

**2025  
UPDATE**

# **When, Where and How Often Insurers Fail**

The Global Failed Insurer Catalogue



*By*

**Grant Kelly and Zhe (Judy) Peng**

**THIRD EDITION**



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# **PACICC's Vision, Mission and Principles**

## **Vision**

To be, and to be recognized as, the authority in Canada supporting the resolution of severely distressed home, auto and commercial insurance companies.

## **Mission Statement**

The mission of the Property and Casualty Insurance Compensation Corporation (PACICC) is to protect eligible policyholders from undue financial loss in the event that a Member Insurer becomes insolvent. We work to minimize the costs of insurer insolvencies and seek to maintain a high level of consumer and business confidence in Canada's property and casualty (P&C) insurance industry through the financial protection that we provide to policyholders.

## **Principles**

- In the unlikely event that an insurance company becomes insolvent, policyholders should be protected from undue financial loss through prompt payment of covered claims
- Financial preparedness is fundamental to PACICC's successful management support of insurance company liquidations, requiring both adequate financial capacity and prudently managed compensation funds
- Good corporate governance, well-informed stakeholders and cost-effective delivery of Member services are foundations for success
- Frequent and open consultations with Members, regulators, liquidators and other stakeholders will strengthen PACICC's performance
- In-depth P&C insurance industry knowledge – based on applied research and analysis – is essential for effective monitoring of insolvency risk

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## **Acknowledgements**

Thank you to PACICC colleagues Alister Campbell, Ian Campbell, Denika Hall and Jeff Stewart, and a former colleague, Olga Kanj, for their background research and other contributions to this paper.

A special thanks to PACICC's colleagues in the International Forum of Insurance Guarantee Schemes (IFIGS) who contributed to the study by sharing their knowledge of insurers that have failed in their own countries.

This report presents the best available information as at May 15, 2025. The authors are solely responsible for all observations made and conclusions drawn in this study, as well as for any errors and/or omissions.

## Executive summary

Some 22 years have passed since a property and casualty (P&C) insurer failed in Canada – back in 2003 – and so it can be very tempting to conclude that insurer failures are a thing of the past. And those so tempted would have some good reason for that conclusion. After all, there have been many significant improvements in the operation, governance and supervision of P&C insurers over the past 20 years.

But, reward requires risk. Insurer failures will almost certainly occur here again in the future. And – as our research shows – in other jurisdictions around the world, they are happening now! In 2023, PACICC published its first edition of the “Global Failed Insurer Catalogue,” identifying 547 failed insurers in 55 countries since the year 2000. At the time of publication, we acknowledged that there were almost certainly errors of omission and inclusion in the first iteration of this massive research project. And we actively sought input from practitioners around the world to ensure that our second edition was both more comprehensive and more accurate.

This publication represents the third edition of the Catalogue and encompasses 965 insurers which are known to have failed since 2000 – in 71 different countries. While there are almost certainly still some errors of omission and inclusion in this updated version, we feel increasingly confident that the Catalogue represents an accurate listing of failures around the world. In fact, PACICC believes that this Catalogue is now the world’s most comprehensive, publicly available database of failed insurers.

It is important to note that this large number of failures is occurring in 71 very different countries, each with its own unique legal and regulatory framework. To establish a common basis for inclusion in or exclusion from the database, we have sought to include only the companies which left the insurance marketplace due to a binding regulatory decision – meaning that the exit was not voluntary. In this paper, the words “failure” and “insolvency” are used interchangeably with the term “involuntary exit.”

The substantial number of failed insurers in our database helps us to address the initial question, “Do insurers still fail?” – and to answer with an emphatic “Yes.” In fact, our research shows that, on average, 36 insurers around the globe fail each year. Over the sample period, this annual average includes 23 P&C insurers, 12 Life insurers and one Composite insurer (those which offer both Life and P&C insurance products) annually.

While insurer failures are rare, they clearly still happen. Interestingly, many of the jurisdictions with historical or recent failures have been found to experience sustained periods of calm, lasting perhaps 10, or even 20 years, during which time there are no insolvencies at all. But, when their insolvencies do occur, they often happen in “clusters,” with several insurers failing over a two-to-three-year period. Then, in most cases, market stability returns. Even more intriguing, in some jurisdictions, this cycle of calm followed by clusters tends to repeat itself.

The paper also identifies a protection gap in global policyholder protection. Some countries – including Canada – have introduced Policyholder Protection Schemes (PPS). Unfortunately, many others have not. This has resulted in significantly less protection for policyholders of insurers that have failed (particularly outside of North America).

It is important to note that the factors that lead to insurer failures are not unique to any one country, or to any single business strategy. Historically, the drivers of failure have been well understood – and include poor risk selection, bad pricing, inadequate loss reserving and corporate complexity. But, our research also highlights a new and rapidly evolving solvency threat. More companies are failing due to natural catastrophes. Bluntly put, climate risk appears to be increasing solvency risk. Our findings illustrate exactly why PACICC, and all engaged industry participants, must remain ever-vigilant about the financial health of P&C insurers in Canada. Our research also makes clear the fact that this cautious approach has worldwide application.



# Introduction

In 2023, PACICC published its first Global Failed Insurer Catalogue (GFIC). This is the 2025 update of that Catalogue and now encompasses 965 P&C and Life insurers and Reinsurers which are known to have failed since 2000. These failures occurred in 71 different countries around the globe. It is important to remember that each of these countries is unique, differing in size, population, political oversight, rule of law and the regulatory framework governing their financial services sector. However, the large sample identified worldwide suggests that few countries, if any, are immune to the risk of insurer failure.

This paper has four sections:

**Section One: How many insurers have failed** summarizes the total number of insurers which have failed by year, broken down by the type of insurer. This section also includes discussion of trends in the annual number of insurance company failures since 2000.

**Section Two: Where the failures occurred** focuses on describing where insolvencies have occurred, broken down by continent and jurisdictions.

**Section Three: How often insurers fail** measures the insolvency rates for P&C and Life insurers across Organisation for Economic Co-operation and Development (OECD) nations. The insolvency rate provides a metric to track how frequently insolvencies have happened since 2000 and how often they can be expected to occur in the future.

**Section Four: Trends in global insurance failures** presents three trends within the Catalogue. First, insurance failures occur in clusters. Second, there are long gaps between failures. Finally, there is evidence of a concerning protection gap in policyholder protection around the globe, illustrated by how many failures have occurred in jurisdictions without a Policyholder Protection Scheme (PPS).

While insurance failures are relatively rare in most countries, they still happen. Typically, a country's regulation of the solvency of insurers is not designed to prevent all insurance failures. Why? Because there is no reward in the insurance marketplace without some risk. Consumers can benefit from competition and innovation in a free market. Indeed, fluid entry and exit of firms in an industry can generally be seen as a sign of a well-functioning economic framework. This is why our Catalogue is intended solely as a database of insurer failures. We are not judging the adequacy of the supervisory frameworks in any of the 71 jurisdictions that have experienced failures since 2000. We are simply recording the facts of those failures and seeking to draw lessons to benefit all of those engaged in managing the financial services safety net, domestically and internationally.

All of the companies in our new Catalogue exited their respective local insurance marketplace due to regulatory intervention. The full list of failed insurers appears in Appendix I.<sup>1</sup> While there are other partial lists of failed insurers available, we do not believe that any is as complete as this Catalogue.

Before presenting our latest iteration of the GFI Catalogue, it is necessary to describe the rules of classification that were used to determine whether an insurer should be included. The most important of these definitional distinctions is whether an insurer's market exit was "voluntary" or "involuntary." Unfortunately, involuntary exit is not a defined term in the International Association of Insurance Supervisors (IAIS) Glossary.<sup>2</sup>

In most countries, legislation establishes the legal process for entry into and exit from the marketplace. It is particularly important that supervisors can control who is allowed to own and operate an insurance company in their jurisdiction. In Canada, this legislation is called the (Federal) *Insurance Companies Act* and /or (provincial/territorial) *Insurance Act*. To enter the insurance industry in Canada, companies must secure approval from Canada's insurance regulators.

The companies must convince regulators that they have the expertise and financial resources required (start-up capital and statutory reserves) to operate the company, and to comply with established laws and regulations. In Canada, it is a rigorous and time-consuming process to establish a new insurance company. The legal framework that allows companies to exit the market is even more rigorous. Companies may choose to leave the industry voluntarily or regulators can step in and use the Canadian legal system to force a company to leave the industry involuntarily. In either case, the legal and regulatory system is designed to ensure that the insurer still honours the promises made in the insurance contracts that it issued to policyholders.

The IAIS Insurance Core Principles (ICP) stipulate powers that supervisors should have to support the process of providing insurance companies with an orderly (voluntary) exit from the market. This is an important part of supervision. The significance of this power is recognized throughout the IAIS Insurance Core

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<sup>1</sup> This list represents the best information available to PACICC as of May 15, 2025. We have taken numerous precautions to ensure the accuracy of this list but, despite best efforts, it may well have unintentional errors, either of omission or inclusion. We encourage feedback from readers to help to ensure that ongoing updates to the Catalogue represent a complete and correct tally.

<sup>2</sup> The IAIS Glossary provides definitions of terms used by the IAIS and seeks to facilitate the reading of IAIS supervisory material. The Glossary generally includes terms which are used in more than one ICP, and/or have a specific meaning in insurance or in IAIS supervisory materials. General finance terms and commonly understood terms have typically not been included. They are available at <https://www.iaisweb.org/glossary/>.

Principles (ICP), specifically in ICP 6 (Licensing), ICP 8 (Changes in Control) and ICP 16 (Enterprise Risk Management for Solvency Purposes).

### **Only involuntary exits are included**

An involuntary market exit occurs when an insurance regulator loses confidence that a company is still viable, or believes that it is behaving in an unacceptable manner. To protect policyholders' rights, the regulator has the authority to force an insurer to exit the market. In this case, generally speaking, the regulator seeks a Winding-up Order from a Court. Normally, the Winding-up Order replaces the insurer's management with a Court-appointed Liquidator. The Court freezes the assets of the insurer, giving the Liquidator time to assess the financial resources of the company, compared to its liabilities. From this point on though, from a practical perspective, the liquidation process generally differs between P&C and Life insurers – because of the different term lengths of their in-force policies.

### **Liquidation of a P&C insurer**

Normally, when a P&C insurer is liquidated, consumers are directed to find a new insurance company within a reasonable time (traditionally 45 days, in Canada). After that time, their insurance contracts with the troubled insurer are terminated and cease to protect them. The Liquidator will hire an independent actuary to review the adequacy of the insurer's claims reserves. The Liquidator also reviews all reinsurance contracts. Experience in Canada demonstrates that Liquidators generally need ready access to funds to pay claims and to refund premiums paid in advance (i.e. unearned premium). If the troubled insurer is a PACICC Member, the Liquidator calls upon PACICC to provide the estate with the necessary funds to pay eligible claims, as well as to return unearned premiums. Policyholders who receive compensation via this method assign their claims against the estate of the failed insurer to PACICC. PACICC thus joins the list of other creditors and may then receive dividends from the estate (if any become available), as the estate is wound up. It can take up to 20 years, or more, for this process to be completed, especially if complex commercial claims are involved.

### **Liquidation of a Life insurer**

Normally, when a Life insurer is to be liquidated, consumers are directed to continue paying their premiums to the failed insurance company as, in most cases involving long-term contracts, successful resolution requires "continuation" of policies. Experience in Canada is consistent with this general pattern. The Liquidator will

seek to find a buyer (or buyers) for the failed insurer's lines of insurance – who will agree to continue coverage on the policies assumed. Buyers of these lines of business will usually insist on a significant discount in order to accept the insurance liabilities. In Canada, the Liquidator calls upon Assuris (PACICC's peer organization in the Life insurance industry) to provide the estate with the necessary funds to pay the difference between eligible claims and benefits (up to their defined limits). It can also take years for this process to be completed.

