



Office of the Superintendent  
of Bankruptcy Canada

An Agency of  
Industry Canada

Bureau du surintendant  
des faillites Canada

Un organisme  
d'Industrie Canada

# An Overview of Canadian Insolvency Statistics



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Office of the Superintendent of Bankruptcy

365 Laurier Avenue West, 8<sup>th</sup> Floor

Jean Edmonds Tower South

Ottawa, Ontario, K1A 0C8

Tel.: (613) 941-1000

Fax: (613) 941-9490

E-mail: [osb-bsf@ic.gc.ca](mailto:osb-bsf@ic.gc.ca)

Web site: <http://osb-bsf.gc.ca>

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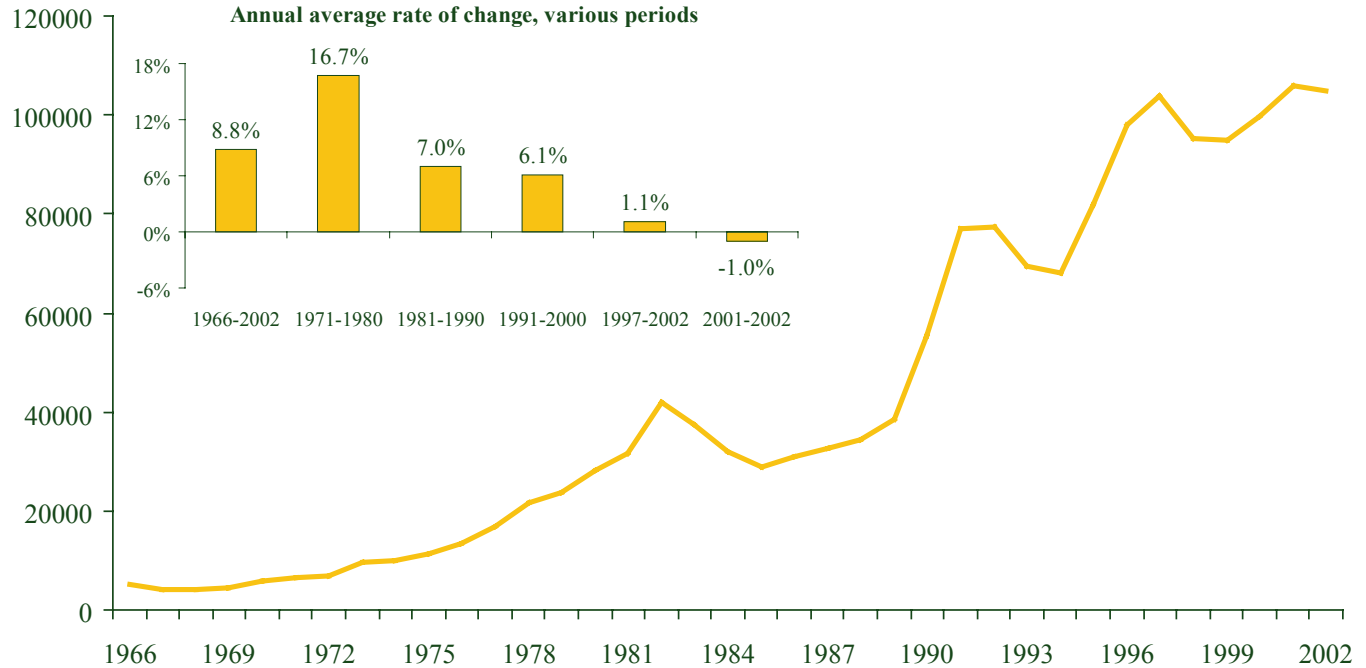
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## Glossary of terms and abbreviations used in this document

- **Bankruptcy:** Legal situation whereby a debtor makes an assignment to his or her creditors or has been put into official receivership
- **BIA:** Bankruptcy and Insolvency Act
- **Business:** Unless otherwise specified, this term covers both individual and incorporated businesses (incorporated businesses are also called “corporations”)
- **Consumer:** debtor with less than 50 % of liabilities related to operating a business
- **Debtor:** Person, business or company that owes a debt to other parties
- **GDP:** Gross domestic product
- **Insolvency:** For simplification purposes, this term is used to cover both bankruptcies and proposals
- **OSB:** Office of the Superintendent of Bankruptcy
- **Proposal:** Proposal from a debtor to his or her creditors
- **Summary administration:** A simplified procedure where the realizable assets of the bankrupt will not exceed ten thousand dollars. By way of contrast, the ordinary administration procedure is used when the realizable assets of the bankrupt will exceed ten thousand dollars.

