

Report

Report 1: Canadian Insurance Industry Monthly Aggregate Data Analysis

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Background

In late March 2020, it became clear that COVID-19 was significantly impacting Canada and increasing deaths related to the virus. General population data from provincial health reporting provided early indications of the impact of COVID-19, but it was unclear what the impact on the Canadian life insurance industry would be.

In April 2020, the CIA invited representatives of Canadian life insurance companies to participate on an industry task force to discuss the impact of COVID-19, and consider data collection and analysis in order to answer key questions such as:

- Is the overall level of life insurance claims in 2020 different from previous years?
- Is COVID-19 a significant cause of death for insurance claims in Canada?

The CIA, in consultation with the task force, decided on a two-phase approach to data collection and analysis.

Phase 1 (aggregate data): Collect data on COVID-19 exposure, total insurance claims, and claims related to COVID-19 at an aggregate level monthly. This allows for high-level analysis sooner and more frequently than normal CIA mortality updates. It was agreed that the focus will be life insurance claims (mortality impact) covering both individual and group lines of business.

Phase 2 (seriatim data): In line with the more detailed and extensive analysis and models done with CIA mortality updates, the CIA will collect seriatim data on an accelerated schedule, and provide supplementary analysis based on this additional collection.

This report provides an update based on the Phase 1 aggregate data collected from Canadian insurance companies up to the end of June 2020. The data were collected from 13 insurance companies (11 of which provided both individual (Ind) and group data). Details of the participating companies and exposure are shown below.

CIA data collection with Canadian life insurance companies:

Participating companies: Canada Life, Manulife, Sunlife, The Co-operators, Foresters, RBC, SSQ, Industrial Alliance, Assumption Life, Equitable Life, Humania Assurance, La Capitale, Wawanesa Mutual Insurance Company.

Timeline: January 2019–June 2020 – aggregate data are submitted monthly

Number of companies for this analysis:

Individual: 13

Group: 11

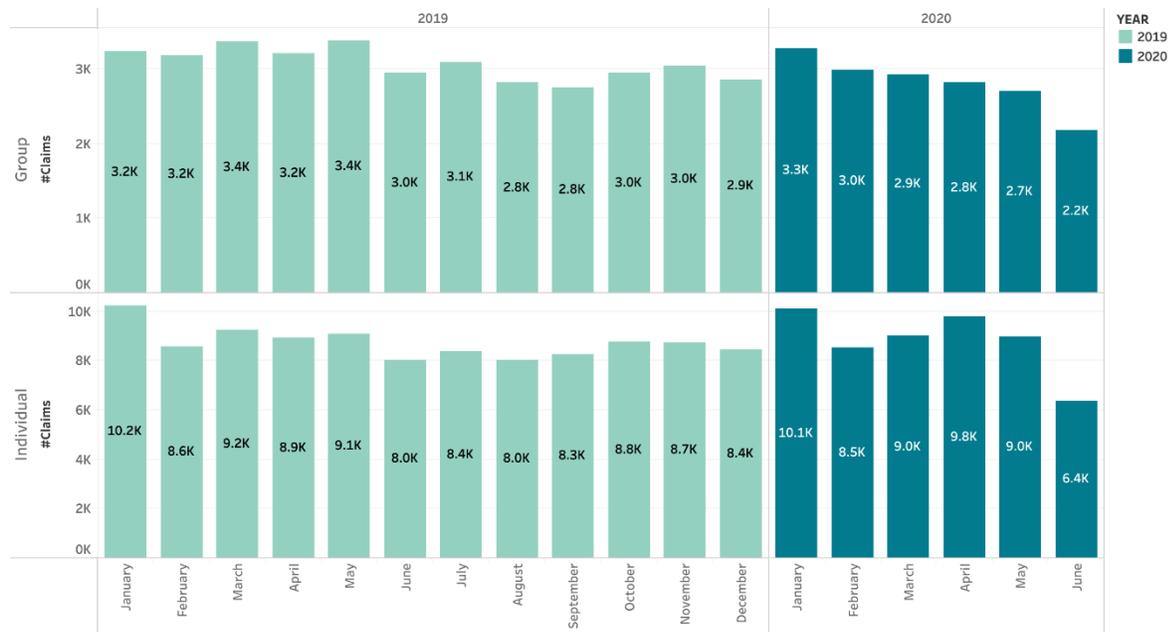
Total exposure (amount is in millions – sum insured):