## **Caveats**

PACICC recognizes that this Catalogue may contain errors. It is possible that:

- There are companies included on the list in error, due to our inability to distinguish differences in legal systems in other countries, reporting errors from unofficial sources, or possible translation issues.
- There are companies that have failed between 2000 and 2024 that are not on the list because we have not (yet) acquired information about them.

We welcome all feedback and are committed to making the necessary updates to ensure that the Catalogue is always as accurate and complete as possible.<sup>3</sup> This will be a living document, subject to continual refinement.

The second type of error is more likely to have occurred (for the reasons discussed when examining where failures have happened). We continue to believe that the actual number of failed insurers is likely greater than that presented in this Catalogue.

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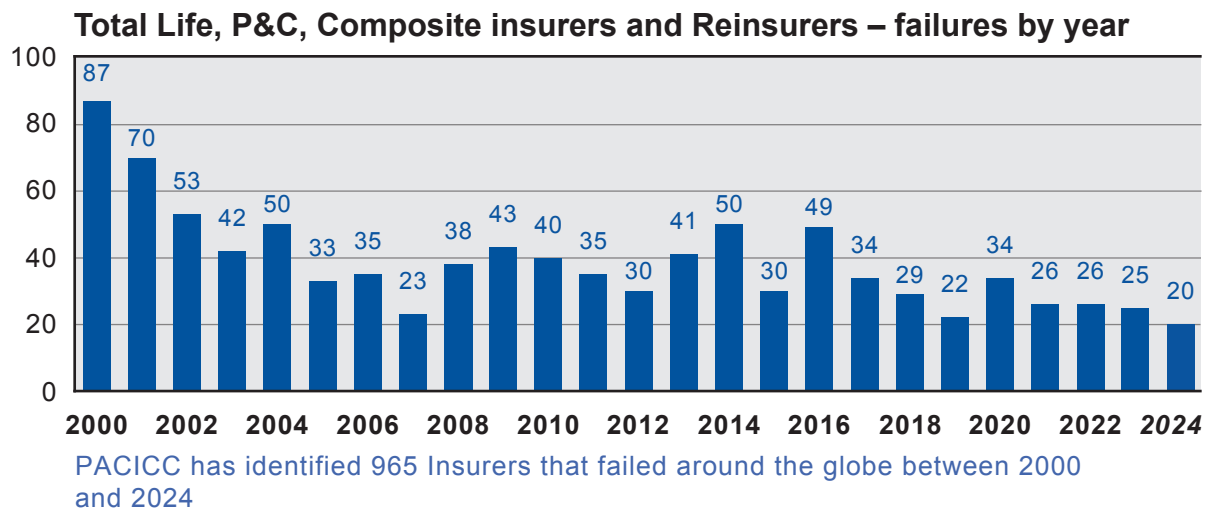
<sup>3</sup> If any reader has a suggestion to enhance the accuracy and completeness of the Global Failed Insurer Catalogue (GFIC), we ask that you please contact PACICC and the authors of this paper directly.

## Section One: How many insurers have failed

### Total failures, all insurers, by year

Between 2000 and 2024, PACICC has identified 965 insurance companies which failed – in 71 different countries. This is clear evidence that insurers can, and continue to fail, despite the many improvements in both enterprise risk management and the regulation of solvency over the past two-and-a-half decades.

**Figure 1 – Total number of insurers that failed by year**



Source: PACICC

More than 20 insurers have failed somewhere in the world in every single year between 2000 and 2024 – with a low of 20 in our Catalogue’s most recent year (2024) and a record high of 87 in 2000.

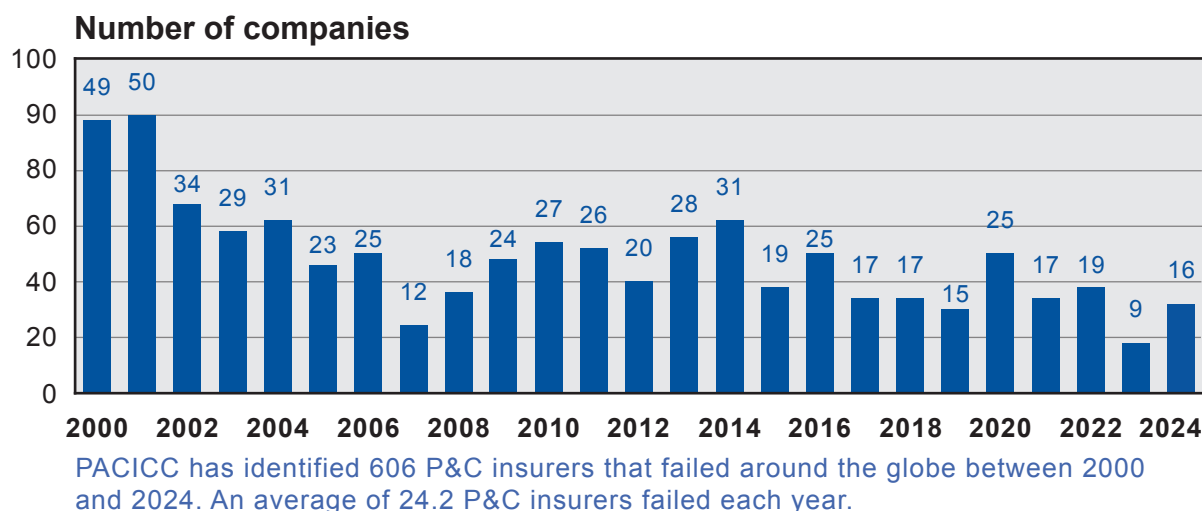
The Catalogue includes a breakdown of the primary line of business in which the failed insurer operated.

### P&C insurer failures, by year

We have identified 606 P&C insurers that failed between 2000 and 2024. At least nine P&C insurers failed every year over the period under review. On average, 24.2 P&C insurers failed each year. The highest number of failures occurred in 2001, when 50 P&C insurers failed. The lowest number was in 2023, when just nine P&C insurers failed.

It is interesting to note that the average number of P&C insurers that failed is indeed falling. Between 2000 and 2009, an average of 29.5 P&C insurers failed per year. Between 2010 and 2019, this average fell to 22.5. Since 2020, an average of 17 P&C insurers failed each year.

**Figure 2 – P&C insurer failures**



Source: PACICC

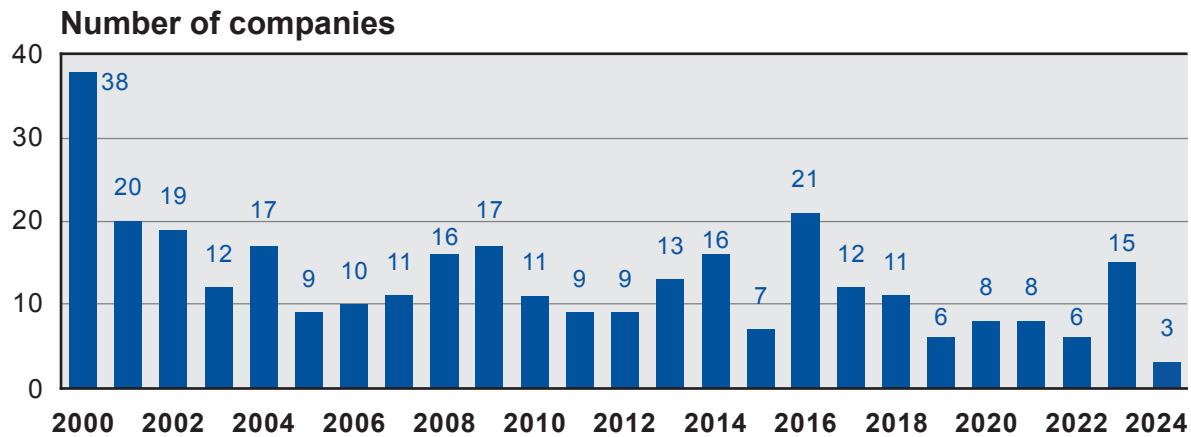
### Life insurer failures, by year

We have identified 324 Life insurance companies that failed between 2000 and 2024. Over this period, an average of 13.0 Life insurers failed around the globe each year.

In 2000, 38 Life insurers failed. This is the highest number of Life insurer failures in any single year in the GFI Catalogue. In 2024 – the most recent year – just three Life insurers failed. This is the lowest number per year in the Catalogue.

The average number of Life insurers that failed per year is also falling. Between 2000 and 2009, an average of 16.9 Life insurers failed per year. Between 2010 and 2019, this average fell to 11.5. Since 2020, the average has fallen to eight Life insurer failures per year.

**Figure 3 – Life insurer failures**



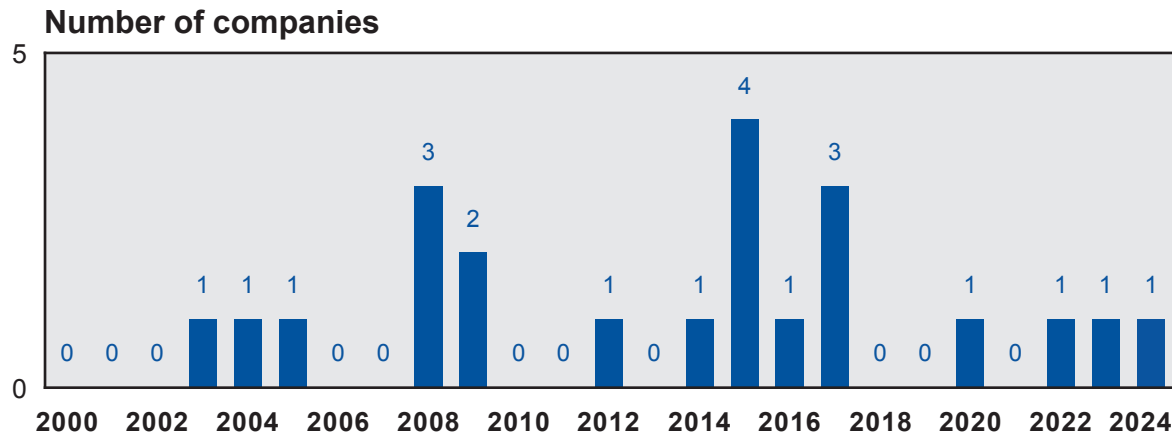
PACICC has identified 324 Life insurers that failed around the globe between 2000 and 2024. An average of 13.0 Life insurers failed each year.

Source: PACICC

**Composite insurer failures, by year**

Composite insurers offer both Life and P&C insurance products. Not every country allows Composite insurers to operate. We have identified 22 Composite insurers that failed between 2000 and 2024. There are some years with no Composite insurer failures. On average, there were 0.9 Composite insurer failures per year over the study period.