## Total insolvencies, Canada, 1966–2002

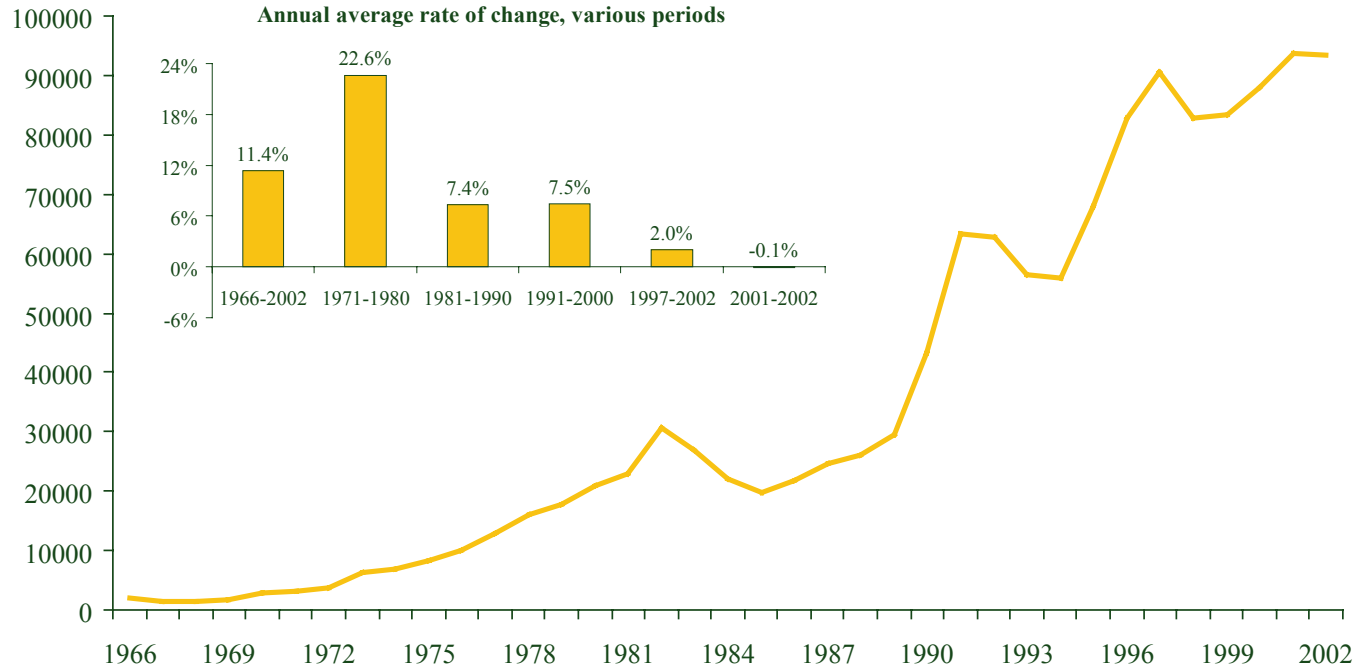


From 1966 to 2002, the number of insolvency cases filed with the OSB increased an average of 8.8% per year. The highest rates of increase occurred during the 1970s. During the decades that followed, this rate of increase slowed down considerably. Since 1997, the average annual rate of increase has been 1.1%. In 2002, the number of insolvency cases filed with the OSB dropped by 1.0%.

## NOTES



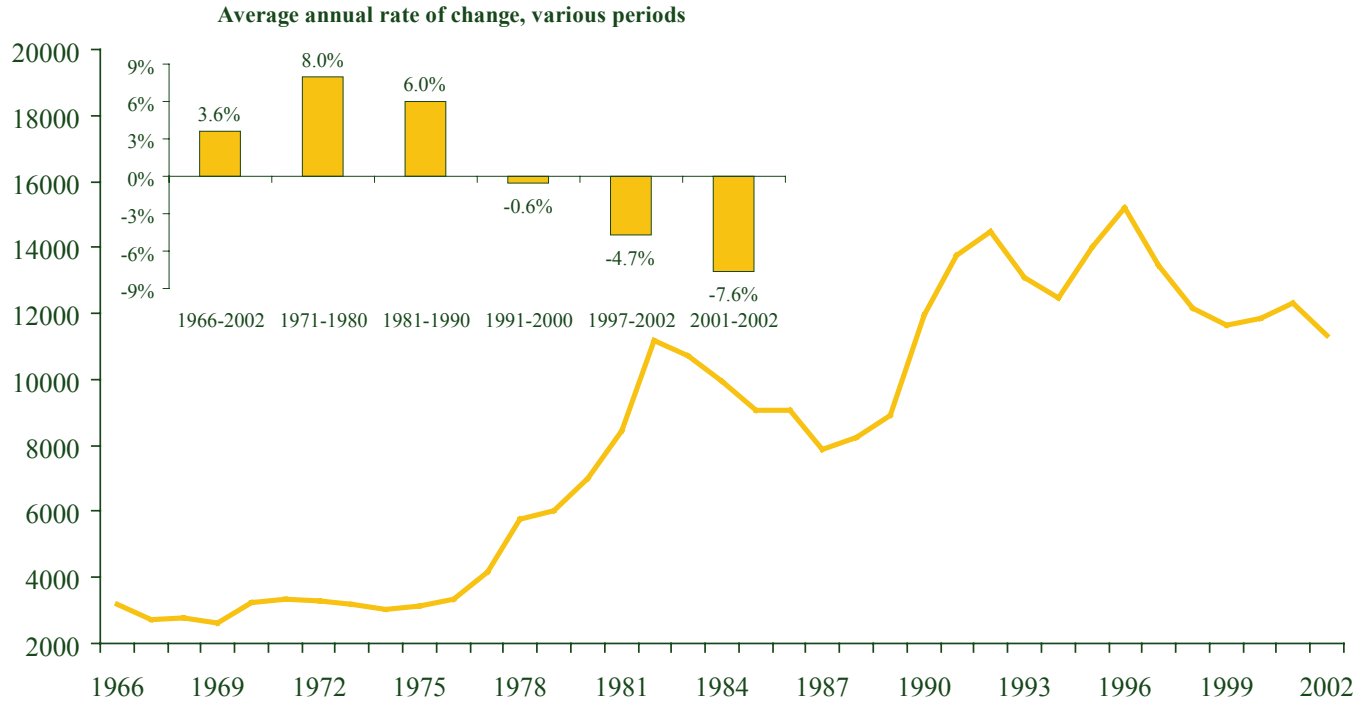
## Consumer insolvencies, Canada, 1966-2002



The average rate of increase in consumer insolvency was the highest during the 1970s. During the 1980s and 1990s, this annual rate of increase averaged around 7.5%. Since 1997, there has been a marked drop in the average rate of increase in consumer insolvency in Canada.

