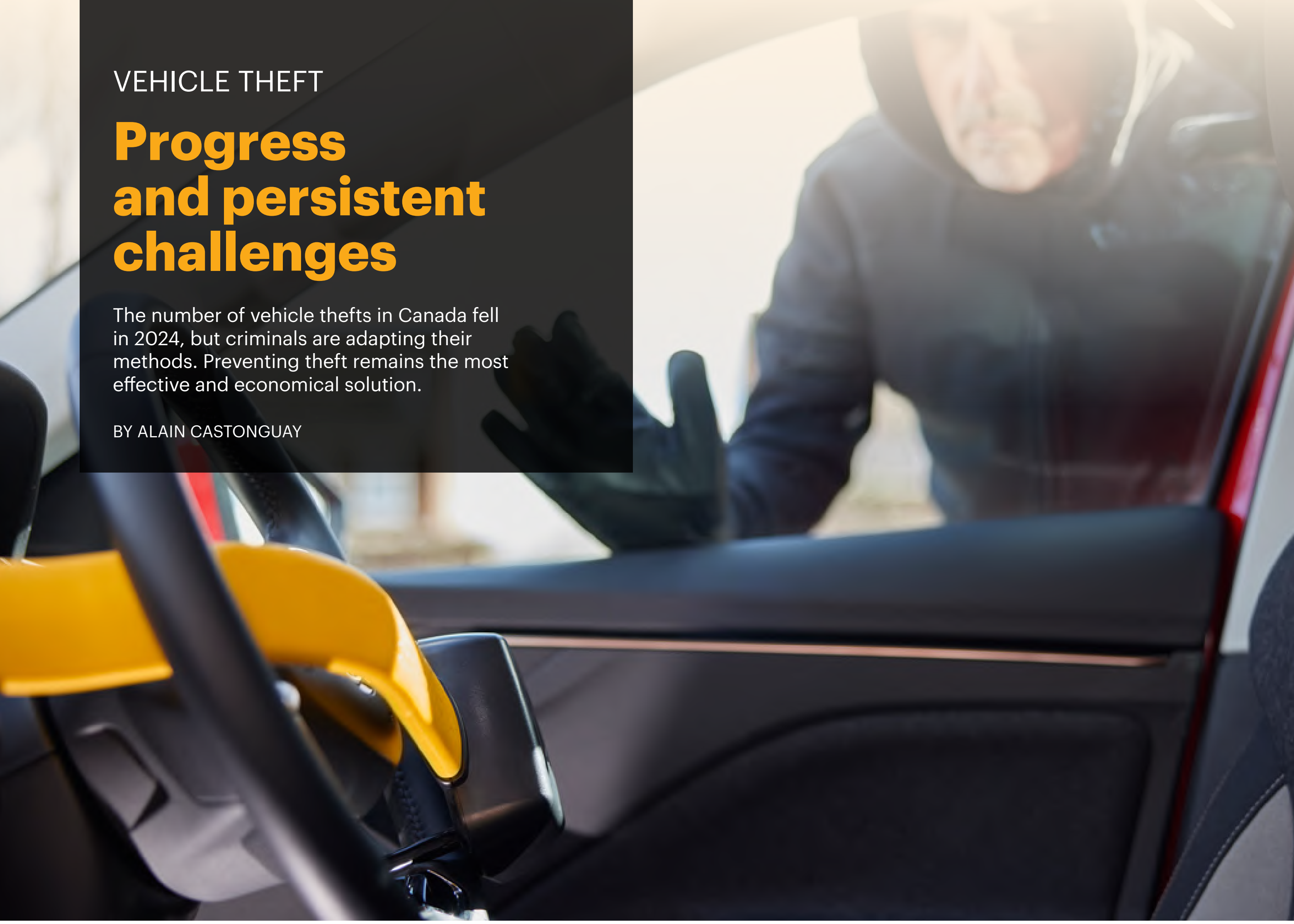
In addition, the insurer is in the process of creating a new electronic application to further streamline underwriting. "It'll make decisions faster," says Berman. Canada Protection Plan launched one in 2020. "We had an e-application, but it wasn't up to par with what we're seeing in the market, in terms of capacity," explains Berman.

Foresters Financial also plans to expand its permanent insurance offering. "In Canada, we are preparing to launch new products in 2025," he says. Among others, Foresters Financial is developing a new whole life insurance product, which will be called *Advantage Max*.

Berman said, "we've listened to the market, *Advantage Max* is accumulation-focused and paired with a new electronic application. We're also using an underwriting workbench to dramatically reduce processing time. That's less friction for agents and a smoother experience for clients."

Berman says these projects will arrive in 2025, between the second and third quarters.

In its 2023 report, the insurer reported total premiums of C$1.5 billion. The 2024 report for Foresters Financial members will be available later in the first quarter of 2025.



VEHICLE THEFT

Progress and persistent challenges

The number of vehicle thefts in Canada fell in 2024, but criminals are adapting their methods. Preventing theft remains the most effective and economical solution.

BY ALAIN CASTONGUAY

Fewer vehicles stolen, but there's still room for improvement

Statistics confirm that the number of vehicle thefts fell in 2024, but criminal networks are adapting their methods to the solutions put forward to counter them.

BY ALAIN CASTONGUAY

The **Insurance Bureau of Canada** (IBC) reports that in 2023 alone, vehicle thefts cost more than $1.5 billion, including the cost of repairing or replacing vehicles, which has a direct impact on insurance premiums for all policyholders. This estimate also includes police and court costs, as well as corrections costs for cases involving arrests, convictions and prison sentences.

Équité Association released its *2024 Auto Theft Trend Report* on Feb. 12, 2025. The organization reports a decrease in the number of auto thefts in 2024 compared to the previous two years, when more than 70,000 vehicles were reported stolen in 2022 and 2023.

For the country as a whole, the number of thefts fell by 18.6% in 2024. Quebec saw the sharpest year-on-year decline, with a 32% decrease.

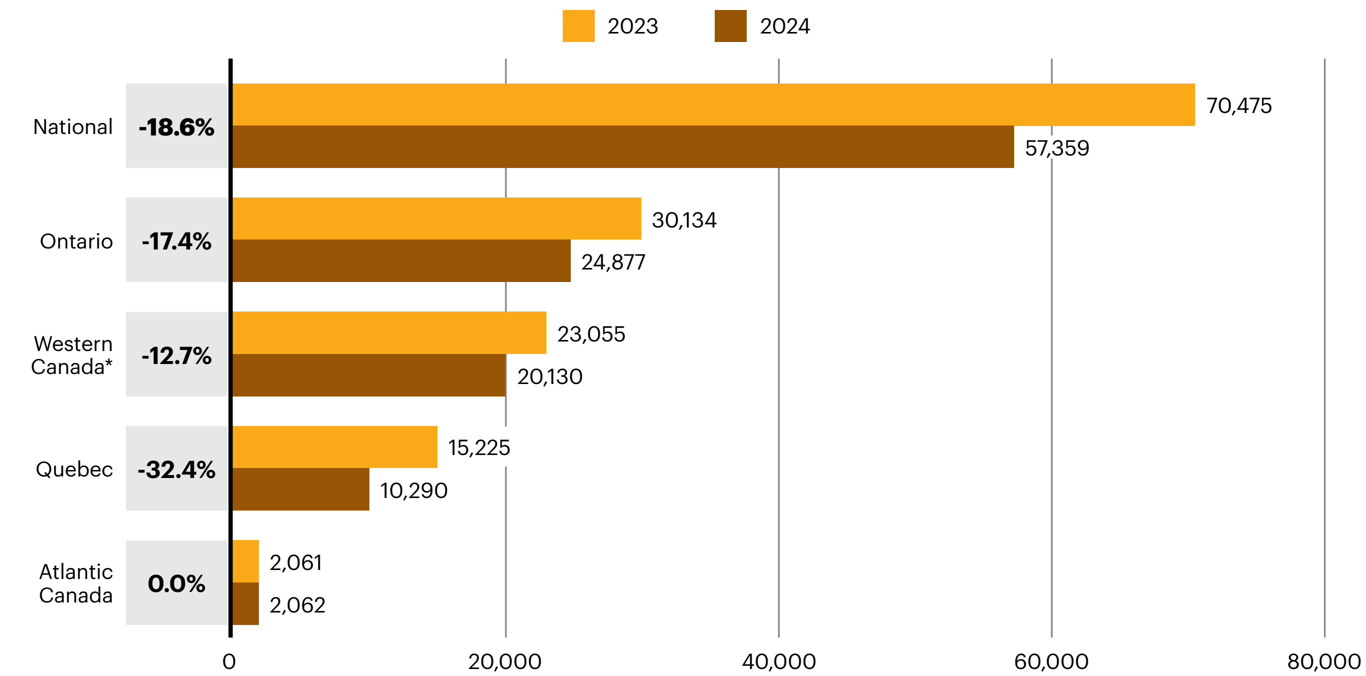
Nationally, some 57,539 private passenger cars were stolen in 2024, "which is still far too many and poses a threat to the safety of all Canadians," underlines Equity Association. Criminal networks use insurance crimes to finance their other activities.

Regional variations

In absolute numbers, there were 5,257 fewer thefts in Ontario in 2024 than the previous year. There were 4,935 fewer thefts in Quebec, and 2,925 fewer in the western provinces, from Manitoba to British Columbia. The number of vehicle thefts in the Atlantic region remained more or less the same in 2024 as in 2023.

The national recovery rate for stolen vehicles is 59.3%. Quebec has the lowest rate, at 43.6%, compared with 50.8% in Ontario, 64% in the Maritimes and 77.4% in Western Canada. In the two central

EVOLUTION OF THE NUMBER OF CAR THEFTS BY REGION



* Western Canada includes British Columbia, Alberta, Saskatchewan and Manitoba
Sources: Équité Association has compiled data from Canadian law enforcement agencies.

provinces, more than 70% of stolen vehicles are new, manufactured in 2017 or later. The type of vehicle most targeted in these two provinces is the sport utility vehicle (SUV).

According to Équité Association, the lower recovery rate in Ontario and Quebec illustrates the fact that criminal networks are concentrating on newer, more luxurious models in order to export them overseas via the ports, or to dismantle them in workshops for the resale of parts, modify the vehicle identification number (VIN), use it for their other illicit activities or resell it.