**Figure 4 – Composite insurer failures**



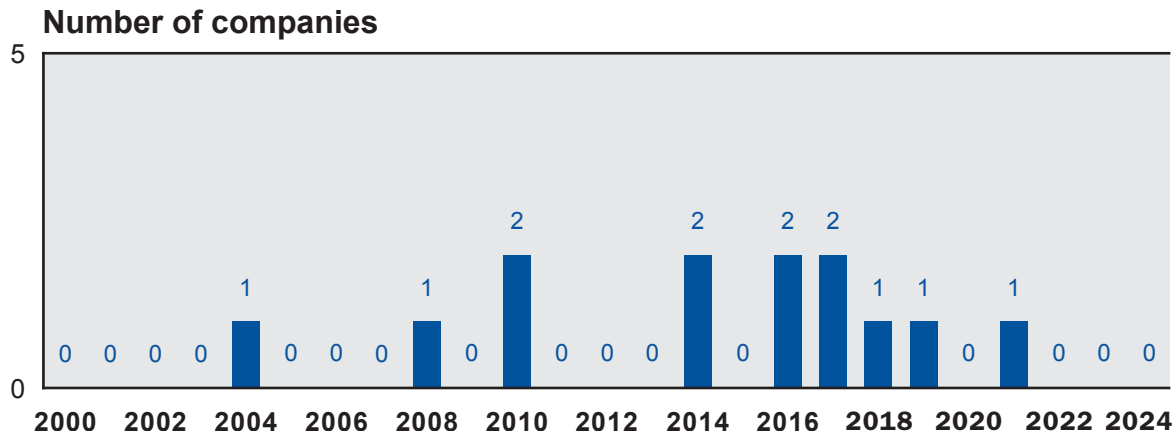
PACICC has identified 22 Composite insurers that failed around the globe between 2000 and 2024. An average of 0.9 Composite insurers failed each year.

Source: PACICC

**Reinsurer failures, by year**

Reinsurers can also fail, although it is certainly a much rarer event. We have identified 13 Reinsurers that failed between 2000 and 2024. This translates to an average of 0.5 Reinsurer failures annually, or one Reinsurer failing every two years.

**Figure 5 – Reinsurer failures**



PACICC has identified 13 Reinsurers that failed around the globe between 2000 and 2024. An average of 0.5 Reinsurers failed each year.

Source: PACICC



## Section Two: Where the failures occurred

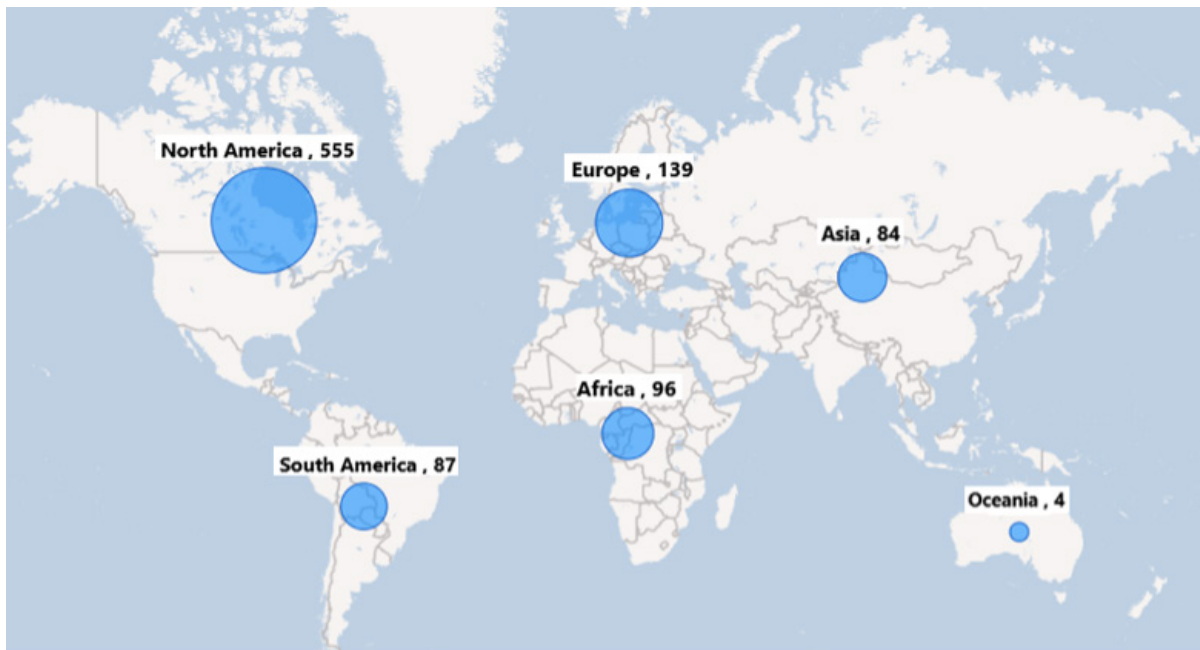
At least 965 P&C and Life insurers and Reinsurers have failed since 2000. These failures occurred in 71 different countries around the globe. It is important to remember that each of these countries is unique, differing in size, population, political oversight, rule of law and the regulatory framework governing their financial services sector. However, does the large sample identified worldwide suggest that few countries, if any, are immune to the risk of insurer failure? Is it still possible for insurers to fail in countries with modern regulatory systems? The Catalogue confirms that the answer to these questions is an emphatic “Yes – insurers can fail everywhere that there is a private sector insurance industry!”

### Failures, by continent

The only continent that did not experience an insurance company failure since 2000 was Antarctica. PACICC found insurers that failed on each of the other six continents around the globe.

Some 555 global insurance failures – more than half (57.5%) of all failures since 2000 – have occurred in North America. Another 139 insurers (14.4% of the total) failed in Europe. The remaining failures include: 96 insurers (9.9%) in Africa; 84 insurers (8.7%) in Asia; 87 insurers (9.0%) in South America; and 4 (0.4%) insurers in Oceania.

### Map 1 – Failures by continent



The ranking of the continents in the number of failures is generally consistent when looking at the failures of both P&C and Life insurers.

**Table 1 – Types of failures, by continent**

Continent	# of P&C failures	Share of P&C	# of Life failures	Share of Life	# of Composite failures	Share of Composite	# of Reinsurer failures	Share of Reinsurers
Africa	65	10.7%	22	6.8%	5	22.7%	4	30.8%
Asia	54	8.9%	30	9.3%	0	0.0%	0	0.0%
Europe	84	13.9%	44	13.6%	8	36.4%	3	23.1%
Oceania	3	0.5%	0	0.0%	0	0.0%	1	7.7%
North America	357	58.9%	190	58.6%	3	13.6%	5	38.5%
South America	43	7.1%	38	11.7%	6	27.3%	0	0%
<b>Totals</b>	<b>606</b>	<b>100.0%</b>	<b>324</b>	<b>100.0%</b>	<b>22</b>	<b>100.0%</b>	<b>13</b>	<b>100.0%</b>

Source: PACICC

The continent rankings are different for Composite insurers and Reinsurers, however. Europe reported the largest share of Composite insurer failures. There is a tie between North America and Africa for the largest number of Reinsurer failures.

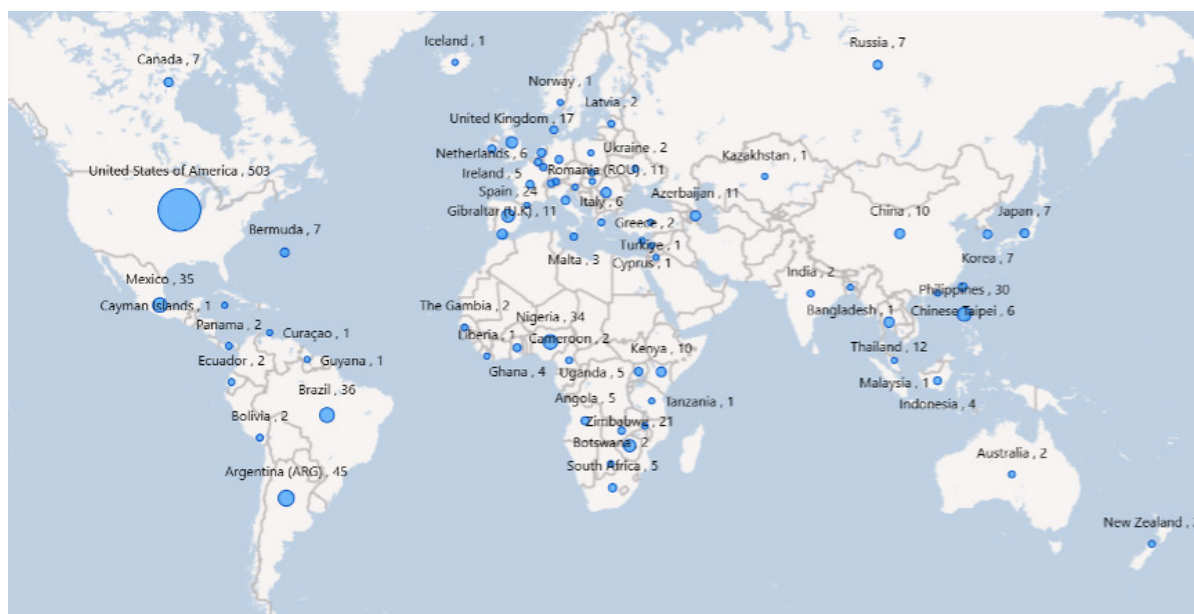
## Failures, by country

The GFI Catalogue documents insurance failures in 71 different countries between 2000 and 2024. They are:

Andorra, Angola, Argentina, Australia, Azerbaijan, Bangladesh, Belgium, Bermuda, Bolivia, Botswana, Brazil, Cameroon, Canada, Cayman Islands, China (Mainland), China (Hong Kong), Chinese Taipei, Curaçao, Cyprus, Denmark, Ecuador, France, The Gambia, Germany, Ghana, Gibraltar, Greece, Guyana, Hungary, Iceland, India, Indonesia, Ireland, Italy, Japan, Jordan, Kazakhstan, Kenya, Korea, Latvia, Lebanon, Liberia, Liechtenstein, Luxembourg, Malawi, Malaysia, Malta, Mexico, Netherlands, New Zealand, Nigeria, Norway, Panama, Philippines, Poland, Romania, Russia, Slovakia, Slovenia, South Africa, Spain, Switzerland, Tanzania, Thailand, Türkiye, Uganda, Ukraine, United Kingdom, Zambia, Zimbabwe, and United States of America.

Map 2 shows the number of failures in each country. Table 2 lists the same information in a table. There are 15 countries that reported 10 or more failures. These countries accounted for 83.9 percent of all known insurance company failures. The United States of America (USA) reported, by far, the most insurance company failures – totalling 52.1 percent of all failures within the GFI Catalogue. There are 10 times more insurance failures in the USA than in any other country.

**Map 2 – Map of failures, by country**



**Table 2 – Total insurer failures, by country**

Rank	Country	Total # of Failures	Rank	Country	Total # of Failures
1.	United States of America	503	8.	Zimbabwe	21
2.	Argentina	45	9.	United Kingdom	17
3.	Brazil	36	10.	Thailand	12
4.	Mexico	35	11.	Azerbaijan	11
5.	Nigeria	34	12.	Gibraltar	11
6.	Philippines	30	13.	Romania	11
7.	Spain	24	14.	China (Mainland)	10

**Table 2 – Total insurer failures, by country (continued)**

<b>Rank Country</b>	<b>Total # of Failures</b>	<b>Rank Country</b>	<b>Total # of Failures</b>
15. Kenya	10	40. Botswana	2
16. Bermuda	7	41. Cameroon	2
17. Canada	7	43. Ecuador	2
18. Japan	7	43. The Gambia	2
19. Korea	7	44. Greece	2
20. Russia	7	45. India	2
21. Chinese Taipei	6	46. Latvia	2
22. Italy	6	47. Liechtenstein	2
23. Netherlands	6	48. New Zealand	2
24. Angola	5	49. Panama	2
25. Ireland	5	50. Ukraine	2
26. South Africa	5	51. Andorra	1
27. Uganda	5	52. Bangladesh	1
28. Denmark	4	53. Cayman Islands	1
29. France	4	54. China (Hong Kong)	1
30. Germany	4	55. Curaçao	1
31. Ghana	4	56. Cyprus	1
32. Indonesia	4	57. Guyana	1
33. Belgium	3	58. Hungary	1
34. Luxembourg	3	59. Iceland	1
35. Malta	3	60. Jordan	1
36. Switzerland	3	61. Kazakhstan	1
37. Zambia	3	62. Lebanon	1
38. Australia	2	63. Liberia	1
39. Bolivia	2	64. Malawi	1

**Table 2 – Total insurer failures, by country (continued)**

<b>Rank Country</b>	<b>Total # of Failures</b>	<b>Rank Country</b>	<b>Total # of Failures</b>
65. Malaysia	1	69. Slovenia	1
66. Norway	1	70. Tanzania	1
67. Poland	1	71. Türkiye	1
68. Slovakia	1	<b>TOTAL</b>	<b>965</b>

606 P&C insurers have failed in 58 different countries since 2000. The USA reported 54.6 percent of all P&C failures in the Catalogue.