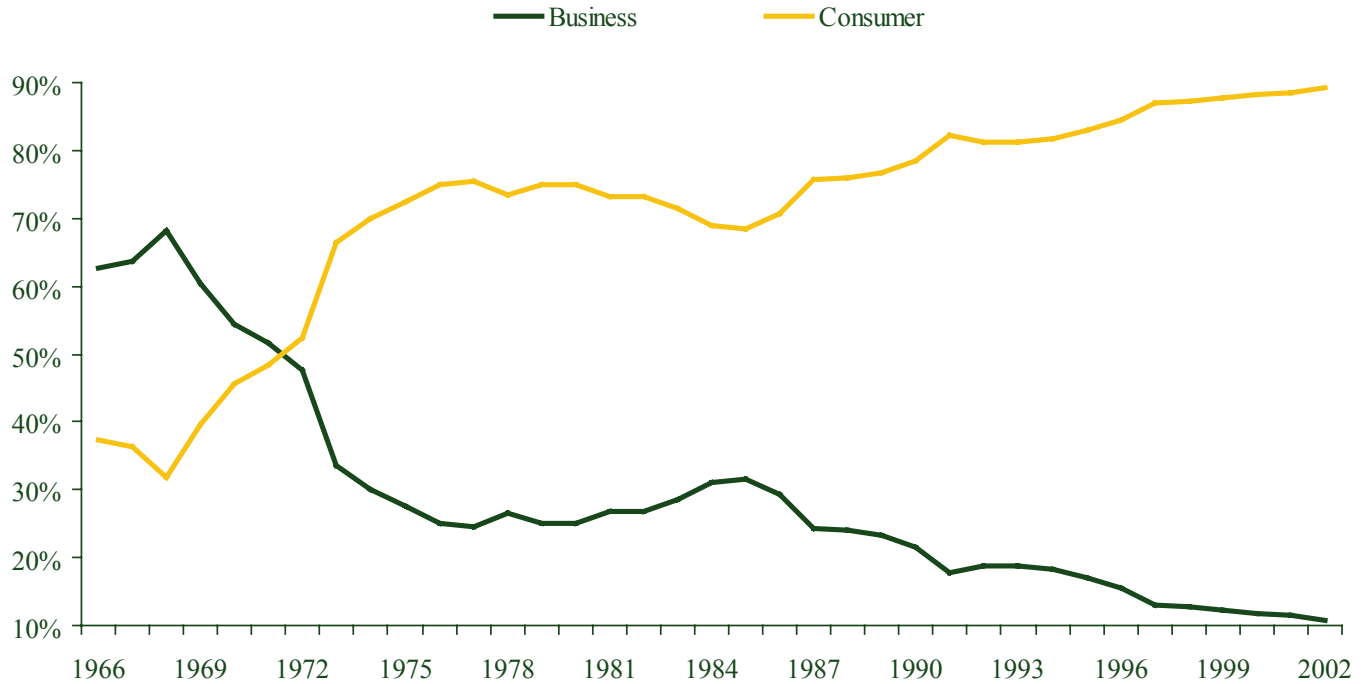
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## Business insolvencies, Canada, 1966-2002





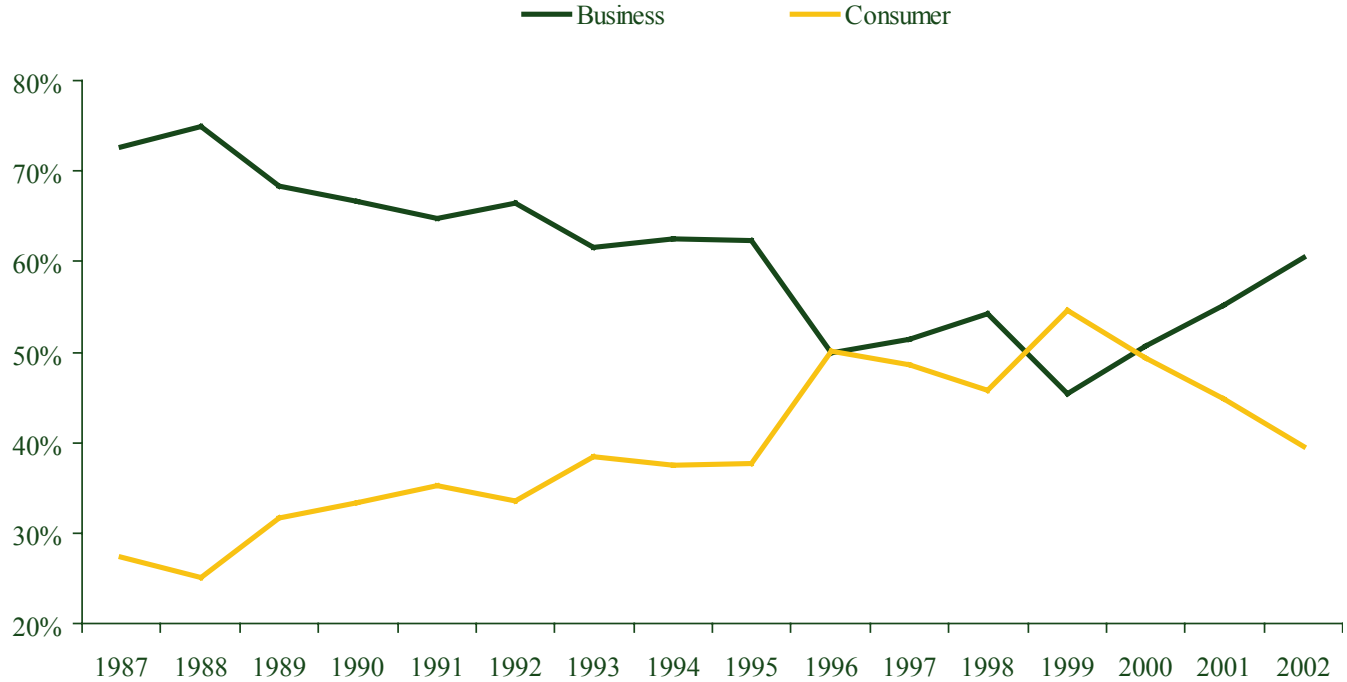
## Relative percentages of consumer and business insolvencies, Canada, 1966-2002



Since the mid-1970s, most of the insolvency cases processed by the OSB have been consumer cases. In 2002, business insolvencies only represented just over 10% of all files the OSB dealt with.