In Eastern Canada, Équité Association investigators are noticing an increase in attempts to export vehicles at the Port of Halifax. In many cases, the vehicles had been fraudulently financed at a dealership using a stolen or synthetic identity.

The recovery rate is higher in the west of the country, but has been gradually declining in recent years. Most stolen vehicles in the four provinces in this region are pickup trucks (42%), with more recent models being targeted.

Regulatory update

Many models of passenger cars (sedans, coupes, hatchbacks and station wagons), pickup trucks, SUVs and vans remain attractive to criminals due to the lack of protection. Still too few automakers install effective anti-theft systems.

In this regard, **Transport Canada** conducted a consultation, completed in the summer of 2024, on the required update of new vehicle regulations. The standard on locking and immobilization systems was adopted in 2005. At the time, its main aim was to reduce the risk of collisions, injuries and fatalities resulting from the use of a stolen vehicle. At the time, the main reason for theft was joyriding.

The Canada Motor Vehicle Safety Standard (CMVSS) lists four options for immobilizing a vehicle. "As CMVSS 114 references specific versions with specific dates of the above options, a regulatory change is required every time they are updated, and they are currently out of date. However the updates would not improve the overall stringency," Transport Canada states in its consultation document.

Moreover, rules concerning the installation of after-sales equipment fall under the jurisdiction of the provinces and territories, Transport Canada adds. Équité Association nevertheless expects the federal government to publish new measures that will oblige automakers to modernize security devices designed to prevent theft.

Cracking down on crime

In an interview with the *Portail de l'assurance*, sister publication of the *Insurance Journal*, **Jacques Lamontagne**, Director, Investigative Services at Équité Association, took stock of the situation one year after the National Summit on Combatting Auto Theft, held in Ottawa on Feb. 8, 2024.

As of February 2024, the list of stolen vehicles in the country was entered into the Interpol database. In 11 months, this international organization transmitted more than 3,000 alerts concerning vehicles stolen in Canada and located on another continent, reports Lamontagne.

➜

Jacques Lamontagne

In May 2024, **Public Safety Canada** launched the *National Action Plan on Combatting Auto Theft*.

In December 2024, as part of discussions between Canada and the United States in preparation for the arrival of a new administration in Washington, the Canadian government announced a $1.3 billion investment to improve border security. Part of this sum, which increases funding for the **Royal Canadian Mounted Police** (RCMP) and the **Canada Border Services Agency** (CBSA), targets organized crime, as insurance fraud is closely linked to drug trafficking.

A total of 1,909 vehicles were intercepted at the ports of Montreal and Halifax by Equité Association and the above-mentioned partners in 2024, with an approximate value of $87.8 million. Of these, some 1,768 vehicles were seized at Montreal port facilities, according to figures reported by Jacques Lamontagne.

Équité Association works closely with the **Service de police de la Ville de Montréal** (SPVM), the **Sûreté du Québec**, the **Ontario Provincial Police**, the **Halifax Regional Police** and the CBSA, notably in Project Vector. This operation targets stolen vehicles destined for export from the Port of Montreal. Equité Association's auto theft investigators provided expert reports that led to the recovery of 598 high-value vehicles, 483 of which came from Ontario and the rest from Quebec.

Preventive measures to limit theft

Recovering a stolen vehicle before it leaves the country is good news, but it costs less to prevent theft.

BY ALAIN CASTONGUAY

There are already tools and technological solutions on the market to help prevent vehicle theft. These systems are installed by the manufacturers themselves, with varying degrees of effectiveness, while others are added by specialized firms or by vehicle owners.

Among other initiatives included in the *National Action Plan on Combatting Auto Theft*, in August 2024 **Innovation Solutions Canada** launched a vehicle theft prevention challenge. The challenge is sponsored by **Transport Canada** in collaboration with **Public Safety Canada** and the **Royal Canadian Mounted Police** (RCMP).

Canadian small and medium-sized enterprises (SMEs) that succeed in the challenge can receive a grant to support the development of anti-theft technology at a commercial or pre-commercial stage, explains the action plan.

Some anti-theft systems are approved by insurers, and their usefulness is recognized at the underwriting stage.

Suzanne Michaud

Accessible tools

Over the past two years, the industry as a whole has conducted a number of awareness campaigns aimed at policyholders to provide them with prevention tips. In May 2024, a survey conducted by **CAA-Quebec** reported that 40% of respondents use no anti-theft protection at all. Of this number, 72% of motorists not using an anti-theft system said they would install one if it would lower their insurance premium.

"Although the authorities have a role to play, it's also the responsibility of all drivers to reduce the risk of car theft by adopting good habits and using available methods to discourage thieves," stated **Suzanne Michaud**, Vice President, Insurance for CAA-Quebec.

In publishing the results of a survey, in which 1,154 members took part, CAA-Quebec pointed out that affordable products exist to curb thieves.

- The steering wheel lock is a metal bar that attaches to the steering wheel and prevents it from being turned. The bar costs between $50 and $100, and they can be purchased at most major retailers. Some may include an extension that also blocks the handbrake.
- The Faraday box or similar case costs just a few dollars. It blocks electromagnetic fields. You can put your car keys in it to prevent thieves from picking up the signal and cloning the key, then unlocking and starting the vehicle.
- The OBD (on-board diagnostics) port protector is a simple metal cap that prevents access to the vehicle's OBD plug, which is used by thieves to connect to the vehicle's on-board computer. A key is required to remove it. The cost of the protector is highly variable, as some systems come with an alert on the driver's app to warn him if the lock is removed without the key.
- Tracking devices such as **Apple**'s *AirTag*, **Samsung**'s *Galaxy SmartTag* or products distributed by **Tile**, which start at $30. Police forces advise against their use: these devices transmit their location to the driver's cell phone application. This means you can find your car, but the temptation is great to try to recover the vehicle yourself, which is not recommended by the police. What's more, the signal's effectiveness is not guaranteed.
- Immobilizers or kill switches require the criminal to have the key to start the vehicle. Some of these systems come with a radio frequency identification (RFID) remote control. Alarm systems work with remote alerts on the phone app, instead of alerting the neighborhood with a loud noise.

Recommended systems

For the five solutions mentioned above, insurers will not offer a discount on the car owner's insurance premium, unlike those that follow.

The Secure Fob system consists of a smart chip that constantly tracks the movement of the electronic key in a vehicle equipped with a keyless entry and ignition system. The chip deactivates the key signal after 3 minutes of inactivity, preventing thieves from picking it up and using it to unlock or start the vehicle.

Sherlock Antitheft Marking was founded in 1983, and the company says that over a million vehicles have been marked through its network of nearly 600 service points. Marking, which involves engraving the car's most important parts with an alphanumeric code, won't prevent theft, but reselling the vehicle for the parts will be more difficult. And if the vehicle is recovered before being dismantled, the owner can be more easily identified. The **Automobile Protection Association** (APA) recommends this solution.

Some manufacturers themselves install a satellite positioning system (GPS) to locate the vehicle. However, the effectiveness of this system is relative if the vehicle is already in a container or shielded from satellite systems. The GPS signal can also be jammed. What's more, since the system is factory-installed, criminals quickly learn where to find them and disable them.

Two well-established tracking companies in Quebec are equipped with 24/7 call centers, enabling customers to report theft and liaise with police authorities.

Domino Repérage combines several methods, including parts marking offered by sister company **Vin-Lock**, with geolocation tools. For over 20 years, its technologies have been recommended by insurers.

This is also the case for **Tag Tracking**, whose system uses radio frequency identification instead. The system must be installed by specialists in a workshop and operates without the use of the car's electrical wiring. The cost includes a five-year system activation fee.

Freddy Marcantonio, Tag's Vice President of Business Development and Distribution, recently reported, in a press release, statistics covering the last three years on the number of vehicles recovered by his company. Between 2022 and 2024, 2,384 vehicles were recovered, including 1,486 cars registered in Quebec.

During a workshop on auto theft held at the *Journée de l'assurance de dommages* conference in 2024 in Montreal, Marcantonio emphasized that the safety of his company's employees is a subject close to his heart. According to him, it is increasingly common for thieves to threaten a Tag employee who has spotted a vehicle and stays nearby while the police intervene.

KYCS Locate is another company that installs tracking systems that operate independently of the car's electrical system. It operates locations in Ontario and Florida.

For its part, **IKS Canada** has developed a system that prevents any unauthorized start-up, even if the key has been cloned. Multi-factor authentication using the owner's smartphone is required. If someone tries to disable the system or attempts to tow the vehicle, the technology blocks any attempt to start the engine.

Other Tips

Insurers are increasing their prevention advice on their own platforms and to policyholders. The *Groupement des assureurs automobiles du Québec* (GAA) and the **Insurance Bureau of Canada** (IBC) produced the brochure *Preventing Auto Theft*, which provides numerous recommendations to prevent the scourge of auto theft.

Insurers point out, in particular, that a vehicle stolen and resold by a criminal network to a buyer who is unaware of the source of the purchase, or prefers not to worry about it, is quite often stolen again. It should also be noted that any valuable item, such as a laptop, in the vehicle is covered by home insurance. If the policy does not cover this specific item, the insured will not be compensated in the event of the vehicle being stolen.

On their respective websites, insurers offer recommendations to prevent this risk.

Allstate Canada, for example, reminds used vehicle buyers to compare the vehicle identification number (VIN) on the vehicle with the one on the registration certificate. If the numbers are not identical, or if the seller's asking price does not correspond to the car's condition or mileage, it is best to refrain from completing the transaction.

Promutuel Insurance warns that registration or insurance papers should not be left in the vehicle unless the compartment where they are stored can be locked. If intercepted by the police, the thief could use your papers and claim you lent them the vehicle. The insurer also points out that factory-installed tracking systems are already considered when setting the premium at the time of underwriting the risk.

For its part, **Intact Insurance** suggests using signal jammers for remote starters, which prevent thieves from intercepting and duplicating your key code, making theft more difficult. The insurer recommends having any electronic immobilizer device installed by recognized professionals and consulting the dealership to verify that the system complies with the manufacturer's standards.

Desjardins Insurance reports that car thefts are common during the day, when the vehicle is parked in a park-and-ride lot near transit terminals. "Thieves watch commuters park their cars in the morning, knowing they'll have lots of time to get into the car and drive away before the theft is reported many hours later."