Total Exposure

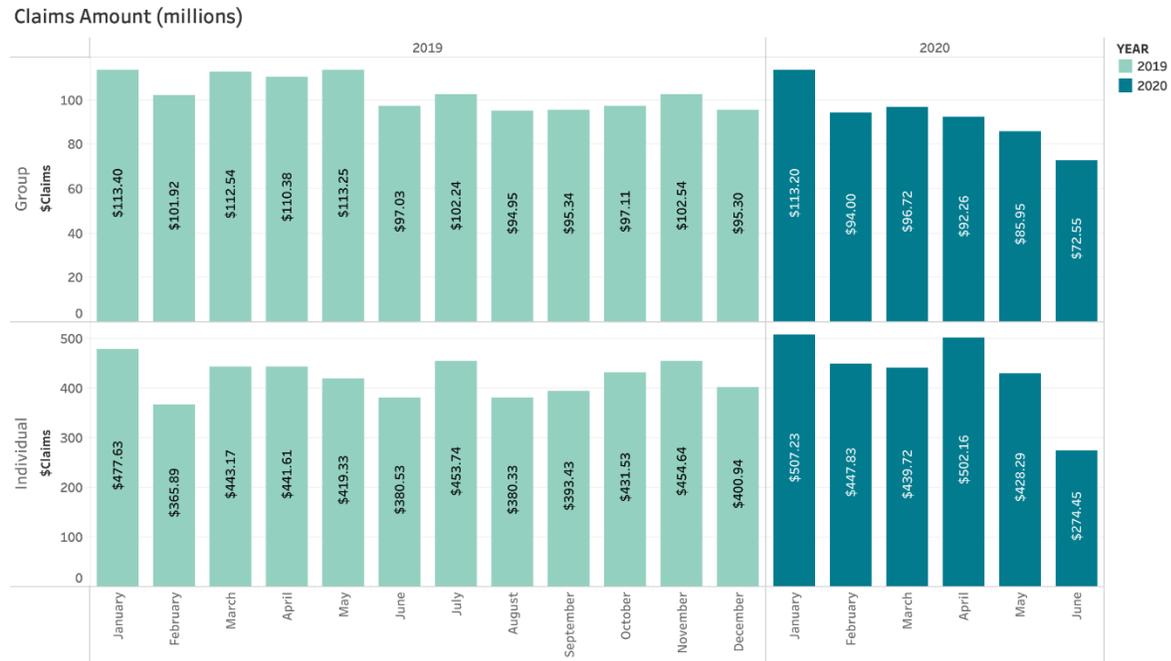
TYPE	2019		2020	
	Total Exposure Counts	Total Exposure Amount	Total Exposure Counts	Total Exposure Amount
Group	8,077,336	\$739,586.46	7,950,756	\$745,217.81
Individual	9,703,109	\$2,186,310.00	9,821,108	\$2,304,219.22

Overall aggregate claims by count for the participating Canadian life insurance companies are shown below. Note that there is some lag in claims reporting, and there is no attempt to adjust the reported results for incurred but not reported (IBNR). Therefore, we can assume that results as reported for the most recent months (specifically May and June) are likely under-reported. While overall claims by count seem to be broadly within the range of normal volatility, there is some evidence of additional mortality claims in individual business in April 2020.