## NOTES

## Percentages of consumer and business liabilities with respect to total liabilities, Canada, 1987-2002

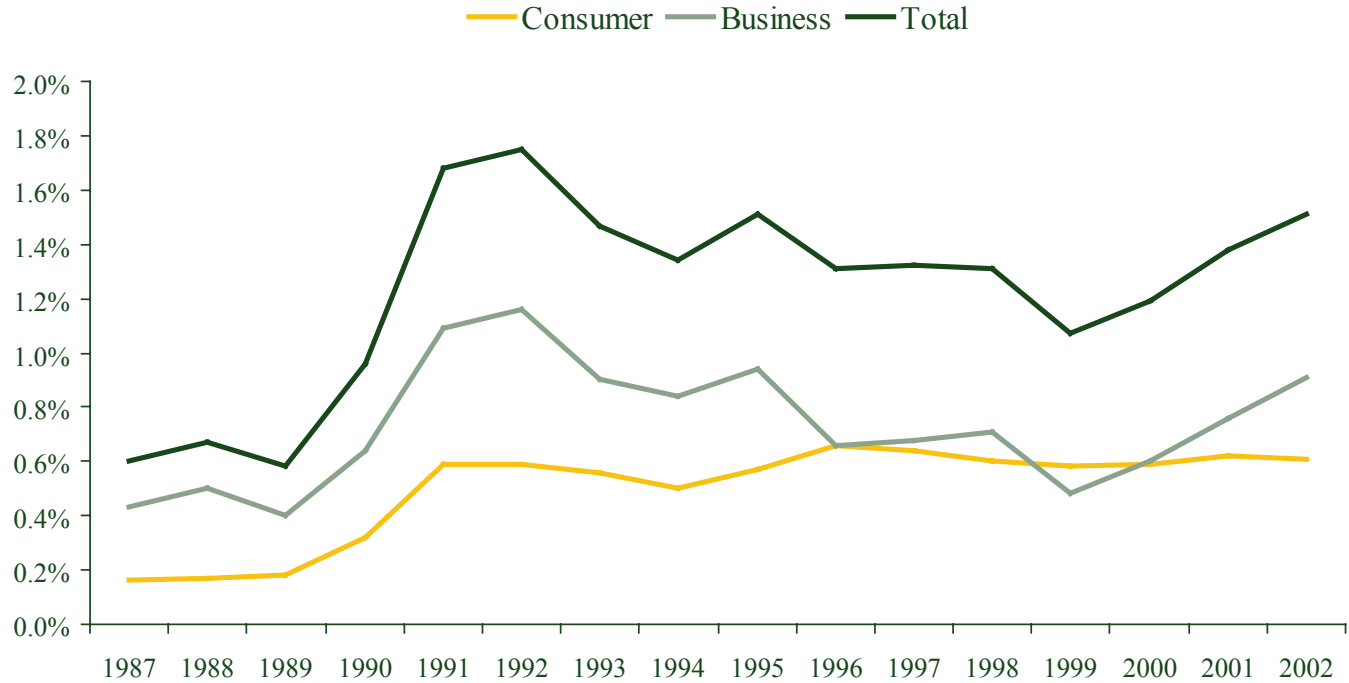


Although business insolvencies between 1987 and 2002 represented an average of 17% of all files processed by the OSB, the liabilities involved represented an average of 60% of all declared liabilities.

## NOTES



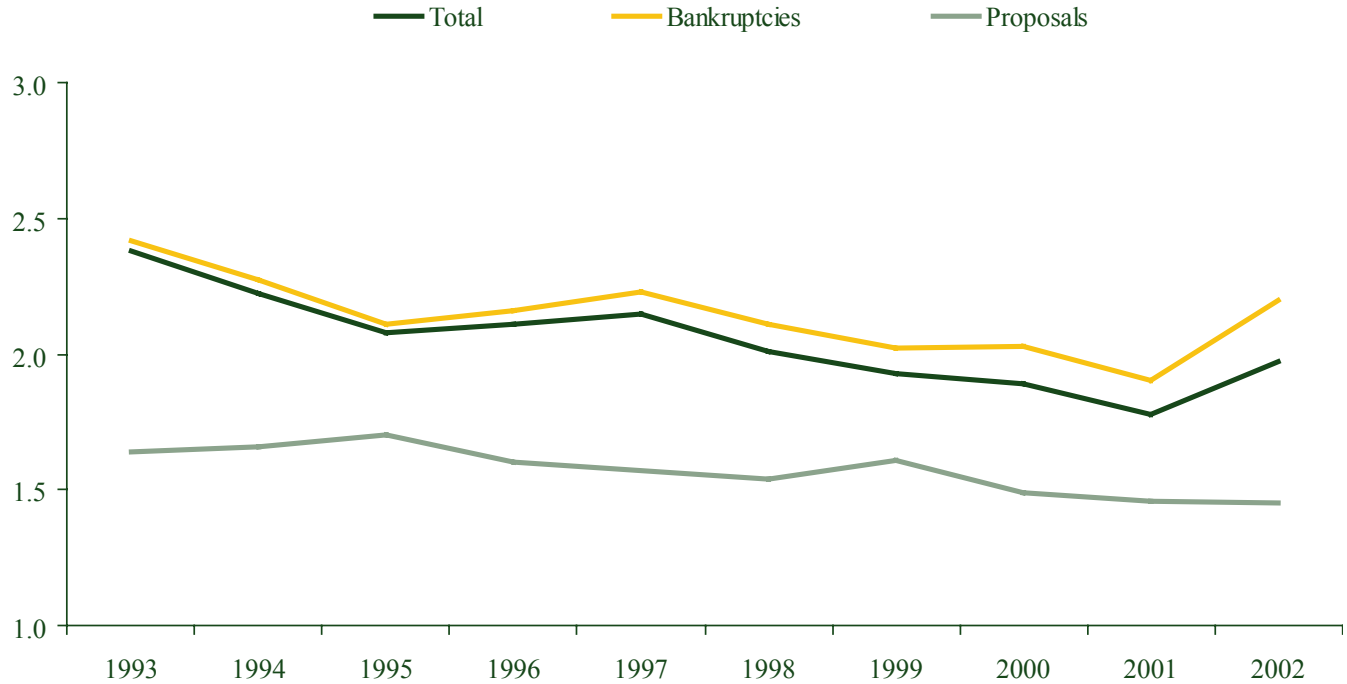
## Liabilities to GDP ratio, Canada, 1987-2002