**Table 3 – P&C insurer failures, by country**

<b>Rank Country</b>	<b># of P&amp;C Failures</b>	<b>Rank Country</b>	<b># of P&amp;C Failures</b>
1. United States of America	331	16. South Africa	5
2. Argentina	35	17. Angola	4
3. Philippines	26	18. Uganda	4
4. Nigeria	23	19. Denmark	4
5. Mexico	18	20. China (Mainland)	3
6. United Kingdom	17	21. Korea	3
7. Zimbabwe	14	22. Russia	3
8. Thailand	12	23. Ireland	3
9. Azerbaijan	11	24. Germany	3
10. Gibraltar	10	25. Bermuda	2
11. Romania	8	26. Chinese Taipei	2
12. Brazil	6	27. Italy	2
13. Spain	6	28. France	2
14. Kenya	6	29. Malta	2
15. Canada	6	30. Australia	2

**Table 3 – P&C insurer failures, by country (continued)**

<b>Rank Country</b>	<b># of P&amp;C Failures</b>	<b>Rank Country</b>	<b># of P&amp;C Failures</b>
31. Botswana	2	45. New Zealand	1
32. Cameroon	2	46. Andorra	1
33. The Gambia	2	47. Bangladesh	1
34. Latvia	2	48. China (Hong Kong)	1
35. Ukraine	2	49. Iceland	1
36. Japan	1	50. Jordan	1
37. Netherlands	1	51. Kazakhstan	1
38. Indonesia	1	52. Lebanon	1
39. Belgium	1	53. Malawi	1
40. Luxembourg	1	54. Malaysia	1
41. Zambia	1	55. Poland	1
42. Bolivia	1	56. Slovenia	1
43. Ecuador	1	57. Tanzania	1
44. Liechtenstein	1	58. Türkiye	1

324 Life insurers have failed in 39 different countries since 2000. The USA reported 53.1 percent of all Life failures in the Catalogue.

**Table 4 – Life insurer failures, by country**

<b>Rank Country</b>	<b># of Life Failures</b>	<b>Rank Country</b>	<b># of Life Failures</b>
1. United States of America	172	6. Nigeria	8
2. Brazil	27	7. China (Mainland)	7
3. Spain	18	8. Japan	6
4. Mexico	16	9. Philippines	4
5. Argentina	9	10. Korea	4

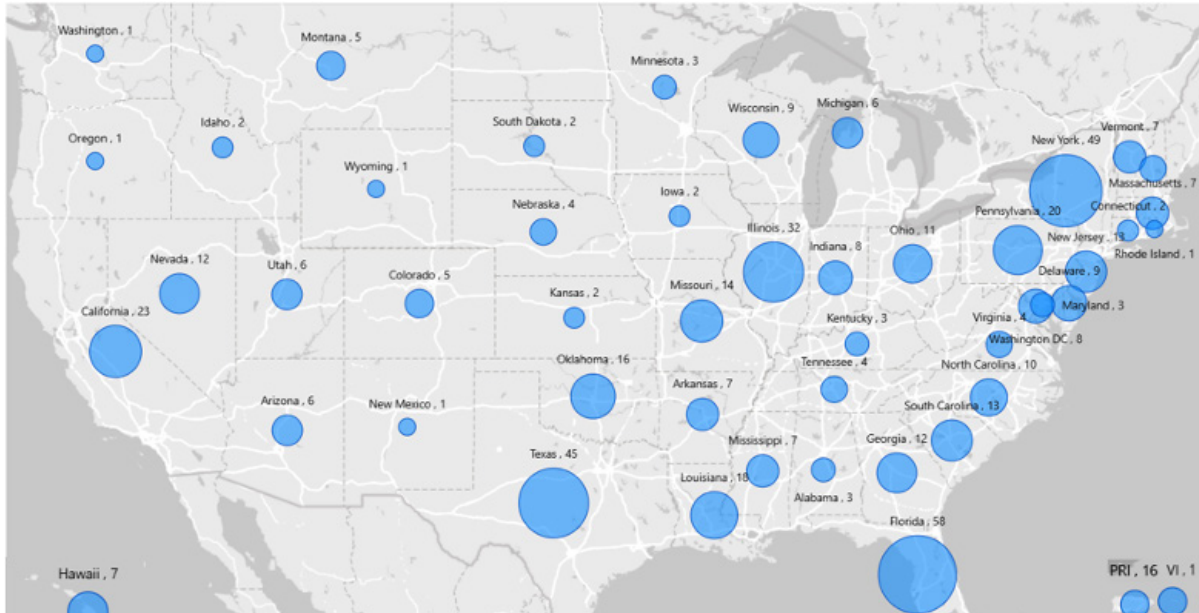
**Table 4 – Life insurer failures, by country (continued)**

<b>Rank Country</b>	<b># of Life Failures</b>	<b>Rank Country</b>	<b># of Life Failures</b>
11. Chinese Taipei	4	26. Bermuda	1
12. Netherlands	4	27. Canada	1
13. Ghana	4	28. Uganda	1
14. Zimbabwe	3	29. Germany	1
15. Kenya	3	30. Belgium	1
16. Russia	3	31. Malta	1
17. Italy	3	32. Switzerland	1
18. Indonesia	3	33. Bolivia	1
19. Ireland	2	34. Greece	1
20. France	2	35. Liechtenstein	1
21. Luxembourg	2	36. Guyana	1
22. Zambia	2	37. Liberia	1
23. India	2	38. Norway	1
24. Gibraltar	1	39. Slovakia	1
25. Romania	1	<b>TOTAL</b>	<b>324</b>

## Failures, by jurisdiction

The insurance marketplace in the USA is not uniform. Each State and Territory is legally its own insurance jurisdiction. For the remainder of this document, the term “jurisdiction” will be used when the US States are treated separately.

### Map 3 – Total failures in individual US States



Tables 5, 6 and 7 present the number of failures when treating each US State as a separate jurisdiction. This increases the total number of jurisdictions reporting insurance failures to 119.

Overall, this means that there are four different US States in the top-10 list of most insurer failures. The State of Florida is the jurisdiction with the most insurer failures since 2000 – the State’s 58 total failures represent 6.0 percent of the Catalogue’s known failures. Also, 11 of the 20 jurisdictions generating the most failures are individual US States.



**Table 5 – Total insurer failures, by jurisdiction**

<b>Rank Jurisdiction</b>	<b>Total # of Failures</b>	<b>Rank Jurisdiction</b>	<b>Total # of Failures</b>
1. Florida, USA	58	26. Romania	11
2. New York, USA	49	27. Ohio, USA	11
3. Argentina	45	28. China (Mainland)	10
4. Texas, USA	45	29. Kenya	10
5. Brazil	36	30. North Carolina, USA	10
6. Mexico	35	31. Delaware, USA	9
7. Nigeria	34	32. Wisconsin, USA	9
8. Illinois, USA	32	33. District of Columbia, USA	8
9. Philippines	30	34. Indiana, USA	8
10. Spain	24	35. Bermuda	7
11. California, USA	23	36. Canada	7
12. Zimbabwe	21	37. Japan	7
13. Pennsylvania, USA	20	38. Korea	7
14. Louisiana, USA	18	39. Russia	7
15. United Kingdom	17	40. Arkansas, USA	7
16. Oklahoma, USA	16	41. Hawaii, USA	7
17. Puerto Rico, USA	16	42. Massachusetts, USA	7
18. Missouri, USA	14	43. Mississippi, USA	7
19. New Jersey, USA	13	44. Vermont, USA	7
20. South Carolina, USA	13	45. Chinese Taipei	6
21. Thailand	12	46. Italy	6
22. Georgia, USA	12	47. Netherlands	6
23. Nevada, USA	12	48. Arizona, USA	6
24. Azerbaijan	11	49. Michigan, USA	6
25. Gibraltar	11	50. Utah, USA	6

**Table 5 – Total insurer failures, by jurisdiction (continued)**

<b>Rank</b>	<b>Jurisdiction</b>	<b>Total # of Failures</b>	<b>Rank</b>	<b>Jurisdiction</b>	<b>Total # of Failures</b>
51.	Angola	5	76.	Bolivia	2
52.	Ireland	5	77.	Botswana	2
53.	South Africa	5	78.	Cameroon	2
54.	Uganda	5	79.	Ecuador	2
55.	Colorado, USA	5	80.	The Gambia	2
56.	Montana, USA	5	81.	Greece	2
57.	Denmark	4	82.	India	2
58.	France	4	83.	Latvia	2
59.	Germany	4	84.	Liechtenstein	2
60.	Ghana	4	85.	New Zealand	2
61.	Indonesia	4	86.	Panama	2
62.	Nebraska, USA	4	87.	Ukraine	2
63.	New Hampshire, USA	4	88.	Connecticut, USA	2
64.	Tennessee, USA	4	89.	Idaho, USA	2
65.	Virginia, USA	4	90.	Iowa, USA	2
66.	Belgium	3	91.	Kansas, USA	2
67.	Luxembourg	3	92.	South Dakota, USA	2
68.	Malta	3	93.	Andorra	1
69.	Switzerland	3	94.	Bangladesh	1
70.	Zambia	3	95.	Cayman Islands	1
71.	Alabama, USA	3	96.	China (Hong Kong)	1
72.	Kentucky, USA	3	97.	Curaçao	1
73.	Maryland, USA	3	98.	Cyprus	1
74.	Minnesota, USA	3	99.	Guyana	1
75.	Australia	2	100.	Hungary	1

**Table 5 – Total insurer failures, by jurisdiction (continued)**

<b>Rank Jurisdiction</b>	<b>Total # of Failures</b>	<b>Rank Jurisdiction</b>	<b>Total # of Failures</b>
101. Iceland	1	111. Slovenia	1
102. Jordan	1	112. Tanzania	1
103. Kazakhstan	1	113. Türkiye	1
104. Lebanon	1	114. New Mexico, USA	1
105. Liberia	1	115. Oregon, USA	1
106. Malawi	1	116. Rhode Island, USA	1
107. Malaysia	1	117. Virgin Islands, USA	1
108. Norway	1	118. Washington, USA	1
109. Poland	1	119. Wyoming, USA	1
110. Slovakia	1	<b>TOTAL</b>	<b>965</b>

606 P&C insurers failed in 103 separate jurisdictions between 2000 and 2024. The US State of Florida (with 46 failures) reported the highest number of P&C failures.

