

## Effective recourse in personal insurance

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*Executive summary*  
June 2010

Personal insurance is complex by all accounts. A multitude of insurance products are intended to protect against the vagaries of life, whether physical or financial. If a personal insurance problem arises, Canadian consumers can turn to their company, and then to complaint-handling organizations. The literature reports four essential components of an effective relief policy: accessibility, independence, transparency and effectiveness. With these four components in mind, we studied various organizations offering complaint-handling services; our aim was to identify shortcomings, if any, and issue recommendations based on the best practices observed abroad.

First we present general insurance concepts (principles, definitions) and some statistics on the personal insurance industry.

The second chapter draws a general portrait of the personal insurance industry and the remedies available in Canada and abroad (United States, Australia, Europe, France, Ireland and England).

The third chapter presents an analysis of personal insurance remedies in Canada, on the basis of the criteria defining a good relief policy.

Our analysis reveals that no organization appears to meet the four criteria adequately. For example, insurance companies rarely mention the internal ombudsman's mandate. In addition, annual reports provide little or no information on the status of complaint handling.

Improvements are therefore necessary to enable wronged customers to assert their rights without necessarily going before the courts. Our recommendations, modelled after the best practices abroad, are in the same vein.

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French version available on our website.

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### La force d'un réseau

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