The percentage of declared liabilities in insolvencies with respect to gross domestic product (GDP) peaked at 1.75% in 1992. Since then, this ratio gradually declined to bottom out in 1999 before climbing again to 1.5% in 2002. The rise over the last four years is almost entirely the result of business liabilities.

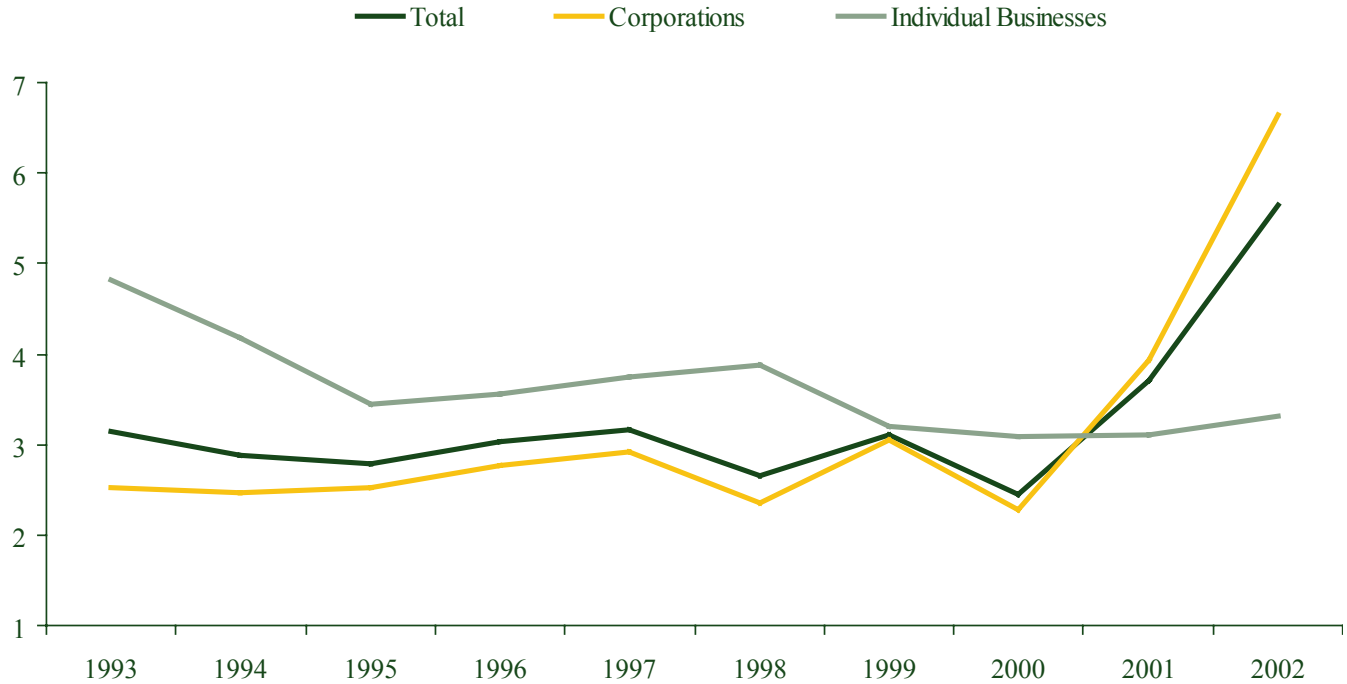
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## Liabilities to assets ratio in consumer insolvencies, Canada, 1993-2002