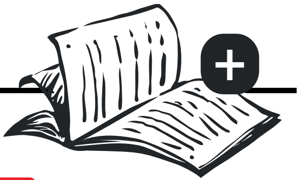
72%

of motorists without an anti-theft system would be willing to install one if it would reduce their insurance premium.

Source: CAA-Québec

Freddy Marcantonio

Photo: Réjean Meloche



MAGAZINE SUPPLEMENT

- **Auto insurance: Installing a tracking system can reduce your premium** For **PRO** Level members

This article will be available in the coming weeks on insurance-portal.ca

WHOLE LIFE INSURANCE

An opportunity to demonstrate the value of advice

The complexity of whole life insurance lies not only in the fine print of the contract. A Web search, using a chat agent, for example, will rarely enable Internet users to grasp the full scope and sometimes extreme differences. Advisors can help them clear the fog.

BY ALAIN THÉRIAULT

Whole life insurance hides a multitude of disparities. Thanks to Insurance*INTEL*, our information centre for life and health insurance products, the *Insurance Journal* was able to highlight several of them. This exercise demonstrates the added value of an advisor who knows how to highlight these differences and find the product best suited for his or her client's profile.

By way of introduction, we asked *ChatGPT*, **OpenAI**'s chat robot, what it had to say about the whole life insurance market in Canada. Asked "Can you describe the whole life insurance market in Canada?", it replied that whole life insurance is a permanent life insurance product that offers lifetime protection with fixed premiums and a guaranteed cash value. This is the case, according to the data listed in Insurance*INTEL*.

It's when it comes to analysing the market in greater depth that things go wrong for the generative artificial intelligence robot. When asked to name all the insurers offering whole life insurance in Canada, *ChatGPT* is unable to do so. It does, however, warn that its list is not exhaustive: **BMO Insurance**, **Canada Life**, **Desjardins Insurance**, **Empire Life**, **Equitable Life**, **Manulife**, **RBC Insurance** and **Sun Life**. Insurance*INTEL* allows us to complete the list with the missing companies: **Assumption Life**, **Beneva**, **Co-operators Life**, **Foresters Financial**, **iA Financial Group**, **UV Insurance** and **Wawanesa Life**.

It should be noted that *ChatGPT* had also included **ivari** in its list, even though this insurer is absent from both the participating and non-participating whole life markets. The insurer's website lists the products it offers, and whole life is not one of them. According to Insurance*INTEL* data, its only permanent insurance product is ivari's Universal Life insurance.

ChatGPT also unearthed a product not listed in Insurance*INTEL*. It calls it *TD Insurance Whole Life*. Checking their site, **TD Insurance** actually offers a Term-to-100 (T100) product. However, this permanent product is not whole life, since it offers no cash value. TD also offers a Guaranteed Issue Term to 100 product, with no medical exam.

ChatGPT's queries did not distinguish between the two main types of whole life insurance: non-participating whole life and participating whole life. The complexity of whole life insurance lies in this distinction.

This distinction could go unnoticed by consumers who ask *ChatGPT* about the whole life insurance market, and think they'll get an answer that will enable them to make an informed decision. Yet it is essential. While both products offer a fixed amount of insurance, with guaranteed premiums (payments) and surrender values, they also have their own features.

Participating whole life insurance is distinguished by its participating account. The insurer pays dividends into this account, based on an interest rate scale set annually. The policyholder has three options. They can ask to receive dividends in cash. They can use them to pay all or part of the total cost of insurance, and thus stop or reduce their payments. They can increase their protection by purchasing additional insurance. This latter option makes it a sought-after product for estate planning, as it maximizes the estate that the insured will leave to his or her loved ones.

Non-participating whole life insurance does not offer a participating account, but it represents a low-cost solution for a young family looking to cover its basic needs.

The OpenAI tool had to be asked about the two types of whole life insurance before it would mention them. *ChatGPT* then delivers a summary that takes up some of the differences between the two categories of whole life insurance.

Among *ChatGPT*'s competitors tested by the *Insurance Journal*, **Microsoft**'s *Copilot*, **Google**'s *Gemini* and *Perplexity AI* from the start-up of the same name also failed to name all manufacturers in the whole life segment. *Gemini* and *Perplexity AI*, on the other hand, distinguished between participating and non-participating whole life from the outset.

Which insurers charge more administration fees, are the most inclusive in terms of age limits, or offer the largest amounts of insurance? Insurance*INTEL* offers a comprehensive look at the players.

➜

TWELVE INSURERS OFFER 20 PARTICIPATING WHOLE LIFE INSURANCE PRODUCTS; NINE INSURERS OFFER 13 NON-PARTICIPATING WHOLE LIFE INSURANCE PRODUCTS

Companies	Participating products	Non-participating products
Assumption Life	• *ParPlus* • *ParPlus Junior*	• *Non-Participating Whole Life*
Beneva	—	• *Whole Life 20, Whole Life 100*
BMO Insurance	—	• *Whole Life Plan - Wealth Accelerator and Estate Protector*
Canada Life	• *Estate Achiever Plus / Estate Select* • *My Par Gift* • *Wealth Achiever Plus / Wealth Select*	—
Co-operators Life	• *Whole Life > Ascend* • *Whole Life > Protector*	—
Desjardins Insurance	• *Participating Whole Life*	• *Whole Life Guaranteed to 100 (WLG100); 10 Pay (WLG10); 15 Pay (WLG15); 20 Pay (WLG20); to age 65 (WLG65)*
Empire Life	• *EstateMax* • *Optimax Wealth*	• *Solution 100*
Equitable	• *Equimax Participating Whole Life*	—
Foresters Financial	• *Advantage Plus*	• *Non-Par Whole Life*
iA Financial Group	• *Participating Life Insurance (iA PAR Estate and iA PAR Wealth)*	• *Legacy* • *Life and Serenity 65* • *Whole Life Insurance*
Manulife	• *Manulife Par* • *Manulife Par with Vitality Plus*	—
RBC Insurance	• *RBC Growth Insurance and RBC Growth Insurance Plus*	—
Serenia Life	• *Whole Life and 20-Pay Whole Life*	—
Sun Life	• *Sun Par Accelerator* • *Sun Par Accumulator II* • *Sun Par Protector II*	• *Sun Permanent Life*
UV Insurance	—	• *Adaptable* • *Whole Life High Values (WLHV or WL20 High Values)* • *Whole Life Pay to 100*
Wawanesa Life	• *Whole Life*	—

Table: Insurance Journal. Source: Insurance*INTEL*, March 2025.

Distinctive fees

In both categories of whole life insurance, the insured must pay an administration fee, also known as a policy fee, according to Insurance*INTEL* data. All insurers charge these fees annually, and many agree to bill them monthly. Some also allow policyholders to pay them quarterly or half-yearly. In most cases, it will cost more to pay them periodically than all at once during the year.

In participating whole life insurance, Assumption Life, at $80, charges a higher policy fee than its competitors. On the other hand, it is the only company to offer a discount on these fees. This discount is $20 when its *ParPlus Junior* policy for children is purchased as a rider to its *ParPlus* adult whole life policy. This reduction is not enough to match the competition, most of whose fees are between $0 and $50.

Only Manulife charges a higher annual policy fee, $180 on a version of its 10-year product linked to *Vitality Plus*, a program that rewards an insured's healthy lifestyle with premium discounts, among other things. However, Manulife offers its other product, *Manulife Participating Life*, free of fees, as do Canada Life, Equitable Life, iA Financial Group and Wawanesa Life.

WHOLE LIFE INSURANCE POLICY ADMINISTRATION (POLICY) FEES FOR PARTICIPATING PRODUCTS

IN ASCENDING ORDER

Companies	Products	Annual fees
Canada Life	• *Estate Achiever Plus / Estate Select* • *My Par Gift* • *Wealth Achiever Plus / Wealth Select*	None
Equitable	• *Equimax Participating Whole Life*	None
iA Financial Group	• *Participating Life Insurance (iA PAR Estate and iA PAR Wealth)*	None
Manulife	• *Manulife Par*	None
Wawanesa Life	• *Whole Life*	None
Sun Life	• *Sun Par Accelerator* • *Sun Par Accumulator II* • *Sun Par Protector II*	$25
Co-operators Life	• *Whole Life > Ascend* • *Whole Life > Protector*	$35
Desjardins Insurance	• *Participating Whole Life*	$40
Manulife	• *Manulife Par with Vitality Plus - Payable over 100 years*	$48
Empire Life	• *EstateMax* • *Optimax Wealth*	$50
Foresters Financial	• *Advantage Plus*	$50
RBC Insurance	• *RBC Growth Insurance and RBC Growth Insurance Plus*	$50
Serenia Life	• *Whole Life and 20-Pay Whole Life*	$50
Assumption Life	• *ParPlus with a ParPlus Junior rider*	$60
Manulife	• *Manulife Par with Vitality Plus - Payable over 90 years*	$72
Assumption Life	• *ParPlus or ParPlus Junior policy purchased on its own*	$80
Manulife	• *Manulife Par with Vitality Plus - Payable over 20 years*	$120
Manulife	• *Manulife Par with Vitality Plus - Payable over 10 years*	$180

Table: Insurance Journal. Source: Insurance*INTEL*, March 2025.

In non-participating whole life insurance, all insurers charge administration fees on the policies they offer. The only exception is iA Financial Group, which offers one of its three products, *Legacy*, with no administration fees. Five out of 13 products will reduce fees for multi-policy contracts or joint policies. BMO Insurance, iA Financial Group (two of its three products) and UV Insurance offer this reduction.

WHOLE LIFE INSURANCE POLICY ADMINISTRATION (POLICY) FEES FOR NON-PAR PRODUCTS

IN ASCENDING ORDER

Companies	Products	Annual fees	Notes
iA Financial Group	• *Legacy*	None	—
Sun Life	• *Sun Permanent Life*	$25	—
Desjardins Insurance	• *Whole Life Guaranteed to 100 (WLG100); 10 Pay (WLG10); 15 Pay (WLG15); 20 Pay (WLG20); to age 65 (WLG65)*	$40	—
BMO Insurance	• *Whole Life Plan - Wealth Accelerator and Estate Protector*	$50	$25 discount for each additional policy
Empire Life	• *Solution 100*	$50	—
Foresters Financial	• *Non-Par Whole Life*	$50	—
Assumption Life	• *Non-Participating Whole Life*	$60	—
Beneva	• *Whole Life 20, Whole Life 100*	$60	—
iA Financial Group	• *Whole Life Insurance*	$60	$30 discount for each additional policy; maximum fee of $120 for a joint policy (2 or more insureds)
iA Financial Group	• *Life and Serenity 65*	$60	Maximum fee of $60
UV Insurance	• *Adaptable* • *Whole Life High Values (WLHV or WL20 High Values)* • *Whole Life Pay to 100*	$60	$15 discount for each additional contract

Table: Insurance Journal. Source: Insurance*INTEL*, March 2025.

