

# AI and Digital Innovation are Reshaping Credit Protection Insurance, New CAFII-Deloitte Research Reveals

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More than 70% of insurers cite legacy systems as the biggest hurdle to modernizing digital experiences and AI-driven underwriting

**TORONTO, [April 9, 2025]** – New research from the Canadian Association of Financial Institutions in Insurance (CAFII) and Deloitte reveals that artificial intelligence (AI), advanced analytics, and digital-first experiences are poised to transform the Credit Protection Insurance (CPI) industry in Canada. The study, *Exploring Emerging Technology & Gen AI Trends in CPI*, outlines how insurers are modernizing underwriting, streamlining claims, and meeting rising consumer expectations for digital engagement—while also facing key barriers to adoption.

“This research underscores the need for the insurance industry to modernize and harness new technologies that deliver faster, more accessible, and more tailored protection for Canadian consumers,” said Keith Martin, Executive Director of CAFII. “While AI and automation are improving efficiencies, legacy systems and regulatory complexities remain hurdles. The time is now for strategic investments that put consumer experience and digital accessibility at the forefront.”

## Key Findings: A Snapshot of the Future of CPI in Canada

- **AI-Powered Underwriting is Closing Protection Gaps**  
AI-driven models are reducing approval times, improving risk assessment, and making insurance more inclusive. More than 60% of insurers say AI will have a high impact on underwriting and claims processing over the next 3-5 years.
- **Consumers Demand Digital-First, Self-Service Insurance**  
With more than half of CPI insurers prioritizing investments in digital customer engagement, the industry is shifting toward

mobile-first experiences, real-time policy access, and digital education tools. 33% of insurers cite enhancing customer experience as a top priority for tech investment, showing a shift toward more consumer-friendly insurance solutions.

- **Cloud-Based Technology is Driving Agility and Security**  
Insurers are embracing cloud computing to enhance security compliance, improve operational efficiencies, and integrate AI-driven insights at scale. 70% of insurers identify cloud-based platforms as a key enabler of future-ready CPI services.
- **Regulatory Barriers & Legacy Systems Are Slowing Adoption**  
Despite these advancements, outdated infrastructure and fragmented regulatory policies are delaying modernization efforts across the industry. CPI remains heavily reliant on the broader lending ecosystem, creating complexities in technology adoption. Over 70% of insurers cite legacy technology as the biggest challenge in delivering digital-first solutions.

### **The Path Forward: Building a Future-Ready Insurance Industry**

CAFII's research calls for greater collaboration between insurers, fintechs, and regulators to accelerate innovation, investment in AI, and adoption of cloud-based platforms.

By embracing ecosystem partnerships and modernizing digital engagement, Canada's CPI industry has a unique opportunity to lead in financial protection innovation—ensuring Canadians have more seamless, secure, and customized insurance solutions in an evolving financial landscape.

**To access the full report, visit CAFII website**

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**About CAFII**

The [Canadian Association of Financial Institutions in Insurance](#) is a not-for-profit industry association dedicated to the development of an open and flexible insurance marketplace. CAFII believes that consumers are best served when they have meaningful choice in the purchase of insurance products and services. CAFII's 15 members include the insurance arms of Canada's major financial institutions—BMO Insurance, CIBC Insurance, Desjardins Insurance, National Bank Insurance, RBC Insurance, Scotia Insurance, Canadian Western Bank and TD Insurance, along with major industry players Assurant Canada, The Canada Life Assurance Company, Canadian Tire Bank, Chubb Life Insurance Company of Canada, CUMIS Services Incorporated, Manulife (The Manufacturers Life Insurance Company), and Securian Canada.

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