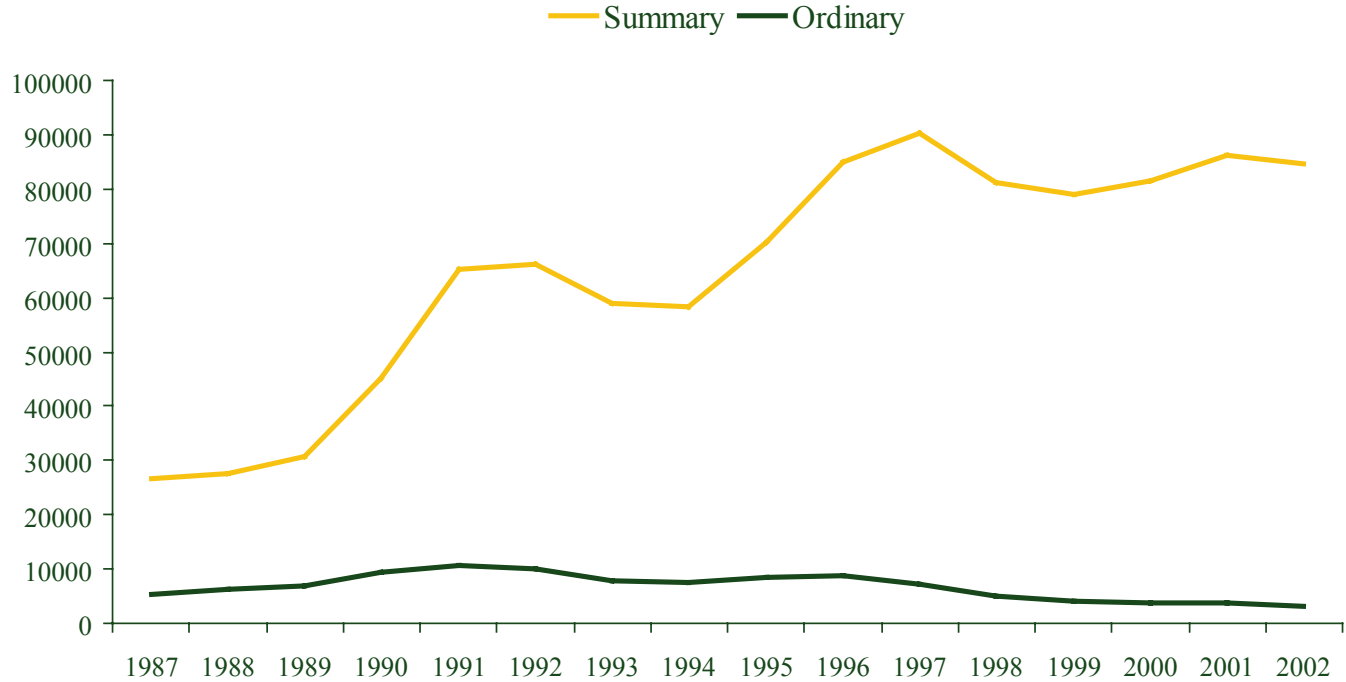


## Liabilities to assets ratio in business insolvencies, Canada, 1993-2002





## Summary and Ordinary Administration Bankruptcies, Canada 1987-2002

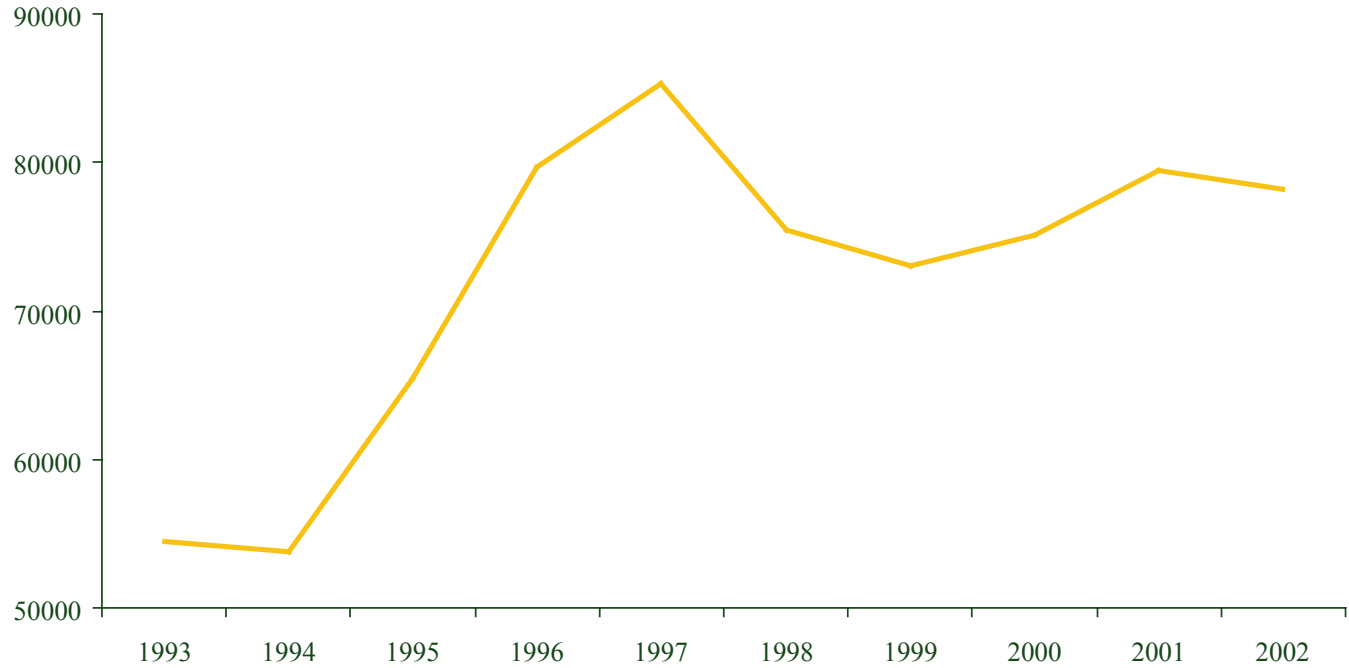


## NOTES

The number of summary administration bankruptcies has been rising since 1987. During the same period, the number of files administered by ordinary procedure has dropped considerably. In 1987, 83.2% of all bankruptcies administered by the OSB were summary administration bankruptcies. In 2002, substantially all (96.4%) of the bankruptcies administered by the OSB were summary administration bankruptcies.