According to Insurance*INTEL* data, participating whole life insurance policies can be purchased up to age 85 with Canada Life (two of its three products), Equitable Life, Foresters Financial, iA Financial Group and Sun Life (two of its three products). In non-participating whole life insurance, only iA Financial Group and Sun Life allow consumers to purchase a policy up to age 85.

Mark Arruda

Insure up to $50 million or more

Equitable Life, iA Financial Group and Sun Life have set a maximum insurance amount of $25 million for participating whole life insurance, according to information from Insurance*INTEL*. So has RBC Insurance, but the insurer specifies that amounts in excess of $10 million must be approved by head office before the policy is issued.

Sun Life also leaves itself some leeway to go beyond its limit: for amounts in excess of $25 million. To do so, the advisor must obtain a special overview, which will be produced by Sun Life's pricing team, **Mark Arruda**, the insurer's Assistant Vice-President, Insurance Product Management, told *Insurance Journal*.

David Parent

The maximum sum insured it will be able to offer depends on what Arruda calls "industry capacity". The insurer will assume a portion of the risk, and its reinsurance partners will assume the excess risk, taking into account information such as the customer's medical and financial underwriting and other insurance coverages.

"We are able to support very large insurance contracts for our high-net-worth customers. For example, one contract was placed in 2024 with a face amount in excess of $205 million," reveals Arruda.

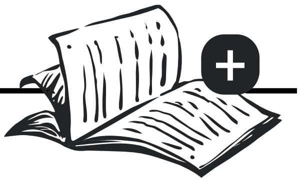
Two insurers remain vague about the amount of insurance they will accept for participating whole life insurance. Canada Life explains that the amount will be limited to the maximum capacity available to the insured. The insurer told the *Insurance Journal* that it does not set a maximum amount for what it calls basic coverage. "However, a special rate estimate is required if the coverage that the person to be insured would benefit from exceeds $50 million," reads Insurance*INTEL*.

Manulife states that its underwriting department will determine the limit. Asked for further clarification by the *Insurance Journal*, **David Parent**, Manulife's Regional Vice President, Retail Distribution, Individual Insurance, Quebec market, replied that the maximum sum insured for *Manulife Par Whole Life* and *Manulife Par with Vitality Plus Whole Life Insurance* is $50 million. The insurer added that this amount does not include the portion ceded to reinsurers. It would not disclose the maximum amount granted to date, invoking confidentiality.

Limits go up for non-participating whole life insurance. As a special case, iA Financial Group states that it imposes no limit on the amount of insurance for its *Legacy* product. On its website, the insurer describes its specialized life insurance product as follows: it is designed to build and protect wealth with a view to estate planning. It explains that the product pays an annual bonus that promotes growth in the death benefit and total cash surrender value. The bonus is calculated according to a formula that depends on the performance of a fund called the Capital Value Fund. The insurer adds that its *Legacy* product is administered under the same system as its universal life insurance. In its traditional non-participating product, *Whole Life Insurance*, iA Financial Group limits the amount of insurance to $10 million, according to information gathered by Insurance*INTEL*.

Also in our product information center, BMO Insurance indicates that it will be able to insure a person up to an amount of $35 million, with the two versions of its non-participating whole life insurance product *Whole Life Insurance Plan*, namely *Wealth Accelerator* and *Estate Protector*. Sun Life and Empire Life follow closely behind, offering to protect their clients up to $25 million and $20 million respectively. All others offer $10 million or less.

Both Sun Life and Empire Life say they are willing to exceed their respective non-participating whole life limits, after receiving a special quotation or overview. Empire Life adds that it will accept to cover up to $3 million for a person aged 76 or over who has been asked to pay a surcharge, i.e. an additional amount of premium charged to the insured because of his or her state of health.



MAGAZINE SUPPLEMENTS

- **Insurers harness artificial intelligence to insure more people** For **PRO** Level members
- **Whole life insurance: ideal clients profiled by artificial intelligence** For **PRO** Level members

The articles will be available in the coming weeks on insurance-portal.ca

Desjardins Insurance refers to Desjardins Financial Security Life Assurance Company. Desjardins®, Desjardins Insurance®, all trademarks containing the word Desjardins, as well as related logos are trademarks of the Fédération des caisses Desjardins du Québec, used under licence. All rights reserved.

MAXIMUM COVERAGE AMOUNT (IN MILLIONS OF DOLLARS)

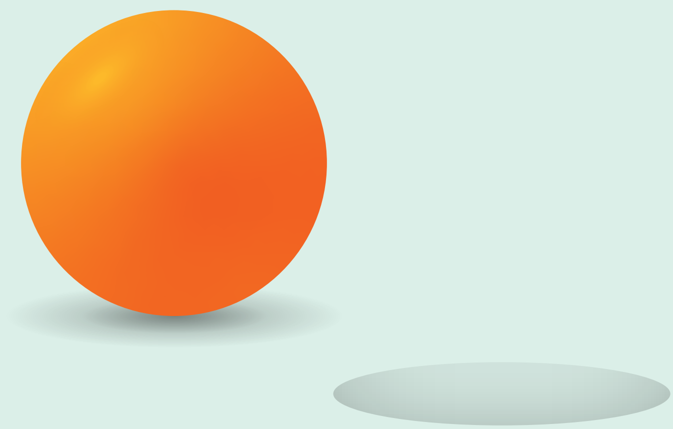
Companies	Participating products	Non-participating products
Assumption Life	$4 million	$10 million
Beneva	—	$10 million
BMO Insurance	—	$35 million
Canada Life	$50 million*	—
Co-operators Life	$10 million	—
Desjardins Insurance	$10 million	$10 million
Empire Life	$20 million	$20 million*
Equitable	$25 million	—
Foresters Financial	$5 million	$5 million
iA Financial Group	$25 million	$10 million (*Whole Life Insurance***) No maximum (*Legacy****)
Manulife	$50 million*	—
RBC Insurance	$25 million	—
Sun Life	$25 million*	$25 million*
UV Insurance	—	$2 million
Wawanesa Life	$20 million	—

*These insurers may go beyond their stated maximum coverage amount in certain cases, but do not specify by how much.

**Product for all client segments

***Product intended for estate planning

Table: Insurance Journal. Source: Insurance*INTEL*, March 2025.



Your goals are one of a kind.

So you need one-of-a-kind solutions. Our team of experts provides personalized services designed to help independent advisors succeed.

Learn more about our customized services or contact us today.

financialhorizons.com

financial horizons

Managing general agencies face a more competitive market

In commercial lines and special risks, customers are asking brokers to shop the market upon renewal. Property and casualty insurance managing general agencies are still needed to underwrite complex cases, but there is now more competition, particularly from regular insurers.

BY ALAIN CASTONGUAY

Brokers and their clients put pressure on underwriters

Insured companies, fed up with premium increases, are asking their brokers to shop around. Property and casualty managing general agencies (or wholesalers) are having to work harder to meet their needs.

BY ALAIN CASTONGUAY

According to **Gabriel Morneau**, Vice-President of **CHES Special Risk** in Quebec, the commercial insurance market has been a bit strange for the past few months. "The number of requests we receive is decreasing. Even though we're holding our own with regard to insurers' pricing, many firms are deciding to concentrate their clients with a regular insurer," he explains.

Despite this, his closing ratio is excellent, he says, because the brokers who ask him for a quote really want to underwrite their account with CHES. "We get a lot of requests in the following three sectors: worksites, real estate and construction. That's where our name comes from. Our underwriters still have a certain amount of latitude when it comes to underwriting; they're capable of imagination, understanding and discussion."

"Because our results are good, we're able to help the broker when he submits a more difficult case to us," he says. When it comes to cyber risk, he notes that insurers' capabilities are also on the rise. Despite the problem of defense costs, which are specific to Quebec, more players are inclined to underwrite risks. The same is true in Canada, where the offer is more extensive than it was a few years ago.

CHES has developed a new program for the hospitality sector, which includes bars, restaurants and tourist accommodation. "It's still a big turning point, because it's a niche in which it's difficult to underwrite risks." The firm has also developed a professional liability (errors and omissions) endorsement that covers companies in the event of lawsuits related to infectious diseases.

Third-party liability

Sylvie Boucher, President of **SMB Risques spécialisés**, is concentrating her efforts on liability coverage for small and medium-sized enterprises (SMEs), especially in the manufacturing industry. In particular, she provides excess capacity for companies doing business in the United States, where legal costs can quickly mount up.

"Brokers tend to negotiate larger deductible to be able to find market for their clients. And the first question to ask is: is the customer financially capable of taking on a deductible of this amount?" she points out.

A $2,500 deductible for a small entrepreneur with annual revenues of $300,000 is reasonable, says Boucher. But a $10,000 deductible could put her company in jeopardy. When it comes to commercial liability claims, she points out that costs can take up to three years to materialize. "With their experience, wholesale underwriters like us are the best advisors for brokers. That's priceless," she says.

"We are problem-solving specialists. When the case comes to us, it's because the broker needs help."

On the liability coverage side, regular insurers have also increased their capacity and appetite for market share. "They know that wholesalers make money, so they cut prices and chip away at our customers," she says.

SMB doesn't do business with large brokerage firms, because they too "are good at stealing business from us". Boucher sees the SME manufacturing market expanding in many regions of Quebec, and these entrepreneurs want to do business with brokers established in their communities.

At SMB, 100% of general liability risks are underwritten by London-based insurers. "For our markets, their capabilities are expanding. That's why we're working on products that are broader, but also complementary," she continues.

"You don't write just anything to make a premium, because if the experience isn't good, you lose everything," she says.