**Table 6 – P&C insurer failures, by jurisdiction**

<b>Rank Jurisdiction</b>	<b># of P&amp;C Failures</b>	<b>Rank Jurisdiction</b>	<b># of P&amp;C Failures</b>
1. Florida, USA	46	11. Pennsylvania, USA	16
2. Argentina	35	12. Zimbabwe	14
3. New York, USA	28	13. Thailand	12
4. Texas, USA	26	14. Oklahoma, USA	11
5. Illinois, USA	26	15. New Jersey, USA	11
6. Philippines	26	16. Azerbaijan	11
7. Nigeria	23	17. Gibraltar	10
8. California, USA	21	18. Louisiana, USA	9
9. Mexico	18	19. South Carolina, USA	9
10. United Kingdom	17	20. Nevada, USA	9

**Table 6 – P&C insurer failures, by jurisdiction (continued)**

<b>Rank</b>	<b>Jurisdiction</b>	<b># of P&amp;C Failures</b>	<b>Rank</b>	<b>Jurisdiction</b>	<b># of P&amp;C Failures</b>
21.	Missouri, USA	8	46.	Russia	3
22.	Georgia, USA	8	47.	Arizona, USA	3
23.	Romania	8	48.	Ireland	3
24.	Delaware, USA	8	49.	Germany	3
25.	Puerto Rico, USA	7	50.	Tennessee, USA	3
26.	Vermont, USA	7	51.	Virginia, USA	3
27.	Brazil	6	52.	Minnesota, USA	3
28.	Spain	6	53.	Bermuda	2
29.	Ohio, USA	6	54.	Arkansas, USA	2
30.	Kenya	6	55.	Mississippi, USA	2
31.	District of Columbia, USA	6	56.	Chinese Taipei	2
32.	Canada	6	57.	Italy	2
33.	Massachusetts, USA	6	58.	Montana, USA	2
34.	Wisconsin, USA	5	59.	France	2
35.	Hawaii, USA	5	60.	New Hampshire, USA	2
36.	South Africa	5	61.	Malta	2
37.	North Carolina, USA	4	62.	Alabama, USA	2
38.	Indiana, USA	4	63.	Maryland, USA	2
39.	Utah, USA	4	64.	Australia	2
40.	Angola	4	65.	Botswana	2
41.	Uganda	4	66.	Cameroon	2
42.	Denmark	4	67.	The Gambia	2
43.	Nebraska, USA	4	68.	Latvia	2
44.	China (Mainland)	3	69.	Ukraine	2
45.	Korea	3	70.	Kansas, USA	2

**Table 6 – P&C insurer failures, by jurisdiction (continued)**

<b>Rank</b>	<b>Jurisdiction</b>	<b># of P&amp;C Failures</b>	<b>Rank</b>	<b>Jurisdiction</b>	<b># of P&amp;C Failures</b>
71.	South Dakota, USA	2	88.	Andorra	1
72.	Japan	1	89.	Bangladesh	1
73.	Netherlands	1	90.	China (Hong Kong)	1
74.	Michigan, USA	1	91.	Iceland	1
75.	Colorado, USA	1	92.	Jordan	1
76.	Indonesia	1	93.	Kazakhstan	1
77.	Belgium	1	94.	Lebanon	1
78.	Luxembourg	1	95.	Malawi	1
79.	Zambia	1	96.	Malaysia	1
80.	Kentucky, USA	1	97.	Poland	1
81.	Bolivia	1	98.	Slovenia	1
82.	Ecuador	1	99.	Tanzania	1
83.	Liechtenstein	1	100.	Türkiye	1
84.	New Zealand	1	101.	Oregon, USA	1
85.	Connecticut, USA	1	102.	Virgin Islands, USA	1
86.	Idaho, USA	1	103.	Washington, USA	1
87.	Iowa, USA	1		<b>TOTAL</b>	<b>606</b>

324 Life insurers failed in 79 separate jurisdictions between 2000 and 2024. Brazil was the jurisdiction that reported the most Life insurer failures.

**Table 7 – Life insurer failures, by jurisdiction**

<b>Rank</b>	<b>Jurisdiction</b>	<b># of Life Failures</b>	<b>Rank</b>	<b>Jurisdiction</b>	<b># of Life Failures</b>
1.	Brazil	27	24.	Netherlands	4
2.	New York, USA	21	25.	Philippines	4
3.	Texas, USA	19	26.	Pennsylvania, USA	4
4.	Spain	18	27.	South Carolina, USA	4
5.	Mexico	16	28.	Georgia, USA	4
6.	Florida, USA	12	29.	Wisconsin, USA	4
7.	Argentina	9	30.	Indiana, USA	4
8.	Louisiana, USA	9	31.	Colorado, USA	4
9.	Puerto Rico, USA	9	32.	Indonesia	3
10.	Nigeria	8	33.	Italy	3
11.	China (Mainland)	7	34.	Kenya	3
12.	Japan	6	35.	Russia	3
13.	Illinois, USA	6	36.	Zimbabwe	3
14.	Missouri, USA	6	37.	Nevada, USA	3
15.	North Carolina, USA	6	38.	Arizona, USA	3
16.	Oklahoma, USA	5	39.	Montana, USA	3
17.	Ohio, USA	5	40.	France	2
18.	Arkansas, USA	5	41.	India	2
19.	Mississippi, USA	5	42.	Ireland	2
20.	Michigan, USA	5	43.	Luxembourg	2
21.	Chinese Taipei	4	44.	Zambia	2
22.	Ghana	4	45.	California, USA	2
23.	Korea	4	46.	New Jersey, USA	2

**Table 7 – Life insurer failures, by jurisdiction (continued)**

<b>Rank Jurisdiction</b>	<b># of Life Failures</b>	<b>Rank Jurisdiction</b>	<b># of Life Failures</b>
47. District of Columbia, USA	2	64. Romania	1
48. Hawaii, USA	2	65. Slovakia	1
49. Utah, USA	2	66. Switzerland	1
50. New Hampshire, USA	2	67. Uganda	1
51. Kentucky, USA	2	68. Delaware, USA	1
52. Belgium	1	69. Massachusetts, USA	1
53. Bermuda	1	70. Tennessee, USA	1
54. Bolivia	1	71. Virginia, USA	1
55. Canada	1	72. Alabama, USA	1
56. Germany	1	73. Maryland, USA	1
57. Gibraltar	1	74. Connecticut, USA	1
58. Greece	1	75. Idaho, USA	1
59. Guyana	1	76. Iowa, USA	1
60. Liberia	1	77. New Mexico, USA	1
61. Liechtenstein	1	78. Rhode Island, USA	1
62. Malta	1	79. Wyoming, USA	1
63. Norway	1	<b>TOTAL</b>	<b>324</b>

## Section Three: How often insurers fail

The next question to be addressed in this paper is: How often do insurers fail? Once we have established an insolvency rate, we can also tackle a corollary question. What is a normal amount of failure? Also, given trends in these rates over time, we may even be able to formulate a grounded expectation regarding a subsequent question. What rate of failure can be expected in the future?

The paper presents two approaches to measuring how often insurers fail:

1. Estimating the insolvency rate for insurers in OECD countries
2. Measuring the frequency of failures by jurisdiction

### Estimating the insolvency rate for insurers

To help us to tackle the questions outlined above, we need to calculate an annual insolvency rate. The Government of Canada's Superintendent of Bankruptcy calculates annual insolvency rates for many industries. The business insolvency rate is defined as the number of business insolvencies per thousand businesses. The Superintendent's report focuses on movements up or down in these insolvency ratios over time. An increasing insolvency ratio means that the businesses in that industry are facing tough economic conditions. A declining insolvency ratio means that the pressures on these businesses are lessening. It is generally expected that the insolvency ratio for any industry would stay within a low, stable range.

This paper uses a similar concept to create an annual insolvency rate for insurers, using data from 38 countries in the Organisation for Economic Co-operation and Development (OECD) Insurance database.<sup>4</sup> A total of 26 of the 38 countries in the OECD Insurance database have experienced the failure of an insurance company since 2000. As a denominator for this calculation, we use the total number of companies in each jurisdiction provided in the OECD Insurance Statistics Yearbook.

We have calculated these rates for the total number of insurers (Life and P&C insurers combined), for P&C insurers and for Life insurers.<sup>5</sup>

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<sup>4</sup> The 38 OECD countries are: Australia, Austria, Belgium, Canada, Chile, Colombia, Costa Rica, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland, Türkiye, the United Kingdom and the United States of America.

<sup>5</sup> A small number of jurisdictions allow Composite insurers that sell both Life and P&C insurance in the same entity. When calculating the separate insolvency ratios for P&C and Life insurers, Composite insurers will be added to both ratios. For clarity, the insolvency ratio for P&C insurers = (# of P&C failures plus # of Composite failures)/(# of P&C insurers plus # of Composite insurers).



The definition of the Insurance Insolvency Rate is:

$$\text{Insurance Insolvency Rate} = \frac{\text{Number of insurance failures in OECD countries in the year from the GFI Catalogue}}{\text{Total number of insurers in all OECD countries in the year}}$$

Over the 24-year period from 2000 to 2023,<sup>6</sup> the average annual insolvency rates were:

**Table 8 – Insurance industry insolvency rate for OECD countries**

	<b>Total</b>	<b>P&amp;C</b>	<b>Life</b>
<b>Average (2000 to 2023) for 38 OECD countries</b>	2.73	2.51	3.65
	insolvencies per 1,000 insurers	insolvencies per 1,000 P&C insurers	insolvencies per 1,000 Life insurers

Source: PACICC

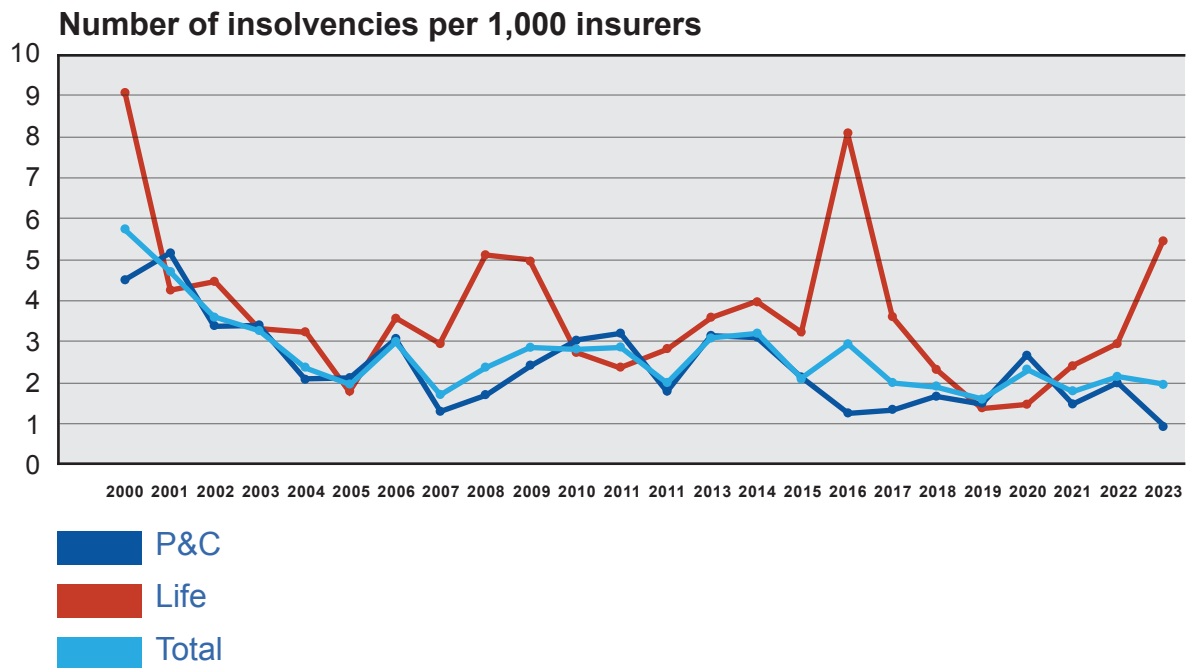
Table 8 shows that, across the 38 OECD nations, it would be normal for 2.73 (P&C and Life) insurers to fail for every 1,000 insurance companies, every year. Thus, since there were approximately 8,800 insurance companies in the OECD in 2023, a “normal” number of insolvencies would be approximately 24 a year across the OECD countries.