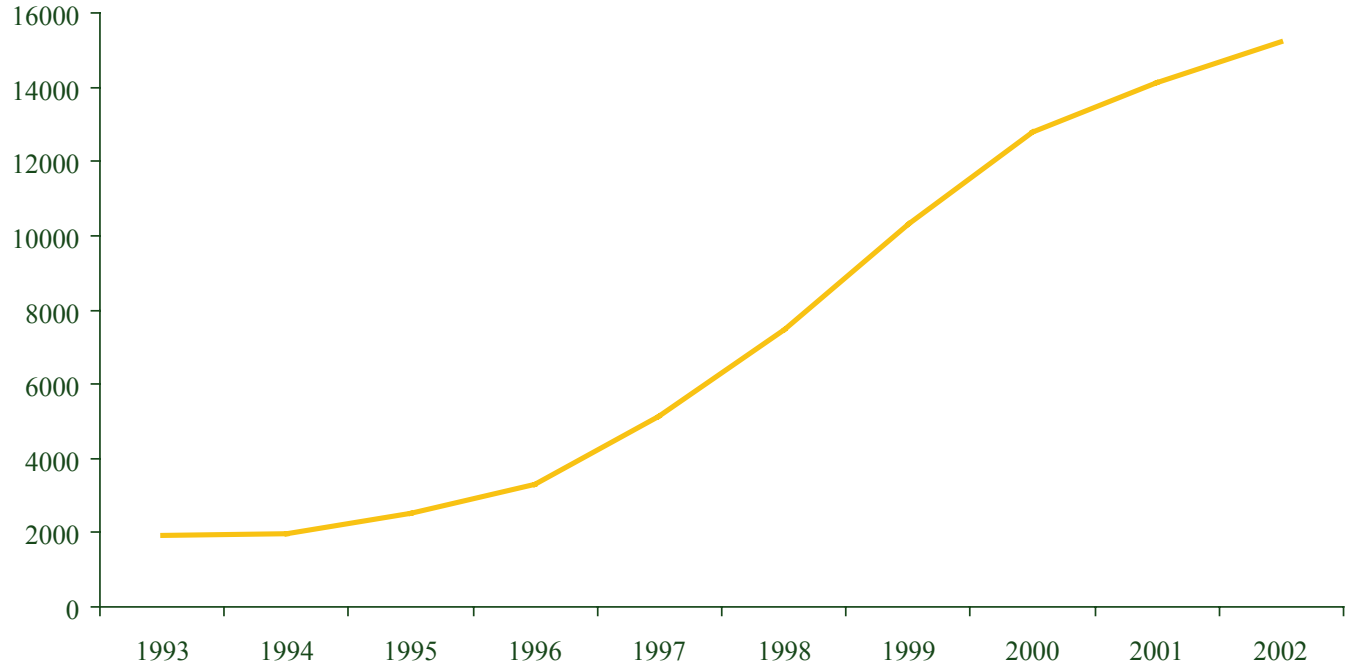


## Consumer bankruptcies, Canada, 1993-2002



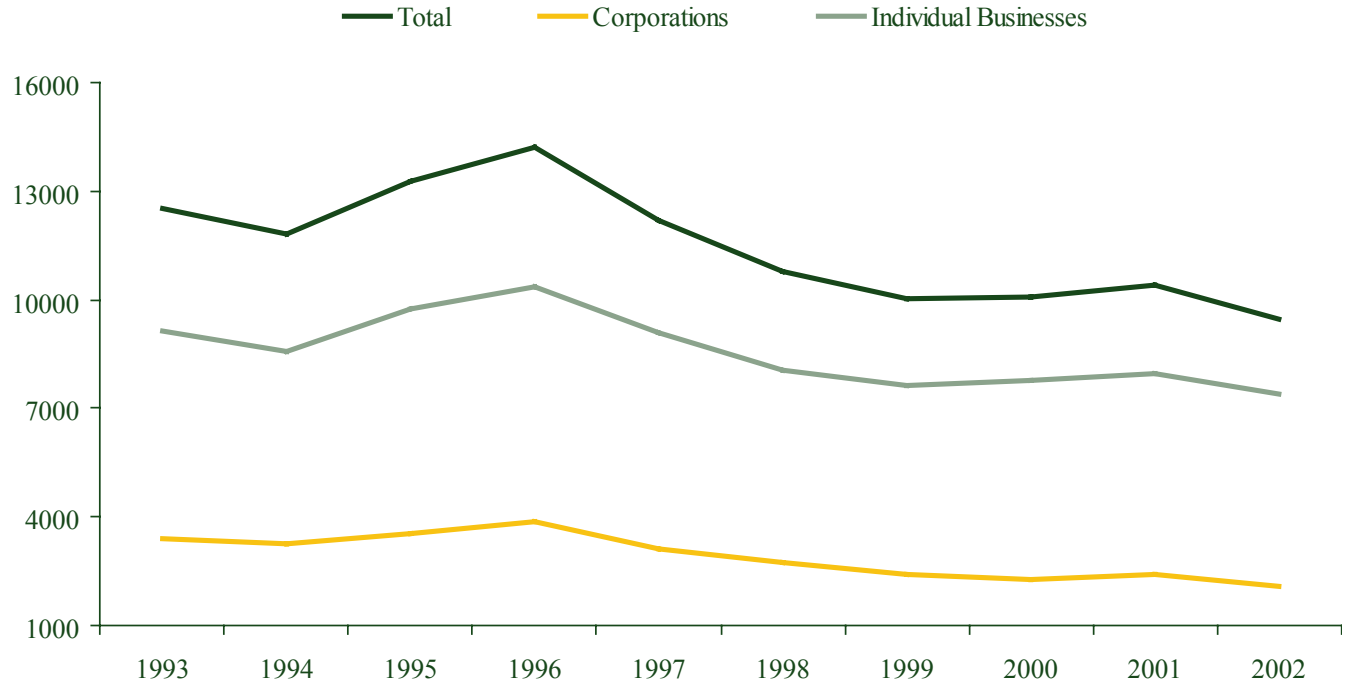


## Consumer proposals, Canada, 1993-2002