When underwriters from **Lloyd's of London** entrust capacity to an underwriter in Quebec, it's because they trust him. "We become their eyes and ears. When they agree to trust us, we have to be worthy of it," she says.

"Claims are the fruit of insurance. When there's a claim, it's because there's been an accident. Our job, as underwriters, is not to accept a risk, but to insure it properly."

Her company's loss ratio is very low, she asserts. "We try to underwrite as strictly as possible. That's our mentality."

Expansion at South Western

South Western Group (SWG) made a major acquisition in 2024, integrating wholesaler **A.M. Fredericks**. This managing general agency's team was combined with SWG's existing workforce to create a new division, **SWG Specialties**, explains **Georges Badro**, SWG's Business Development Manager. "This has enabled us to considerably broaden our offering.

Gabriel Morneau

Sylvie Boucher

Georges Badro

Fanny Coulombe

Ann Marie Tourneur

According to **Fanny Coulombe**, SWG's Senior Underwriter and Quebec Team Lead, the transaction also gave SWG access to the capabilities of insurer **Echelon**, enabling the wholesaler to take a larger, even 100% stake in risks it could not previously underwrite.

"I'll tell it like it is: underwriting a risk at 50%, even being the lead, the broker doesn't like that. He prefers to receive conditions for 100% of the risk," explains Coulombe. "For our part, during renewals, if we're not at 100%, we try as much as possible to do it at 100%. I'd say that in 90% of cases, we succeed."

Aside from losses related to extreme weather, SWG has more concern for customers in the hospitality sector. "There was a small war with Molotov cocktails in bars and restaurants in Montreal and Laval in 2023. We had to take steps to stop the bleeding," she says.

Like many other wholesalers, SWG's representatives are also finding that competition is fiercer when it comes to renewing policies or taking on new business. "We deal with small local brokers who don't have access to a whole range of insurers. We've developed a relationship of trust with them. As a result, they have access to personalized products and solutions," says Coulombe.

Regular insurers are beginning to show more flexibility in their underwriting conditions, which is encouraging brokers to shop around more. "We still get a lot of requests, anything that requires more complex underwriting. The brokers who come to us need our help, and we adjust the conditions à la carte," something a regular insurer doesn't always dare do, she says.

Brokers are now used to the way wholesalers operate. They don't send their requests to all wholesalers, and they present their files a little further in advance. Previously, brokers contacted these intermediaries as a last resort. "But this represents another challenge. If you give a premium too early, the broker can use it to shop elsewhere," says Fanny Coulombe.

Georges Badro points out that in British Columbia, brokers are required to present an offer to the customer 60 days before the contract is renewed. "Our advantage as an underwriter is the quality of the relationship with the broker. They know our appetite," he says.

From 2019 to 2022, the market was very tough in commercial insurance. "There was no competition. The first wholesaler to make a proposal could underwrite the risk," says Fanny Coulombe. "For the past year, competition has been there. We have to adapt and reduce our rates. We have to put a little extra in our files, an extended warranty, etc."

In Quebec, because of the problem of defense costs in addition to property coverage, insurers remain cautious about certain liability segments, such as roofers, plumbers, air conditioning or heating contractors, snow removal firms, etc., point out the two SWG brokers. SWG Specialties underwriters can handle these more difficult cases, explains Fanny Coulombe.

"I often remind my team that renewals must be handled as if they were new business. You can't just renew the policy by indexing the rate in the current market, with brokers shopping around more. The market is tougher for everyone," she adds.

When the broker obtains a better proposal than the one submitted by SWG, Fanny Coulombe asks him to always come back to her. "By offering good service and reacting quickly, we're able to maintain our good relationships with brokers. Most of the time, we manage to match the competition's offer, so the broker who trusts us prefers to stay with us."

SWG has developed a special program for seniors' residences, with coverage provided exclusively by **Aviva Canada**," notes Georges Badro. The wholesaler has also signed agreements with two insurers to offer credit insurance to manufacturing companies.

Non-standard risks

From 2020 to 2022, during the peak of the hard market, wholesalers were buried under requests from brokers. "We did a lot of participating policies. Brokers would often ask us if we could take a bite of the risk. Honestly, we don't see that as much now. We can see that things have changed; regular insurers have reopened their capacities," observes **Ann Marie Tourneur**, Vice President and Underwriting Manager at **Morin Elliott**.

This wholesaler specializes in "non-standard" risks for general insurers, underwriting property and casualty policies for individuals and businesses. Tourneur notes that regular insurers have increased their appetite, to the point where the guidelines that define a non-standard case have become blurred.

Morin Elliott is part of the **SUM Insurance** management team. When contracts require access to specialist insurers or London markets, brokers' requests are sent to SUM. Morin Elliott underwriters write policies covered by general insurers.

"In regular markets, there's pressure for efficiency. If there are things wrong, underwriters say no thanks, because they have to decide quickly. When there are gaps in the file, you have to take your time," stresses Tourneur.

"When the broker submits a file to us, it's often because a regular insurer has refused it," she continues. For example, when we have to insure a vacant building, if the vacancy period is prolonged, the wholesaler has to intervene.

Some insurers aren't keen on covering a building that's going to be rented out short term. "We're selective. We're able to take the time to analyze the file and see if we're comfortable underwriting it," adds Tourneur.

Morin Elliott is one of the wholesalers able to help brokers who need to place risks in the hospitality sector. At the start of the COVID-19 pandemic, in 2020 and 2021, many insurers were refusing restaurants, "one of our niches. Right now, we're receiving fewer requests from brokers. Is it because of the state of the economy or because of a new appetite on the part of insurers? I don't know," says Ann Marie Tourneur.

Another of the wholesaler's niches is that of establishments focused on the sale of alcoholic beverages. "We had losses last year, bars were attacked," she points out, referring to establishments that fell victim to fires for which they were not responsible. "Once they've been targeted like that, it's harder to underwrite that risk."

Many of the home insurance customers referred to them by brokers require proof of insurance to obtain financing. "For example, if there's a problem with the roof, we can limit coverage to the specified risks and not cover water damage," says Tourneur.

The wholesaler manages to maintain a good loss ratio in its portfolio because the policies include limitations on coverages, higher deductibles and higher premiums than for standard cases. "If we have a total loss, it doesn't have a big impact on our portfolio," she explains.

Expansion outside Quebec for Revau...

Revau is one of the largest wholesalers in Quebec, and is beginning to expand its activities outside Quebec, says its Vice-President, **Marie-Philippe Lambert**. The workforce has been expanded in Ontario and Western Canada. "There's less room for expansion in Quebec, as we already have a strong presence and market share there," she says.

Following the purchase of insurer Echelon's surety business in 2023, the Revau Surety team has been strengthened and has a solid presence across the country. "As we have a large market in the construction sector, this increases our ability to cross-sell," emphasizes Lambert. In her opinion, Canadian insurers are more present in the commercial insurance market. "There is indeed a little more competition, but that's been the case for a while."

The wholesaler has underwriting delegations with several domestic insurers and other providers in the London market. "We have quite a variety of suppliers, so we're able to find solutions," she adds.

This variety offers the advantage of spreading the same risk across several insurers when a company's assets need to be covered. "It helps us if there's a major claim," she says. What's more, if an insurer prefers not to underwrite a risk, the wholesaler has other options to offer the broker. "In most of our property policies, there's more than one insurer involved."

For liability coverage, this type of participating policy is not yet commonplace, "but it's something we're looking at too," Lambert adds.

In her opinion, there are far more wholesalers in other provinces than in Quebec, particularly in Ontario, but many of them occupy very specialized niches. "For MGAs outside Quebec, it's complicated to underwrite risks here, with the French language."

Since the wholesaler changed its name from GroupAssur to Revau in 2022, it has been easier to build brand awareness in Canada. Recruiting quality underwriters is also made easier by the company's size, she says.

Brokers are able to maintain excellent relationships with underwriters. Revau's attractiveness for certain types of risk is well known among Quebec brokers, according to Lambert. "We have people responsible for business development in the other provinces."

The wholesalers have developed tools to filter broker requests and respond more quickly to those that fit well with her interests and underwriting guides. "We're able to pull up data and tell them, 'You're approaching us for nothing. 'Neither of us wants to waste our time on risks we're not capable of handling,'" she recounts.

Hungry for growth

Soplex president **Patrick Bouchard** also notes that a greater proportion of brokers are shopping the market at policy renewal, in order to help their clients benefit from this more competitive market.

"After six weeks in 2025, we're seeing falling premiums in several segments," he says. Competition is fierce between wholesalers, but also with regular insurers who have increased their capacity in commercial lines. "Insurers have a lot of capital. What's more, they're hungry for growth," he says.

As a result, he sees regular insurers already present on a risk increasing their percentage of participation. Nevertheless, the broker needs a wholesaler to complete the coverage requirements for insurable values. "A big part of my job, as Soplex's senior underwriter, is to handle large cases in the industrial sector, in manufacturing or in wood processing plants," notes Bouchard.

Business volume in Quebec has increased significantly, from 4,500 policies underwritten through Soplex in 2023 to 7,000 policies in 2024. During the same period, the number of wholesaler employees rose from 20 to 36, while premium volume reached $45 million on Dec. 31, 2024, compared with $28 million a year earlier. This expansion was made possible by a new underwriting delegation obtained through **Tokio Marine Canada**.

In commercial real estate, especially condominiums, Bouchard is also observing a drop in premiums due to greater competition. "In two out of three cases, brokers are asking me to review their rates, because the main insurer has lowered theirs. He adds, "It's striking how much more capacity insurers have compared to what we saw two or three years ago."

Soplex is now licensed to underwrite risks in Ontario, as well as the Atlantic provinces. "We're in the first phase of development outside Quebec. We've already started in Ontario, but for certain types of risk and on a limited basis. In the spring, we'll be rolling out our efforts in the four Maritime provinces."

The wholesaler is also registered in British Columbia and Alberta, but is still looking for underwriters. It will then be able to present a business plan to insurers who will give them the capacity to underwrite risks in these provinces.

Bouchard aims to expand the wholesaler's activities across Canada by the end of 2026. He says this expansion will take place organically.


Marie-Philippe Lambert


Patrick Bouchard

Even large brokerage firms need managing general agencies

Larger brokerage firms have access to a wider range of insurers, but managing general agencies are still needed in certain lines of business.