The insolvency rates are different for the Life and P&C insurance industries. The rate of insolvency was higher for Life insurers between 2000 to 2023. The most likely explanation for the higher rate is simply that there are fewer Life insurers competing in these markets; or in other words, Life insurance is a more concentrated industry. Across the 38 OECD countries, there are three to four active P&C insurers for every active Life insurer.

Figure 6 indicates that there was also greater year-to-year variability in the Life insurance insolvency rate, compared to the same rate for P&C insurers over this period. This suggests that the trend of insolvency clusters, driven by overall market conditions and discussed earlier, may be more significant for Life insurers.

<sup>6</sup> [https://www.oecd.org/en/publications/oecd-insurance-statistics-2022\\_0512c106-en.html](https://www.oecd.org/en/publications/oecd-insurance-statistics-2022_0512c106-en.html). 2023 is the latest available year for the OECD data.

**Figure 6 – Insurer insolvency rates across OECD countries varied annually**



Source: PACICC

## Frequency of failures by jurisdiction

The Catalogue currently spans 25 years. An alternative measure of how often insurers fail is to measure in how many years out of the past 25 did each jurisdiction report at least one failed insurer – yielding a frequency-of-failure metric. Using this measure, it is evident that how often insurers fail varies dramatically across the 119 jurisdictions in our sample. We summarize this variance by grouping jurisdictions into four “Tiers.”

Tier 1 comprises the 12 jurisdictions where policyholders should expect, based on the experience since 2000, that one or more insurers operating in their jurisdiction will fail every year. Policyholders in the US States of Florida and New York, for example, will note that an insurer in their State has become insolvent in 21 of the past 25 years (or 84% of the time, in the sample). At least one insurer has failed in the Philippines in 19 of the past 25 years. In Argentina and Mexico, at least one insurer has failed in 16 of the past 25 years.

**Tier 1: Failures are an expected part of market dynamics: Nine jurisdictions with at least one failure occurring in more than 50% of Catalogue years** (Number in bracket is the number of years since 2000 with at least one failure)

Florida, USA (21); New York, USA (21); Philippines (19); Argentina (16); Mexico (16); Brazil (15); Texas, USA (15); Pennsylvania, USA (14); and Illinois, USA (13)

Tier 2 reflects 19 other jurisdictions where an insurer has failed every two to four years since 2000. In these jurisdictions, failures should not be unexpected. For example, in the US State of Georgia, at least one insurer has failed in 11 of the past 25 years.

**Tier 2: Failures are not unexpected: 19 Jurisdictions with one failure occurring between 25% to 49% of Catalogue years** (Number in bracket is the number of years since 2000 with at least one failure)

Spain (12); Oklahoma, USA (12); Missouri, USA (12); Georgia, USA (11); Kenya (10); Nigeria (10); California, USA (10); Romania (10); Nevada, USA; Thailand; South Carolina, USA; Louisiana, USA; New Jersey, USA; Puerto Rico, USA; Vermont, USA; Gibraltar; United Kingdom; Indiana, USA; and Wisconsin, USA

Tier 3 includes a total of 63 jurisdictions which reported one or more failures, but only every two to five years since 2000. In these jurisdictions, the failure of an insurance company is a rare event. For example, Canadian policyholders have experienced a failed insurer in six of the past 25 years, but it has been 11 years since the last Life insurer failed in Canada and 20 years since the last P&C insurer failure.

**Tier 3: Failures are rare: 63 Jurisdictions with one failure occurring between 5% to 24% of Catalogue years**

Massachusetts, USA; China (Mainland); Zimbabwe; Delaware, USA; Italy; Ohio, USA; Hawaii, USA; Mississippi, USA; Bermuda; Azerbaijan; Michigan, USA; Russia; District of Columbia, USA; Arkansas, USA; Canada; South Africa; Colorado, USA; Korea; North Carolina, USA; Utah, USA; Nebraska, USA; Netherlands; Germany; Uganda; Chinese Taipei; Ireland; Arizona, USA; Montana, USA; Indonesia; Virginia, USA; Angola; Denmark; Japan; New Hampshire, USA; Alabama, USA; Switzerland; Maryland, USA; Luxembourg; Belgium; France; Minnesota, USA; Bolivia; Tennessee, USA; Kansas, USA; Zambia; Ecuador; Liechtenstein; Kentucky, USA; Australia; Panama; Idaho, USA; Malta; Connecticut, USA; Latvia; Iowa, USA; South Dakota, USA; Botswana; New Zealand; Greece; Ukraine; Cameroon; India; and Ghana

Finally, in Tier 4, there are 28 jurisdictions that reported just one year with the failure of an insurer, since 2000. In these jurisdictions, failures are very rare events. All of these jurisdictions reported just one failure since 2000 (except for The Gambia, which had two failures in one year).

**Tier 4: Jurisdictions with failure occurring just in one year over the past 25 years**

Poland; Tanzania; Rhode Island, USA; Curaçao; New Mexico, USA; Oregon, USA; China (Hong Kong); Slovenia; Andorra; Virgin Islands, USA; Washington, USA; Cyprus; Kazakhstan; Lebanon; Liberia; Norway; Wyoming, USA; Guyana; Hungary; Malaysia; Malawi; Türkiye; Iceland; Bangladesh; The Gambia; Slovakia; Cayman Islands; and Jordan

## Section Four: Trends in Global Insurer Failures

There are three significant trends evident in this Catalogue of failed insurers.

### 1. Insurers fail in clusters

Once an insurer fails in a given jurisdiction, it is common for other failures to quickly follow. More than half (65.7 percent) of all insurer failures around the world occur as part of “clusters” – which we define as three or more failures within three years.<sup>7</sup> Some 67.5 percent of all P&C failures occurred in a cluster, and 64.2 percent of all Life failures occurred in a cluster.

We have identified clusters of failures occurring 93 times in 45 jurisdictions since 2000. This international pattern matches Canada’s own experience with insurance company failures. Historically, some 35 P&C and Life insurance companies failed in Canada in three distinct clusters between 1981 and 2003 (although the Canadian time periods for its clusters were of slightly longer duration).

A possible explanation for the clustering of failures is that difficult market conditions (e.g., changes in the judicial climate, or unexpected movements in interest rates) impact all companies competing in the market. These impacts are, of course, successfully managed by almost all insurers. However, insurers with weaker balance sheets often cannot handle these difficulties and consequently become insolvent. Those with weaker balance sheets fail separately, but often not alone.

Using this definition, the following separate jurisdictions reported a cluster of insurer failures (some more than once) in the GFI Catalogue:

**Table 9 – Jurisdictions that reported a cluster of insurer failures**

Jurisdiction	Start of Cluster	End of Cluster	#of Failures in the Cluster	#of Failures by Type			
				P&C	Life	Composite	Reinsurers
Angola	2023	2024	3	2	0	1	0
Argentina	2000	2004	27	22	5	0	0
	2005	2009	5	4	1	0	0
	2013	2017	7	3	3	1	0

<sup>7</sup> A Cluster is defined to be three or more failures within a two-year period. The maximum length for a cluster is five years, if there is at least one failure every year; if there are any gaps between failures, the cluster stops. For example, within a five-year period with a single failure in Year 1, no failures in Year 2, two failures in Year 3, no failures in Year 4, and four failures in Year 5, the paper does not deem this a cluster. If the number of failures is 1-1-2-0-1, we identify a cluster of four for the first three-year period; if the failures are 2-1-0-1-3, then we identify two clusters: one for Year 1 and Year 2, and one for Year 4 and Year 5.

**Table 9 – Jurisdictions that reported a cluster of insurer failures  
(continued)**

<b>Jurisdiction</b>	<b>Start of Cluster</b>	<b>End of Cluster</b>	<b>#of Failures in the Cluster</b>	<b>P&amp;C</b>	<b>Life</b>	<b>Composite</b>	<b>Reinsurers</b>
Argentina (continued)	2023	2024	5	5	0	0	0
Azerbaijan	2014	2016	6	6	0	0	0
Brazil	2000	2002	11	1	10	0	0
	2004	2008	9	2	7	0	0
	2009	2013	10	2	7	1	0
	2014	2016	6	1	3	2	0
Canada	2000	2003	6	6	0	0	0
China (Mainland)	2019	2020	6	3	3	0	0
Chinese Taipei	2014	2016	3	0	3	0	0
Ghana	2017	2018	4	0	4	0	0
Gibraltar	2018	2021	6	6	0	0	0
Ireland	2020	2021	3	2	1	0	0
Italy	2008	2011	4	2	2	0	0
Japan	2000	2001	6	1	5	0	0
Korea	2001	2004	5	1	4	0	0
Mexico	2000	2003	12	8	4	0	0
	2004	2006	3	2	1	0	0
	2014	2017	15	7	7	0	1
Netherlands	2006	2008	4	1	1	2	0
Nigeria	2000	2001	6	6	0	0	0
	2004	2004	14	9	4	1	0
	2008	2008	7	5	1	1	0
	2020	2022	4	1	2	1	0
Philippines	2000	2004	11	11	0	0	0
	2005	2007	3	3	0	0	0
	2011	2012	3	3	0	0	0
	2014	2018	9	7	2	0	0

**Table 9 – Jurisdictions that reported a cluster of insurer failures  
(continued)**

<b>Jurisdiction</b>	<b>Start of Cluster</b>	<b>End of Cluster</b>	<b>#of Failures in the Cluster</b>	<b>P&amp;C</b>	<b>Life</b>	<b>Composite</b>	<b>Reinsurers</b>
Philippines (continued)	2022	2024	3	1	2	0	0
Romania	2015	2017	3	2	0	1	0
	2020	2023	3	2	1	0	0
Russia	2013	2017	6	3	2	0	1
Spain	2000	2002	9	3	6	0	0
	2004	2007	5	0	5	0	0
	2009	2010	5	1	4	0	0
	2012	2014	5	2	3	0	0
Thailand	2013	2018	6	6	0	0	0
	2021	2024	5	5	0	0	0
United Kingdom	2000	2001	11	11	0	0	0
Zimbabwe	2010	2010	8	4	2	0	2
	2012	2016	13	10	1	0	2
Arkansas, USA	2009	2010	4	1	3	0	0
California, USA	2000	2003	16	16	0	0	0
Delaware, USA	2013	2014	4	4	0	0	0
District of Columbia, USA	2000	2002	3	1	2	0	0
	2012	2013	3	3	0	0	0
Florida, USA	2000	2004	12	9	3	0	0
	2005	2009	14	10	4	0	0
	2010	2014	19	14	5	0	0
	2017	2021	7	7	0	0	0
	2022	2023	6	6	0	0	0
Georgia, USA	2008	2011	5	4	1	0	0
Hawaii, USA	2004	2006	3	3	0	0	0