Claims Count

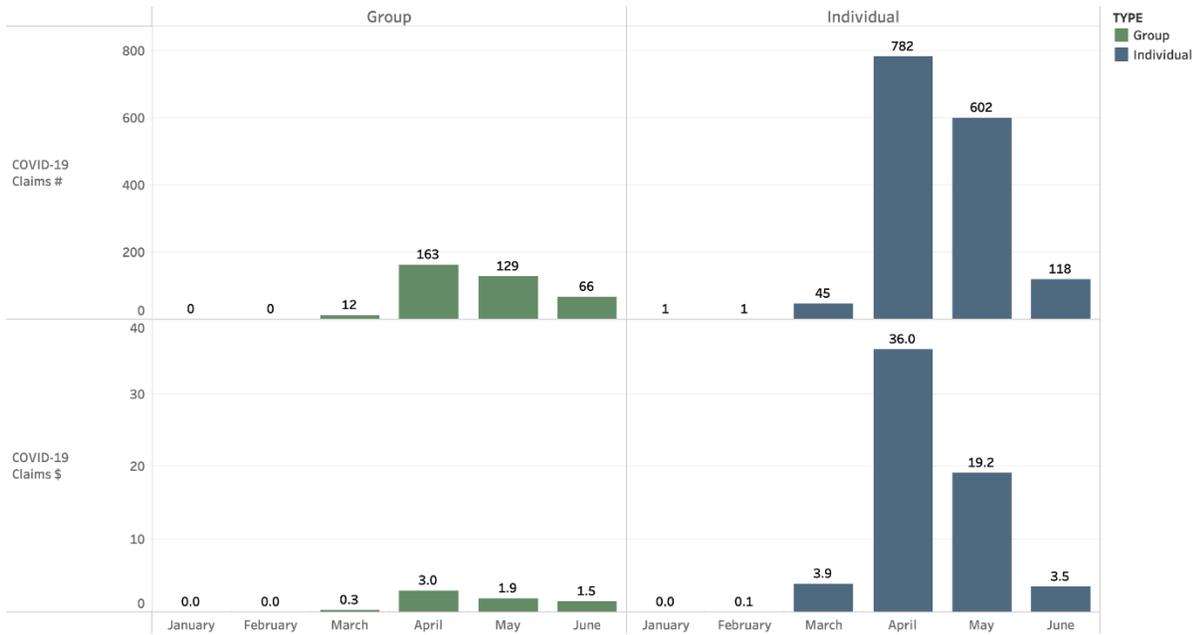


Aggregate claims by amount show generally the same pattern (see below), but the impact on April 2020 individual insurance claims is more significant. In general, group insurance represents a younger population, with likely overall more healthy populations when actively working. This may be why the impact of COVID-19 was more significant in individual insurance when compared to group insurance.

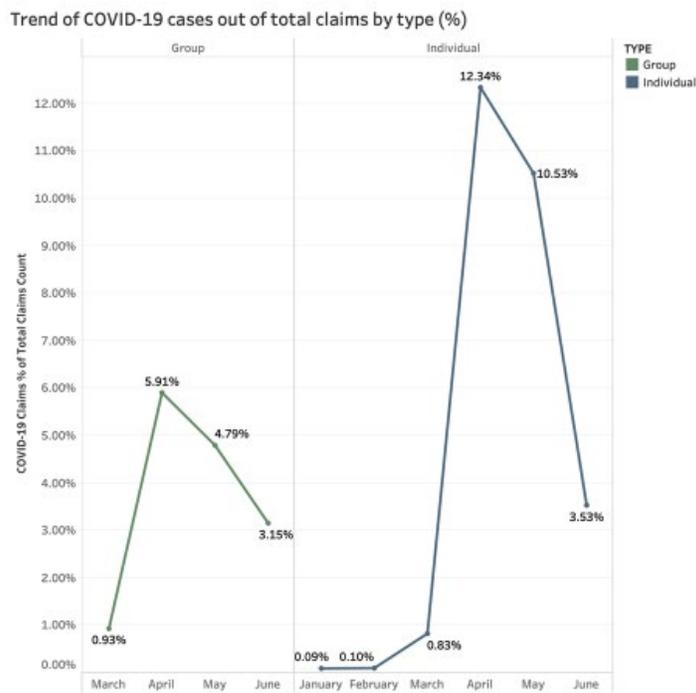


The CIA also collected aggregate data from participating insurance companies on the number and amount of claims specifically related to COVID-19 (see below). Not all insurance companies were able to provide cause of death details, but those that could, reported and identified a total of 1,916 claims due to COVID-19 in the first six months of 2020.

COVID-19



The chart below shows COVID-19 related death claims as percentage of total death claims by month (by count). For individual, the percentage of claims due to COVID-19 peaked at 12.34% in April.



Conclusion

While the impact of COVID-19 on deaths has subsided in recent months, it is important to continue to track aggregate monthly data from the Canadian insurance industry as the country enters a second wave. The CIA will continue to collect data and will provide updates as trends evolve.

Questions about this report and the CIA aggregate data collection can be emailed to [Shlomit Jacobson](#).