BY ALAIN CASTONGUAY

Louis-Thomas Labbé

Vincent Gaudreau

Paul Copti

Even though the larger brokerage firms have access to a wide range of insurers, **Louis-Thomas Labbé**, broker for the giant **Gallagher** in Quebec, recognizes the advantages of using the services of managing general agencies (or wholesalers) in general insurance. "It's always a good idea to compare the insurers we do business with. We do it to play our role as brokers and keep the world honest," he says.

For smaller brokerages that don't have access to all insurers, the use of wholesalers is necessary, he points out. In the U.S., for certain specialized risks in the energy sector, even Gallagher uses intermediaries to underwrite complex risks for which the capabilities of several insurers are required.

An essential cog in the wheel

For his part, broker **Vincent Gaudreau**, President of **Fort Assurances et Services Financiers**, points out that certain lines of business have been abandoned by regular insurers. "We absolutely need wholesalers," he says.

Lloyd's of London plays a major role in commercial insurance in Canada. "They are the second-largest insurer in the country's commercial market. And that's largely thanks to MGAs, because they underwrite risks in lines of business that other insurers don't want to," he says.

Gaudreau points to security agencies as an example. "That's insured by Lloyd's through three or four MGAs who have different programs there… When insurers were shutting everything down, if Lloyd's hadn't been there, we would have had difficulty in several lines of business. They have a very important role in the market because they do things that the others don't," adds Gaudreau.

"With wholesalers, there's an entrepreneurial strength and flexibility that regular insurers don't have. When MGAs see opportunities, they can turn around quickly, bring out a product, find a partnership with Lloyd's," he says.

He specifies that for the most difficult activities to underwrite in civil liability, particularly professions related to the construction sector "like welders, sprinkler companies, roofers, etc.", the majority of policies are placed with London insurers. These are underwritten through wholesalers or large firms that have obtained delegation of authority in certain specialized programs.

"At our company, we have twice as many MGAs as regular insurers. I would say about 20% of our volume goes through wholesalers," he says.

According to **Paul Copti**, Senior Vice President, Business Services, at **Lussier**, even though the company has access to a wide variety of insurers, about 5% of premium volume is placed through wholesalers. "And we also have in-house underwriters who place risks in London," he adds.

In business insurance, supply chain issues have forced insurers to offer new coverage for business interruption. "Ten years ago, this was really new," he says.

The firm has many clients in the forestry sector, which has been hit hard by drought and wildfires in recent years. "People are very resilient and they're adapting. They're actually doing a better job of protecting their equipment and their workers," explains Copti.

Trade war

In meetings with clients in this industry, the most frequently expressed concern is the consequences of the trade war launched in 2025 by U.S. President **Donald Trump** and his administration, namely the imposition of tariffs on products shipped from abroad. "Natural disasters aren't what's keeping people up at night today."

Lussier created a program specialized in roofing companies, a segment where insurers have historically been scarce. "But now, we're seeing that the largest companies with a good risk profile can enter the market," he explains.

In the absence of an alternative, risk pooling works when all companies are required to participate in the program. But if the insurance program isn't mandatory, "good risks" can be placed at a lower cost, Copti adds.

The day before his interview with the *Insurance Journal*, Copti gave a presentation on the impact of climate change to the **Quebec Master Roofers Association**. "Climate disasters were costly in Canada in 2024, but this must be put into perspective by comparing the market size to the industry as a whole," he says.

Minimal impact

Looking at the overall insurance market, Copti points out that one might have expected the high claims in the industry in 2024 to have had an impact on the rates imposed by reinsurers in the Canadian market. "The impact was minimal. We're part of a global reinsurance market. Today, insurers are doing a much better analysis when it comes to segmenting their risks," he explains.

Some 60% of global premiums paid for natural disaster protection are collected in the United States, compared to 2% in Canada. Annual growth in claims costs related to natural disasters is approximately 8%, according to a study published by a reinsurer in 2024. Of this 8%, one-eighth of the increase is linked to climate change, Copti says.

After five years of a tough market in commercial insurance, the market became profitable again in 2024, attracting new capital. "Rates began to decline last year at the primary level, particularly in commercial insurance, with significant declines in a number of non-claims-related sectors," he says.

Investors of this capital want returns, which is pushing insurers to seek volume. This increase in supply will help keep premiums lower for a while, and the resulting profitability issues will push the cycle upward again, explains Copti.

Consolidation

He expects a small number of large wholesalers to gain increasingly significant market share. "Insurers want to do business with people who have large portfolios, either large brokers like us or MGAs who are able to concentrate risks," he says.

Quebec is somewhat isolated from this wholesale consolidation movement because it costs more to do business there, particularly due to the language and the specificities of the Civil Code regarding dispute resolution. "Compliance costs are also increasing, as are IT management costs," he says.

CLIMATE LOSSES AREN'T WEIGHING ON UNDERWRITERS… FOR NOW

In 2024, Canada experienced its worst year for catastrophic losses. Yes, managing general agencies say they aren't feeling the impact of climate change.

After the summer 2024 disasters in Canada, insurers and their commercial insurance underwriters showed no signs of nervousness, according to property and casualty insurance managing general agencies (or wholesalers) consulted by the *Insurance Journal*.

Gabriel Morneau, Vice-President of **CHES Special Risk** in Quebec, indicates that his organization was barely affected by the passage of Storm Debby in the Montreal area on August 9, 2024. "We had three or four claims in total. Is that because our underwriting is incredible? Is it because we're lucky?" he wonders. "It's a shame, because when the technical results are good, we say we are lucky. When the results aren't good, it's always the underwriter's fault."

Specialty insurers' capacity is increasing in the market, which leads him to believe that insurers still performed well in 2024. "I have the impression that it was the regular market insurers who suffered the most from the increase in claims," says Morneau. He adds that the topic of weather-related claims in the summer of 2024 never comes up when he talks with his colleagues at other wholesalers.

According to **Sylvie Boucher**, President of **SMB Risques spécialisés**, it's possible that major claims in 2024 will prompt regular insurers to reduce their property insurance capacity, requiring brokers to find other insurers to share the underwriting risk, particularly through wholesalers.

For her part, **Fanny Coulombe**, underwriter at **South Western Group** (SWG), indicates that the MGA was not affected by the claims in the summer of 2024, but she acknowledges that brokers are a little more nervous about renewals. "We're still quite large and very diversified across several cities and sectors. We've had some losses, but our claims ratio is still exceptional."

Few businesses affected

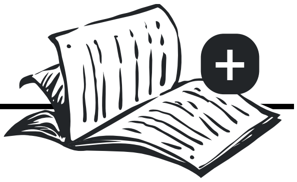
Certainly, the damage caused by Storm Debby has led to claims, but nothing major, says **Ann Marie Tourneur**, Vice President and Underwriting Manager at **Morin Elliott**. "We don't offer coverage for flooding, only sewer backup."

This is also the case for **Marie-Philippe Lambert**, Vice President of **Revau**. "Debby's impact was very significant on the personal lines of business. We had a few businesses file claims, but the impact on us wasn't that significant," she says.

At Revau, they're still on the lookout for everything related to climate change. The wholesaler uses the **Geosapiens** platform to monitor flood risk. "What happened last year, the floods and heavy rains, we know will happen again. So, we're taking steps to help our underwriters make decisions."

Soplex also sees no impact from the summer 2024 claims. "In Quebec, despite the August 9 floods, we had a very good year in terms of profitability with our main insurer. The claims rate has increased slightly, but not significantly," says the firm's president, Patrick Bouchard.

For the non-standard home insurance program, which he developed almost a decade ago, "we had a less successful year, but the portfolio is still profitable," he explains. Most of the claims were related to sewer backup, which is a covered type of water damage. However, it is subject to coverage limits, which limits losses. *(Alain Castonguay)*



MAGAZINE SUPPLEMENT

- **Managing general agencies: Premiums decline despite weather-related claims** For **PRO** Level members

This article will be available in the coming weeks on insurance-portal.ca

Medical misinformation is a growing problem

More Canadians report taking online advice resulting in negative health outcomes.

BY KATE MCCAFFERY

The problem of medical misinformation is growing. In insurance, it shows up anecdotally in claims for treatment made popular by *TikTok*. The broader problem, however, is that Canadians are taking online health advice – sometimes over the advice of their physicians – and it is having measurable, negative impacts on their health and health outcomes.

The **Canadian Medical Association** (CMA) has started measuring that impact: Their findings are that a growing number of Canadians are encountering health misinformation with significant consequences.

Doctor shortage

The survey of 3,727 Canadian adults, conducted for the CMA by **Abacus Data** to compile the *2025 health and media annual tracking survey, 2nd edition*, found that 37 per cent said they had no choice but to seek health information online because they don't have access to a doctor. Four in ten tried medical advice they found online, one in three took that advice over the advice from their doctor, and 23 per cent report having a negative health reaction after following online health advice.

"And that's those who are willing to admit it," says **David Coletto**, CEO of Abacus Data.

One in four Canadians under the age of 30, meanwhile, say their primary news source is Tik Tok. Another measure in the study is news avoidance. Abacus says they've observed a four-point increase in the number of survey respondents who say they're avoiding the news altogether. As for medical information, they say four in 10 said they were not confident that they could find accurate information if they needed it.

Increased anxiety

Overall, survey respondents say health-related misinformation has led to mental distress or increased anxiety among 43 per cent of respondents, lower trust in health professionals among 41 per cent of respondents and 38 per cent of respondents reported delaying treatments.

The survey also examined sources of trusted information, saying who authored the information matters the most to people – 56 per cent said who authored the information is an accuracy signal.

"There's actually an increasing number of people working in this space. People who are passionate about getting credible information to the general public," says **Dr. Theresa Tam**, Canada's chief public health officer who spoke at a panel discussion reviewing the CMA's findings. "I think that's really important, but just like the information ecosystem, we're all a bit fragmented."

Insurers are concerned

Although insurers are not examined specifically in the report, two group insurers who spoke with the *Insurance Journal* also report that medical misinformation is a concern, one that insurers are uniquely positioned to help address.

"Group especially has a role to play when it comes to raising awareness and promoting scientifically valid information," agrees **Éric Trudel** executive vice president and leader of group insurance at **Beneva**. "We work as a trio in group insurance," he adds, referring to the carrier, the plan advisor and the plan sponsor. "As with every topic, we should work together. I think we are doing that more and more."