**Table 9 – Jurisdictions that reported a cluster of insurer failures  
(continued)**

<b>Jurisdiction</b>	<b>Start of Cluster</b>	<b>End of Cluster</b>	<b>#of Failures in the Cluster</b>	<b>P&amp;C</b>	<b>Life</b>	<b>Composite</b>	<b>Reinsurers</b>
Illinois, USA	2000	2004	16	13	3	0	0
	2011	2011	3	3	0	0	0
	2013	2017	8	6	2	0	0
	2020	2020	3	3	0	0	0
Louisiana, USA	2000	2004	9	3	6	0	0
	2022	2022	5	5	0	0	0
Mississippi, USA	2000	2001	3	1	2	0	0
Missouri, USA	2002	2004	4	2	2	0	0
	2006	2008	3	2	1	0	0
	2015	2017	3	2	1	0	0
Nevada, USA	2012	2014	6	5	1	0	0
New Jersey, USA	2007	2009	7	7	0	0	0
New York, USA	2000	2002	7	4	3	0	0
	2005	2009	8	3	5	0	0
	2010	2014	15	13	2	0	0
	2015	2019	10	3	7	0	0
	2020	2023	9	5	4	0	0
North Carolina, USA	2004	2005	4	1	3	0	0
	2022	2023	5	0	5	0	0
Ohio, USA	2000	2002	8	5	3	0	0
Oklahoma, USA	2002	2006	7	4	3	0	0
	2009	2010	3	3	0	0	0
	2013	2014	3	3	0	0	0
Pennsylvania, USA	2000	2004	9	7	2	0	0
	2014	2018	7	5	2	0	0



**Table 9 – Jurisdictions that reported a cluster of insurer failures (continued)**

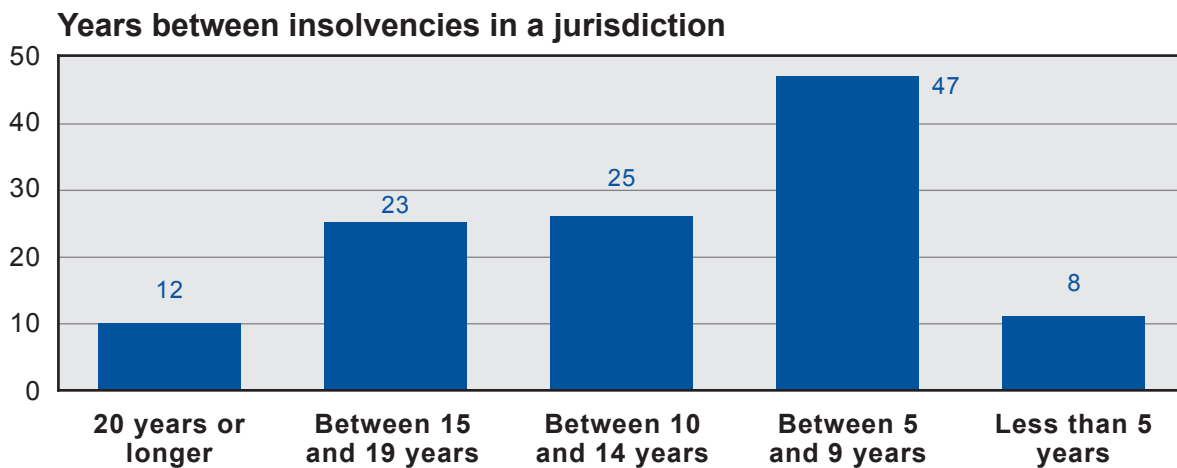
<b>Jurisdiction</b>	<b>Start of Cluster</b>	<b>End of Cluster</b>	<b>#of Failures in the Cluster</b>	<b>P&amp;C</b>	<b>Life</b>	<b>Composite</b>	<b>Reinsurers</b>
Puerto Rico, USA	2007	2009	7	3	4	0	0
	2011	2012	3	1	2	0	0
	2018	2019	4	3	1	0	0
South Carolina, USA	2005	2006	4	3	1	0	0
	2009	2009	3	2	1	0	0
Tennessee, USA	2003	2004	4	3	1	0	0
Texas, USA	2000	2000	3	1	2	0	0
	2002	2003	11	6	5	0	0
	2005	2006	11	7	4	0	0
	2008	2010	5	1	4	0	0
	2013	2015	6	5	1	0	0
	2018	2021	7	6	1	0	0
<b>Total all Clusters</b>			<b>634</b>	<b>409</b>	<b>208</b>	<b>11</b>	<b>6</b>
Share of total failures that are part of a cluster			65.7%	67.5%	64.2%	50.0%	46.2%

## **2. Long periods of calm between failures are normal for most jurisdictions**

Of the 119 jurisdictions with reported failures in the GFI Catalogue, 108 reported a period of five consecutive years of zero failures. A total of 12 jurisdictions reported a 20-year gap between insolvencies. The Catalogue allows us to see that several jurisdictions had long periods between insurer failures. Even within the United States, individual State-level jurisdictions experienced long periods of calm between failures.

International experience shows that insurance failures are still occurring – everywhere – and those jurisdictions enjoying a period of calm would be well served to use that time to prepare for their next cluster of failures.

**Figure 7 – Most jurisdictions have long periods with zero insurer failures**



This is consistent with the Canadian experience. It has been 11 years since the last Life insurer failed in Canada and 22 years since the last P&C insurer failed in Canada.

Source: PACICC

**Table 10 – Jurisdictions with the longest periods of calm**

Jurisdiction	Start of gap	End of gap*	Years (gap length)
1. Tanzania	2000	2024	24
2. Rhode Island, USA	2000	2024	24
3. Poland	2000	2024	24
4. Jordan	2000	2024	24
5. Curaçao	2000	2023	23
6. Oregon, USA	2003	2024	21
7. New Mexico, USA	2000	2021	21
8. Angola	2000	2021	21
9. Tennessee, USA	2004	2024	20
10. Slovenia	2000	2020	20
11. China (Hong Kong)	2000	2020	20
12. Bolivia	2000	2020	20
13. Washington, USA	2005	2024	19

\* Gap continues if 2024

**Table 10 – Jurisdictions with the longest periods of calm (continued)**

<b>Jurisdiction</b>	<b>Start of gap</b>	<b>End of gap*</b>	<b>Years (gap length)</b>
<b>14. Virgin Islands, USA</b>	2005	2024	19
<b>15. Nebraska, USA</b>	2005	2024	19
<b>16. Kansas, USA</b>	2000	2019	19
<b>17. Andorra</b>	2000	2019	19
<b>18. Zambia</b>	2000	2018	18
<b>19. Norway</b>	2000	2017	17
<b>20. Liberia</b>	2000	2017	17
<b>21. Lebanon</b>	2000	2017	17
<b>22. Kazakhstan</b>	2000	2017	17
<b>23. Ecuador</b>	2000	2017	17
<b>24. Cyprus</b>	2000	2017	17
<b>25. Wyoming, USA</b>	2000	2016	16
<b>26. New Hampshire, USA</b>	2008	2024	16
<b>27. Liechtenstein</b>	2000	2016	16
<b>28. Kentucky, USA</b>	2000	2016	16
<b>29. Japan</b>	2008	2024	16
<b>30. Denmark</b>	2002	2018	16
<b>31. Panama</b>	2000	2015	15
<b>32. Malaysia</b>	2009	2024	15
<b>33. Idaho, USA</b>	2009	2024	15
<b>34. Hungary</b>	2000	2015	15
<b>35. Guyana</b>	2009	2024	15
<b>36. Australia</b>	2009	2024	15
<b>37. Massachusetts, USA</b>	2010	2024	14
<b>38. Malta</b>	2000	2014	14

\* Gap continues if 2024

**Table 10 – Jurisdictions with the longest periods of calm (continued)**

<b>Jurisdiction</b>	<b>Start of gap</b>	<b>End of gap*</b>	<b>Years (gap length)</b>
<b>39. Malawi</b>	2000	2014	14
<b>40. Connecticut, USA</b>	2002	2016	14
<b>41. Arkansas, USA</b>	2010	2024	14
<b>42. Alabama, USA</b>	2006	2020	14
<b>43. Switzerland</b>	2000	2013	13
<b>44. Maryland, USA</b>	2000	2013	13
<b>45. South Dakota, USA</b>	2000	2012	12
<b>46. Luxembourg</b>	2000	2012	12
<b>47. Latvia</b>	2002	2014	12
<b>48. Iowa, USA</b>	2003	2015	12
<b>49. Canada</b>	2012	2024	12
<b>50. Türkiye</b>	2013	2024	11
<b>51. South Africa</b>	2001	2012	11
<b>52. New Zealand</b>	2000	2011	11
<b>53. Colorado, USA</b>	2005	2016	11
<b>54. China (Mainland)</b>	2008	2019	11
<b>55. Botswana</b>	2013	2024	11
<b>56. Zimbabwe</b>	2000	2010	10
<b>57. Vermont, USA</b>	2000	2010	10
<b>58. Spain</b>	2014	2024	10
<b>59. Netherlands</b>	2008	2018	10
<b>60. Iceland</b>	2014	2024	10
<b>61. Greece</b>	2014	2024	10
<b>62. Delaware, USA</b>	2000	2010	10
<b>63. Uganda</b>	2012	2021	9

\* Gap continues if 2024

**Table 10 – Jurisdictions with the longest periods of calm (continued)**

<b>Jurisdiction</b>	<b>Start of gap</b>	<b>End of gap*</b>	<b>Years (gap length)</b>
<b>64. Slovakia</b>	2015	2024	9
<b>65. Oklahoma, USA</b>	2014	2023	9
<b>66. North Carolina, USA</b>	2005	2014	9
<b>67. Nevada, USA</b>	2001	2010	9
<b>68. Korea</b>	2013	2022	9
<b>69. Kenya</b>	2013	2022	9
<b>70. Gibraltar</b>	2000	2009	9
<b>71. Germany</b>	2015	2024	9
<b>72. The Gambia</b>	2015	2024	9
<b>73. Belgium</b>	2008	2017	9
<b>74. Bangladesh</b>	2015	2024	9
<b>75. Utah, USA</b>	2016	2024	8
<b>76. Ukraine</b>	2012	2020	8
<b>77. Thailand</b>	2005	2013	8
<b>78. Pennsylvania, USA</b>	2004	2012	8
<b>79. Ohio, USA</b>	2016	2024	8
<b>80. Mississippi, USA</b>	2016	2024	8
<b>81. Italy</b>	2015	2023	8
<b>82. Ireland</b>	2010	2018	8
<b>83. Hawaii, USA</b>	2016	2024	8
<b>84. Georgia, USA</b>	2014	2022	8
<b>85. France</b>	2016	2024	8
<b>86. China (Taiwan)</b>	2016	2024	8
<b>87. Cayman Islands</b>	2016	2024	8
<b>88. Brazil</b>	2016	2024	8