Larger plan sponsors, for example, will want to communicate internally to their employees using insurance company material. Subjects like mental health and menopause are topical at the moment, but Trudel says the company is also working on anxiety (the company has sponsored a mental health research chair at **Université Laval**), information on migraines, ADHD (more prevalent in adults than children) and fatty liver.

And while topics might also include drug adherence, going forward they may also include discussions about the use of diabetes drugs like Ozempic and Wegovy as more widely used obesity treatments.

Addressing root causes

Trudel adds that if a plan sponsor finds their drug plan usage skews heavily for anxiety medications, this can be addressed using information campaigns. Similarly, if a large number of disabilities are related to back pain, an insurer can flag that and employers can work with their employees to address root causes.

To help their plan sponsors, Beneva also publishes a newsletter discussing current trends in prescription drug costs, highlighting the key drivers behind their respective trajectories. (The company has observed a 34 per cent annual increase in benefits paid for high-cost

➜

David Coletto

Éric Trudel

Dr. Theresa Tam

> *We're moving from being a transactional claims payer to a health partner for our sponsors and members. A key part of that journey is ensuring our members have the tools and resources they need to improve their health outcomes*
>
> — Doug Bryce

Doug Bryce

Craig Silverman

Angela Pacienza

medications in the past three years. It manages this with pharmaceutical agreements, prior-authorization programs and biosimilar substitutions.)

Incentivizing members

Over at **Manulife**, meanwhile, **Doug Bryce**, vice president of group benefits for **Manulife Canada**, says the company also offers fact-checked health and healthcare related information to sponsors and members on a number of topics. It has also announced a partnership with **Aeroplan** where benefits members can earn rewards points for engaging in health-related activities. "We're able to encourage and incentivize our members to explore health-related information that has been fact-checked and vetted by experts to support their wellness journey," he says.

In both companies too, forged partnerships are lending credibility to the information that insurers are providing to their constituents. At Manulife, the company has partnered with the **Cleveland Clinic**, making the clinic Manulife's new medical director. At Beneva, the company's employee assistance program is powered by **TELUS Health**.

"We believe there is a role for insurers to play in combatting medical misinformation," Bryce of Manulife says. "We're moving from being a transactional claims payer to a health partner for our sponsors and members. A key part of that journey is ensuring our members have the tools and resources they need to improve their health outcomes."

Countering misinformation

Canadians, according to the CMA, may be receptive – the association's commissioned researchers found a nine point increase year-over-year in the number of people who say better access to health information will help counter the rise of misinformation – but **Craig Silverman** of **ProPublica** national reporter and misinformation expert, warns that the bombardment of misinformation is so prolific that those countering it also need an abundance strategy to reach critical mass. "You need to saturate people," Silverman says, "The challenge is that a lot of the bad actors, frankly, are better at that than a lot of us are." These bad actors have a cause, he adds. "If you aren't motivated like that you are not going to convince people as well as they do."

Discoverability problem

In addition to misinformation, disinformation, dishonesty and misdirection, panelist **Angela Pacienza**, executive editor with the *Globe and Mail*, adds that there remains in Canada a massive discoverability problem as well, with social media networks blocking links in news feeds and general information in groups. "They have no choice but to share bad information." (The results, the panelists add, range from hemorrhaging patients who refuse to accept vaccinated blood to cancer patients refusing treatments because they believe they cause cancer.)

As for why insurers should concern themselves with the problem, the CMA's survey further finds that a large number of Canadians are highly vulnerable to believing misinformation – 43 per cent fell into this category, followed by an additional 35 per cent who were discovered to be moderately susceptible. "Our mission at Manulife is to help our members live longer, healthier and better lives. Anything that directly conflicts with that mission is something that is concerning to us," Bryce says.

"In a short time, we've moved from a few single points of truth to a wildly fragmented ecosystem, often split into echo chambers driven by bias and preference, fuelled by opaque algorithms and plagued by polarization. This dynamic environment is challenging leaders across industries on how to respond and best reach Canadians with the information they care about most," the CMA states. "The CMA is concerned that social media algorithms designed to drive the platforms' engagement end up pushing misinformation into people's feeds – whether users want to see it or not. As this study shows, what's good for big tech's bottom line is not good for Canadians' health."

Proudly Canadian.
SINCE 1945.

Some call it next-level service. We call it the Co-operators *experience.*

With direct access to an underwriter and calls answered in 30 seconds*, we're always here to back you up.

Explore our solutions:
Individual Life | Group Benefits | Group Retirement and Savings

To learn more, visit
cooperators.ca/advisor-resources/life

co-operators

*Statistics based on 2022 call centre results. Life and health insurance products are underwritten by Co-operators Life Insurance Company. Group Benefits plans are offered by Co-operators Life Insurance Company. Segregated funds and annuities are administered by Co-operators Life Insurance Company. Not all products are available in all provinces. This material is provided for informational purposes only. Please refer to your policy for applicable coverage details, limitations, and exclusions. www.cooperators.ca. 1-800-454-8061. Individual circumstances may vary. You may wish to contact the licensed insurer's representative or a licensed insurance agent if you need advice about your insurance needs. Co-operators Life Insurance Company is committed to protecting the privacy, confidentiality, accuracy and security of the personal information that we collect, use, retain and disclose in the course of conducting our business. Please refer to our privacy policy for more information. Co-operators® is a registered trademark of The Co-operators Group Limited. ©2025 Co-operators Life Insurance Company

A masterclass in marketing

The industry's self-professed financial marketing nerd shares with the *Insurance Journal* the staples of marketing an advisory business and the trends which bear watching.

BY KATE MCCAFFERY

A better online presence ultimately leads to a stronger flow of prospects. If you believe this to be true but are held back by the belief that your website or social media presence is lacking or not reflective of your actual practice, there is advice here to be had from CFP and CLU, **Angelina Hung** of **Financial Tech Tools**, the industry's self-professed financial marketing nerd. Hung generously sat down recently to share her tips with the *Insurance Journal* recently. These are based on more than 20 years of experience helping advisors build their online personas and collateral.

Her first piece of advice? Be authentic. You may wish to present yourself as a super professional and nothing but the super professional that you are, but consider showing your personality a little while you're at it.

"It's not really just about selling insurance or investment services. It's about sharing your story so you can actually connect with people," she says. "Just be real."

Knowing your client takes on a whole new meaning in matters of marketing too – don't go off of a feeling either, she says. Really analyze your book of business to determine your dominant revenue streams and identify, in granular detail, who it is that you serve, what challenges they have and what their goals tend to be.

Work with a coach, if need be, but figuring this piece out helps most other matters – including questions about your message, the imagery and even the language that you use – all fall into place more neatly.

Working in an advisor's favour, meanwhile, is the fact that advisors are naturally inclined and generally quite skilled at making complex topics understandable. Clients want this clarity, Hung adds, and recommends advisors provide such clarity by making their processes more transparent and by making it clear on an advisory website just which services are being provided.

"People are not coming to an insurance or investment site for the fun of it. It's not like looking at shoes or cars or real estate," she says. "They have a problem they're looking to solve. Having it all spelled out clearly, makes a huge difference."

Reduce friction

Knowing who your clients are is the first step in reducing the friction hindering clients from making appointments with you, because it is by communicating their problems, alongside real solutions, that will allow clients to picture themselves using your services and motivate them to make an appointment. Consider making appointment setting an easy matter too, by making the functionality available online without making a phone call.

If you don't wish to address a specific niche, Hung recommends at least focusing on your practice's ideal client primarily and then consider making landing pages for the other groups your practice serves, as well.

"Naturally build trust with the clients. At the end of the day, clients are ultimately after financial clarity," Hung says. "The advisor makes it clear for them."

Try email

Hung says the advisors she works with are often surprised to learn that email marketing still holds a place in the online marketer's toolbox. "Social media is like the cool sister, but email marketing still continues to work," she laughs, citing examples where an advisor who was unable to get in touch with a client until they, the client, got in touch directly as a result of the firm's latest email campaign. (And when they did get in touch, it was for business that included a six-figure commission.) "Don't get me wrong, I love social too, but yes, email works," she says.

Choose the right partners and have a budget

In finding service providers to help, Hung admits there are some pitfalls. In addition to stories where Canadian advisors were celebrating their ability to sell Roth IRAs and crypto currencies in their online material because they engaged the help of a firm not experienced in Canada, she says a lot of opportunities will slip without a very consistent strategy and approach in place.

Advisors, she adds, will sometimes view their marketing efforts as an optional “nice to have” service, when it should probably be more of an essential line item. “Carve out a small budget. Think of it as an investment in your own business.”

When finding service providers too, she recommends checking in with managing general agencies (MGAs) to see if they can provide you with leads. “There are a lot of marketing companies out there but they don’t have the financial background. That makes it challenging,” she says. “We’ve had compliance officers refer us. We’re referred by a lot of dealers because we work with their compliance people.”

Pro tips:

- Ensure that all of your content and collateral is well-researched; cite your sources.
- Collect testimonials from clients. Also collect written permission to use them.
- Ask your managing general agency (MGA) for references to service providers they know and respect.

Compliance – not the boogeyman

Finally, she agrees that a lot of advisors will often worry about their compliance department’s reaction to any efforts at marketing. “If you’re ever not sure, just check. Just ask,” she says. “It can feel like a little bit of a mystery box – I don’t know if compliance is going to like this or not.” She agrees that each dealer has their own rules and regulations, but working with these departments is generally not the onerous task imagined. “They’re people. They are there to help and protect the advisor and to protect the firm,” she says. “If it feels like a mystery box, just ask them. Get on the right side with them because they’re generally there to help you out.”

Looking to the future, Hung says artificial intelligence (AI) search is the next trend marketers have on their respective radars, along with the use of video, which is notably easier to create than in the past. “We’re going to see a lot of things,” she says. “But videos still make a person feel real.”

DEMOGRAPHIC CHALLENGES AND PENSIONS

Global pension plans need to be reformed

In the face of demographic aging, not all countries are equally well prepared when it comes to public pension systems. Some are already well adapted, while others will need to undertake deeper reforms to ensure their long-term sustainability.

BY SABRINA FEKIH

16TH OUT OF 71: CANADA RANKS AMONG THE COUNTRIES LEAST IN NEED OF PENSION-LINKED REFORMS, ACCORDING TO *THE ALLIANZ GLOBAL PENSION REPORT* 2025

#	Countries	API 2025	Basic Conditions	Living Standard	Finances and Demography	Sustainability	Preconditions	Finances	Adequacy	First Pillar	Other Pension Income
1	Denmark	2.3	3.2	2.7	3.5	2.3	2.4	2.1	2.0	2.0	2.0
2	Netherlands	2.6	3.0	2.4	3.3	3.3	2.8	4.1	1.7	1.3	2.1
3	Sweden	2.6	2.9	2.3	3.4	2.9	3.4	2.7	2.2	2.0	2.3
4	Japan	2.7	3.7	2.5	4.4	2.4	2.2	2.7	2.4	2.7	2.1
5	New Zealand	2.8	3.6	3.4	3.9	3.3	4.4	1.6	2.0	2.0	2.0
6	Israel	3.0	2.9	2.4	3.4	3.0	4.0	1.6	2.9	2.7	3.2
7	Australia	3.2	2.6	2.4	3.0	3.5	4.4	2.7	3.4	3.6	2.6
8	United Kingdom	3.2	3.4	3.4	3.4	3.5	2.8	4.7	2.7	2.9	2.5
9	Norway	3.2	3.2	2.2	3.9	4.0	4.5	3.3	2.5	2.2	2.8
10	United States	3.2	3.1	3.4	3.4	3.4	3.9	2.8	3.0	3.2	3.2
16	**Canada**	**3.3**	**3.0**	**2.8**	**3.1**	**4.1**	**5.0**	**2.8**	**2.8**	**3.1**	**2.4**

Source: Allianz. Allianz *Global Pension Report 2025: Time to walk the talk*. January 2025.

The number of people aged 65 and over is set to almost double by 2050, from 857 million to 1,578 million, according to the latest forecasts from the **United Nations** (UN), relayed by **Allianz** in its report *Allianz Global Pension Report 2025: Time to walk the talk*. The UN expects there to be 26 people aged 65 and over for every 100 people aged between 15 and 64, compared to 16 today.

While life expectancy has been rising steadily for decades (except for a brief interruption due to the COVID-19 pandemic), birth rates continue to fall, write the report's authors. Fertility rates, in many industrialized countries "dropped below the so-called reproduction level of 2.1 children per woman decades ago."

With these challenges in mind, Allianz offers an analysis of 71 pension systems worldwide with *the Allianz Pension Index*. This index is based on three pillars: an examination of the demographic and fiscal situation, and an assessment of the sustainability and adequacy of pension systems. It takes into account a total of 40 criteria, with scores ranging from 1 (no need for reform) to 7 (high reform pressure).

The overall unweighted score for all pension systems analyzed is 3.7, indicating continued pressure to reform. Denmark has the best-prepared pension system, while Sri Lanka is the most in need of reform.

Countries in urgent need of reform include Malaysia, Colombia and Nigeria. Their problem often lies not in the design of the pension system per se, but in its limited scope: the proportion of informal employees not covered generally exceeds 50%. In these countries, far-reaching labor market reforms are needed to lay the foundations for a comprehensive pension system.

Partial solutions

In its report, Allianz goes on to point out that several measures aimed at strengthening the financial sustainability of pension systems can be envisaged, but not without challenges.

For example, raising tax contribution rates increases the financial burden on contributors, making the country less attractive to labour migrants. Any increase raises wage costs and reduces the international competitiveness of companies. This measure could also encourage part of the population to turn to the informal labor market to avoid paying taxes.

Another solution would be to push back the retirement age, which were often introduced in the 1950s, says Allianz. In 30 countries, the retirement age is set to rise by 2050. "The introduction of a reference age or an age corridor combined with greater flexibility to combine work and pension income could be a solution to increase the effective retirement age. In the US and Canada, for example, there is no longer a mandatory retirement age but a reference age."

Finally, Allianz raises the possibility of supplementing the public pension system with a capital-financed component. "The crucial question is how the pension fund is going to be financed."

INSURANCE Portal

Are you ready to take your strategic decisions to the next level?

By upgrading to EXECUTIVE Level, you gain access to a wealth of exclusive data:

- Insurers' financial results tables with 10+ years of historic data
- Strategic and competitive distributors data
- Detailed analysis tables
- Excel files to benchmark your data with industry standards
- Bonus: 1 free Visibility360 per year ($600 value)

EXECUTIVE Level is your pathway to informed, data-driven decision-making that sets you apart.

Discover the **EXECUTIVE Level**:
insurance-portal.ca/executive

Does everyone really have to be a hotshot? How to be a Life Insurance Apptivist instead!

Question: Is it beneficial to sell fewer cases for more premium?

Ellen Barry once said: "Helping one person might not change the world, but it could change the world for that one person." Isn't that the essence of the life insurance business - helping change the world one person at a time?

I read recently about an insurance company that can't get advisors to attend training sessions unless they talk about high-net-worth strategies. Family insurance and basic life insurance concerns don't attract flies.

How did advisors get so fancy that they no longer have time for helping regular people with regular business? Why did we stop caring for widows and orphans regardless of their income level? When did tax-driven community charity schemes replace love-driven family charity programs? How did we get so high and mighty that a mere $5,000 premium has lost its appeal and only $50,000 or more will do these days? Has the business just become about the money?

Chasing big cases

Who decided that professionalism in this business meant chasing a few big cases rather than many average ones? Have we really sunk so far into the SOS Syndrome (Shame of Selling) that we have forgotten the original industry mission of family financial security? Do we feel we lose the stigma of selling if we work the high-net-worth market?

If the average person buys life insurance 8 times, isn't there big potential in any new client if we stick with them? Why do average advisors feel the need to abandon average prospects and clients where they would fit better and have an easier time?

Have we forgotten the late **John Savage**'s advice, "When you work with the masses you'll live with the classes. And when you work with the classes, you'll live with the masses." It's still true. You can do better for yourself by doing good for many regular people.

The fancy market of big cases takes big research, big prospects, big preparation, big presentations, big underwriting, and big time to issue and pay. Chasing big cases also means fewer cases in the mill, never a good thing.

Regular cases on the other hand get paid faster and can even make more of a difference for the regular person. And lots of cases mean lots of prospects in the mill.

Upper Middle-Class market

What about the Upper Middle-Class market - the UMC, not the HNW? This is where people pay for insurance from income, not necessarily assets because it matters. The UMC client is easier to see; easier to plan; easier to close; easier to help, and easier to get paid. You can see more and sell more.

You can be a Life Insurance "Apptivist" like my friend **Naji Haddad**. Naji sells life insurance in Beirut, Lebanon, a war zone for most of the past few years. He had built his book up to over 1,000 clients by selling 200 cases each year. When the war hit on October 7, 2023, and he lost 40 percent of his business because his clients left the country, markets disappeared, and bank deposits were confiscated, he could absorb the financial hit. His big base supported him.

But what if he only had a couple hundred clients? He and his business would have been destroyed. Even more important, because he was so experienced selling, he could replace the business he lost and prosper. It's a good lesson.

Here's another angle. I was sitting next to a family doctor on a flight recently, and he told me the "doctor business" is the same and partly why there is a family doctor shortage. Every graduating doctor wants to be a specialist to do less and get paid more. Sadly, the peril in super specialty is that medical specialists know their specialty but can't do "doctoring". Aren't advisors are the same?

Making a difference

Specialty is fine, but you can specialize in the UMC market too and do lots of good. Think about the difference you can make in the world when you help a lot of people improve their financial peace of mind. More cases give you more experience and more resilience. It makes you a better professional.

And this is exactly what my new doctor friend says happens in medicine. The best doctors have the most experience with the most varied patients and can be the most helpful.

So, rather than chasing a few big cases, spend more time helping more people and earning good referrals. Use technology to help more people, not fewer. And stop chasing the fancy 1% of the market with tax-driven schemes and instead promote love-driven family security to the UMC? After all, they are 35% of the market and earn $75K to $150K and up to 300K per family on average. Business can be bigger, better and easier. The big deals will come in the course of your business.

—

For more information on the tools to use to build your brand, check out Advisorcraft.com.

Jim Ruta's mission is simple – to preserve, promote and propel the financial advisor business. A former insurance advisor and executive manager of a 250-advisor agency, Jim is a highly regarded coach, author, podcaster and keynote speaker. He has spoken four times at the MDRT Annual Meeting including the Main Platform. Jim Ruta is an Executive Coach and Keynote speaker specializing in life insurance advisors and leaders. He works with top advisors around the world and re-energizes audiences with his deep insight and passion.

Discover more at www.jimruta.com.
If you have a question for Jim, you may send an email to jim@jimruta.com

Go to acsolis.com today for your limited time FREE TRIAL valued at over $1,000. SOLIS gives you the world's best life insurance sales scripts, stories, strategies, style, and support every month to help you improve your life insurance sales performance immediately.

A product of
INSURANCE Journal Publishing Group

In just a few clicks, you can:

- Compare quickly and easily various product features
- Build your own comparative tables
- Save and print your analysis whenever you want
- Get access from anywhere at your convenience

The latest information on more than 470 life & health insurance products

- Life and Disability Insurance
- Critical Illness Insurance
- Segregated Funds and GMWBs
- Creditor Insurance
- Annuities
- Buy and Sell Insurance
- Business Overhead Expense Insurance
- Long-Term Care

Customized subscriptions for:

- Insurance Companies
- Banks
- MGAs
- Advisors

InsuranceINTEL

470 PRODUCTS COMPARED • 3,000 MARKETING DOCUMENTS
350 INSURANCE APPLICATIONS • 1 BILINGUAL WEBSITE

For more information, contact: Jean-Alexandre Doyon, Coordinator, Insurance*INTEL*
jean-alexandre.doyon@insurance-journal.ca

Level up and perform!

PRO Level's exclusive privileges

- Access to all **news content**
- A subscription to the **Insurance Journal**
- **Digital archives** of *Insurance Journal* since 2020
- **Magazine supplements**
- **Weekly bulletins**
- Archives of **over 22,000 articles**
- **Advanced** search filters
- Tag-based **email alerts**
- **Discounts** on our other products

Nearly 5,000 industry leaders rely on PRO Level to stay ahead!

Join them now! insurance-portal.ca/prolevel