\* Gap continues if 2024

**Table 10 – Jurisdictions with the longest periods of calm (continued)**

<b>Jurisdiction</b>	<b>Start of gap</b>	<b>End of gap*</b>	<b>Years (gap length)</b>
<b>89. Arizona, USA</b>	2016	2024	8
<b>90. United Kingdom</b>	2013	2020	7
<b>91. South Carolina, USA</b>	2017	2024	7
<b>92. Nigeria</b>	2013	2020	7
<b>93. New Jersey, USA</b>	2017	2024	7
<b>94. Montana, USA</b>	2002	2009	7
<b>95. Minnesota, USA</b>	2004	2011	7
<b>96. Cameroon</b>	2017	2024	7
<b>97. Bermuda</b>	2017	2024	7
<b>98. Missouri, USA</b>	2017	2023	6
<b>99. Michigan, USA</b>	2007	2013	6
<b>100. Louisiana, USA</b>	2016	2022	6
<b>101. Indonesia</b>	2012	2018	6
<b>102. Indiana, USA</b>	2012	2018	6
<b>103. Ghana</b>	2018	2024	6
<b>104. Azerbaijan</b>	2008	2014	6
<b>105. Wisconsin, USA</b>	2013	2018	5
<b>106. Virginia, USA</b>	2009	2014	5
<b>107. Russia</b>	2019	2024	5
<b>108. Puerto Rico, USA</b>	2019	2024	5
<b>109. District of Columbia, USA</b>	2019	2024	5
<b>110. California, USA</b>	2006	2011	5
<b>111. Romania</b>	2011	2015	4
<b>112. Philippines</b>	2018	2022	4
<b>113. Mexico</b>	2010	2014	4

\* Gap continues if 2024

**Table 10 – Jurisdictions with the longest periods of calm (continued)**

<b>Jurisdiction</b>	<b>Start of gap</b>	<b>End of gap*</b>	<b>Years (gap length)</b>
<b>114. India</b>	2019	2023	4
<b>115. Illinois, USA</b>	2020	2024	4
<b>116. Argentina</b>	2019	2023	4
<b>117. Texas, USA</b>	2010	2013	3
<b>118. New York, USA</b>	2002	2005	3
<b>119. Florida, USA</b>	2014	2017	3

\* Gap continues if 2024

There are 26 jurisdictions in our Catalogue that have not reported an insurer failure in more than a decade. Policyholders in these jurisdictions are unlikely to remember the last insurance failure. Long periods between failures are obviously beneficial for policyholders and for the system overall. However, a long period of calm can create other risks. Because it has been more than a decade since a Canadian insurer failed and was ordered into liquidation, there are many insurance regulators, bankruptcy professionals and legal experts who have never had to manage the complexities of liquidating an insurer. The institutional knowledge and expertise of these professionals needs to be passed on to the next generation so that the “system” can continue to protect policyholders when the next failures (inevitably) occur.

**Table 11 – Jurisdictions where it has been more than a decade since the last insurer failed**

<b>Jurisdiction</b>	<b>Years since last failure</b>
<b>1. Poland</b>	24
<b>2. Tanzania</b>	24
<b>3. Rhode Island, USA</b>	24
<b>4. Oregon, USA</b>	21
<b>5. Tennessee, USA</b>	20
<b>6. Nebraska, USA</b>	19
<b>7. Virgin Islands, USA</b>	19

**Table 11 – Jurisdictions where it has been more than a decade since the last insurer failed (continued)**

<b>Jurisdiction</b>	<b>Years since last failure</b>
<b>8. Washington, USA</b>	19
<b>9. Japan</b>	16
<b>10. New Hampshire, USA</b>	16
<b>11. Australia</b>	15
<b>12. Idaho, USA</b>	15
<b>13. Guyana</b>	15
<b>14. Malaysia</b>	15
<b>15. Massachusetts, USA</b>	14
<b>16. Arkansas, USA</b>	14
<b>17. Minnesota, USA</b>	13
<b>18. Canada</b>	11
<b>19. Botswana</b>	11
<b>20. Türkiye</b>	11
<b>21. Spain</b>	10
<b>22. Virginia, USA</b>	10
<b>23. Latvia</b>	10
<b>24. Greece</b>	10
<b>25. Malawi</b>	10
<b>26. Iceland</b>	10



### 3. Evidence of a protection gap in global policyholder protection

When insurers fail, policyholders with outstanding claims are at significant risk of loss. Some jurisdictions have created mechanisms (PPS/IGS) to protect such claimants and others have not.<sup>8</sup> A PPS is often established as a “last resort” mechanism to provide protections to policyholders in the event of an insurer’s failure. Effective supervision and recovery and resolution frameworks can reduce the probability and impact of an insurer failure and promote policyholder protection, but they cannot eliminate the possibility of an insurer failure.<sup>9</sup>

When an insurer is failing and has inadequate capacity to fulfil its obligations to its policyholders, a PPS can provide protection for the policyholders by ensuring that premiums paid for insurance coverage are refunded and/or by ensuring that claims are settled and benefits are paid during the liquidation process.

**Table 12 – Jurisdictions with a PPS/IGS**

PPS	Name of Institution	Industry	Date Established
<b>Members of the International Forum of Insurance Guarantee Schemes (IFIGS)</b>			
<b>Australia</b>	Australian Prudential Regulation Authority	Non-Life	2008
<b>Canada</b>	Assuris	Life	1990
<b>Canada</b>	Property and Casualty Insurance Compensation Corporation	Non-Life	1989
<b>Denmark</b>	The Danish Guarantee Fund for Non-life Insurers	Life & Non-Life	2003
<b>Ecuador</b>	Deposit Insurance, Liquidity Fund and Private Insurance Fund Corporation	Life & Non-Life	2008
<b>France</b>	Fonds de Garantie des Assurances de Personnes	Life	1999
<b>France</b>	Fonds de Garantie des Assurances Obligatoires	Non-Life	1951
<b>Germany</b>	Protector Lebensversicherungs AG	Life	2002
<b>Germany</b>	Medicator AG	Non-Life	2009
<b>Greece</b>	Private Life Insurance Guarantee Fund	Life	2010

<sup>8</sup> The International Association of Insurance Supervisors (IAIS) refers to such mechanisms as Policyholder Protection Schemes (PPS) or Insurance Guarantee Schemes (IGS). The terms can be used interchangeably.

<sup>9</sup> <https://www.iais.org/uploads/2023/12/Issues-Paper-on-roles-and-functioning-of-policyholder-protection-schemes-PPSs.pdf>

**Table 12 – Jurisdictions with a PPS/IGS (continued)**

<b>PPS</b>	<b>Name of Institution</b>	<b>Industry</b>	<b>Date Established</b>
<b>Ireland</b>	Central Bank of Ireland	Non-Life	1964
<b>Isle of Man</b>	Life Assurance (Compensation of Policyholders) Regulations/Financial Services Authority	Life	1991
<b>Kazakhstan</b>	Insurance Payments Guarantee Fund	Life & Non-Life	1999
<b>Kenya</b>	Policyholders Compensation Fund	Life & Non-Life	2004
<b>Korea</b>	Korea Deposit Insurance Corporation	Life & Non-Life	1996
<b>Malaysia</b>	Malaysia Deposit Insurance Corporation	Life & Non-Life	2005
<b>Norway</b>	The Norwegian Non-life Insurance Guarantee Scheme	Non-Life	1989
<b>Poland</b>	Insurance Guarantee Fund	Non-Life	2003
<b>Romania</b>	Fondul de Garantare a Asiguratilor	Life & Non-Life	1995
<b>Singapore</b>	Singapore Deposit Insurance Corporation Limited	Life & Non-Life	2006
<b>Spain</b>	Consorcio de Compensación de Seguros	Life & Non-Life	1984
<b>Taiwan</b>	Taiwan Insurance Guaranty Fund	Life & Non-Life	2009
<b>Thailand (Life)</b>	Life Insurance Fund	Life	1992
<b>Thailand (Non-Life)</b>	General Insurance Fund	Non-Life	1992
<b>Türkiye</b>	Güvence Hesabı	Non-Life	1983
<b>Uzbekistan</b>	Insurance Guarantee Fund		
<b>United Kingdom</b>	Financial Services Compensation Scheme	Life & Non-Life	2001
<b>United States (Life)</b>	National Organization of Life & Health Insurance Guaranty Associations (each State has its own Fund)	Life	1989
<b>United States (Non-Life)</b>	National Conference of Insurance Guaranty Funds (each State has its own Fund)	Non-Life	1989

**Table 12 – Jurisdictions with a PPS/IGS (continued)**

<b>PPS</b>	<b>Name of Institution</b>	<b>Industry</b>	<b>Date Established</b>
<b>United States (Non-Life)</b>	National Conference of Insurance Guaranty Funds (each State has its own Fund)	Non-Life	1989
<b>Associate IFIGS Members</b>			
<b>Indonesia</b>	Indonesia Deposit Insurance Corporation	Life & Non-Life	2027 (pending)
<b>Ukraine</b>	Ukraine Deposit Guarantee Fund	Life	Legislation pending
<b>Russia</b>	Deposit Insurance Agency	Life	2000
<b>Other Non-IFIGS Member PPS</b>			
<b>China</b>	China Insurance Security Fund Co	Life & Non-Life	2008
<b>Japan</b>	Non-Life Insurance Policyholders Protection Corporation of Japan	Non-Life	1998

Overall, 638 of the 965 insurer failures in the Catalogue occurred in a jurisdiction with a PPS for the type of the insurer that failed (i.e. the PPS covered P&C insurance, and a P&C insurer failed). It is very good news that policyholders benefitted from the protection provided by a PPS in 69.4 percent of all failures since 2000.

However, our study reveals that there is evidence of large gaps in policyholder protection across continents. Policyholders involved in 98.1 percent of failures in North America benefited from the additional layer of protection provided by a PPS. In contrast, policyholders were protected by a PPS in only 59.7 percent of European failures, and in just 7.3 percent of failures in Africa.

**Table 13 – Percentage of failures protected by a PPS, by continent**

<b>Total</b>	<b>Number of failures in jurisdictions with a PPS</b>	<b>Percent of total failures on continent</b>
Africa	7	7.3%
Asia	35	41.7%
Europe	83	59.7%
Oceania	1	25.0%

**Table 13 – Percentage of failures protected by a PPS, by continent (continued)**

<b>Total</b>	<b>Number of failures in jurisdictions with a PPS</b>	<b>Percent of total failures on continent</b>
North America	510	91.1%
South America	2	2.3%
<b>P&amp;C Pure</b>		
Africa	5	7.7%
Asia	22	40.7%
Europe	52	61.9%
Oceania	1	33.3%
North America	337	94.4%
South America	1	2.3%
<b>Life Pure</b>		
Africa	1	4.5%
Asia	13	43.3%
Europe	29	65.9%
Oceania	0	NA
North America	173	91.1%
South America	0	NA

Since 2000, the majority of policyholders outside of North America were NOT protected by a PPS when their insurance company failed. This is evidence of a significant protection gap in global policyholder protection.

## Key Takeaways

1. Insurers can still fail despite significant improvements in risk management and solvency regulation. PACICC has identified 965 insurance company failures around the world between 2000 and 2024
2. Insurers failed in 71 different countries and 119 different jurisdictions over this period. Solvency regulation systems are designed to limit, but not eliminate failures
3. We identified 606 P&C insurer failures in 58 different countries between 2000 and 2024. An average of 24.2 P&C insurers failed each year
4. We identified 324 Life insurer failures in 39 different countries between 2000 and 2024. An average of 13.0 Life insurers failed each year
5. It is normal for individual jurisdictions to have long periods with no insurer insolvencies. We have identified 36 jurisdictions that reported insurer insolvencies, but with at least a 10-year gap between them
6. More than half (65.7 percent) of all insurer failures around the world occur as part of “clusters” – defined as three or more failures within three years
7. Since 2000, the majority of policyholders outside of North America were NOT protected by a PPS when their insurance company failed. This is evidence of a significant protection gap in global policyholder protection
8. We recognize that this Catalogue may be imperfect and encourage those with suggestions for improvements (additions, deletions, clarifications) to contact the authors of this study directly. Edits will be fully reflected in the next update edition of this paper, in 2026.

## Appendix I

The full list of insurers can be downloaded at [pacicc.ca](http://pacicc.ca) or by scanning here:



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