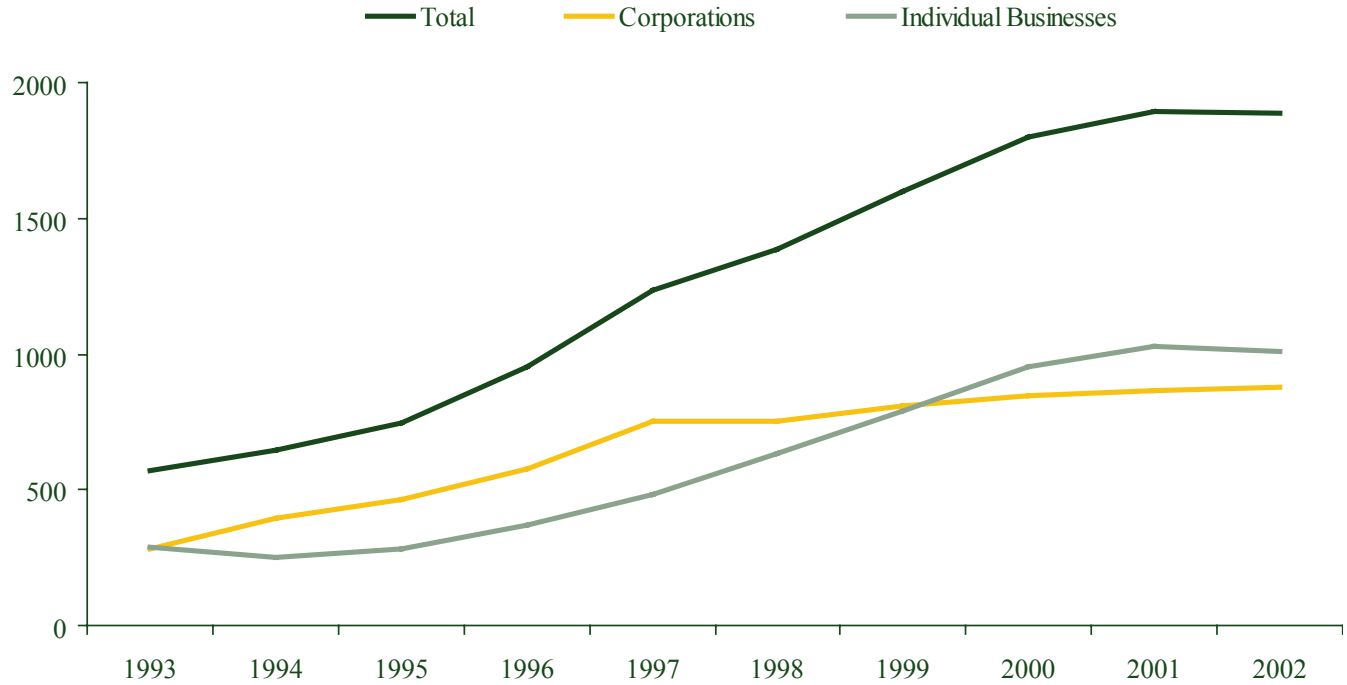


## Business bankruptcies, Canada, 1993-2002





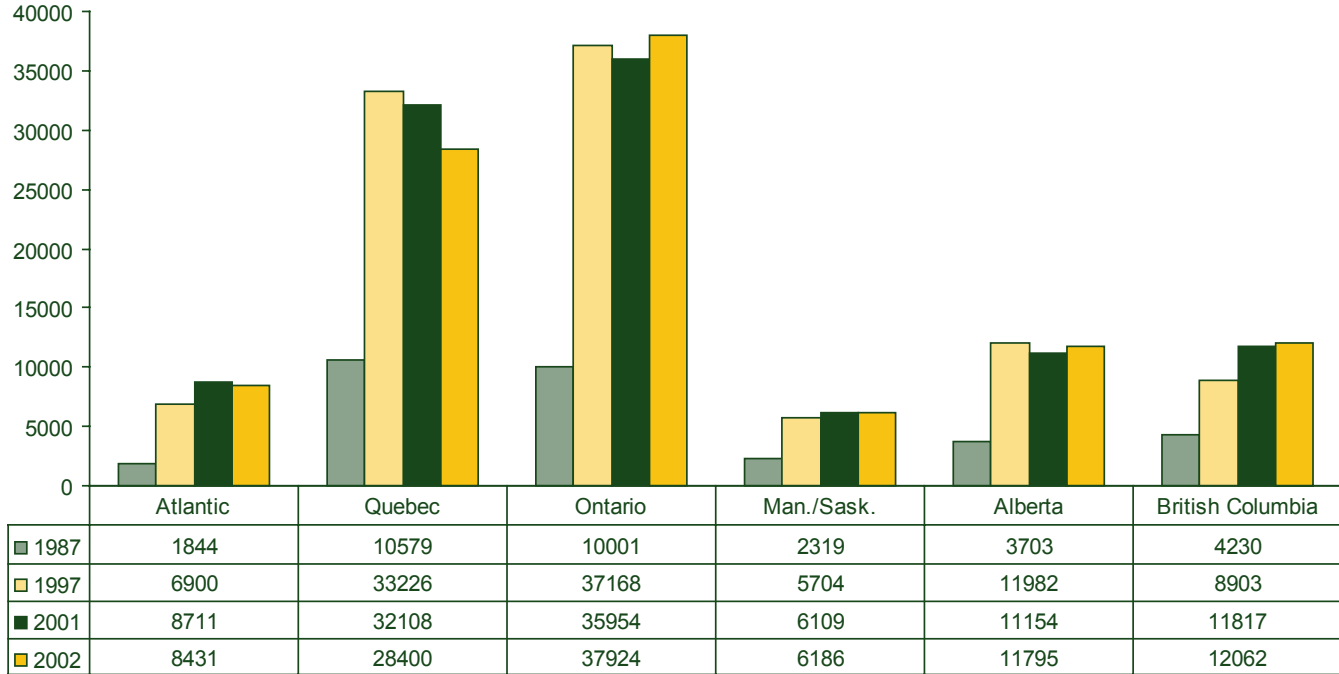
## Business proposals, Canada, 1993-2002





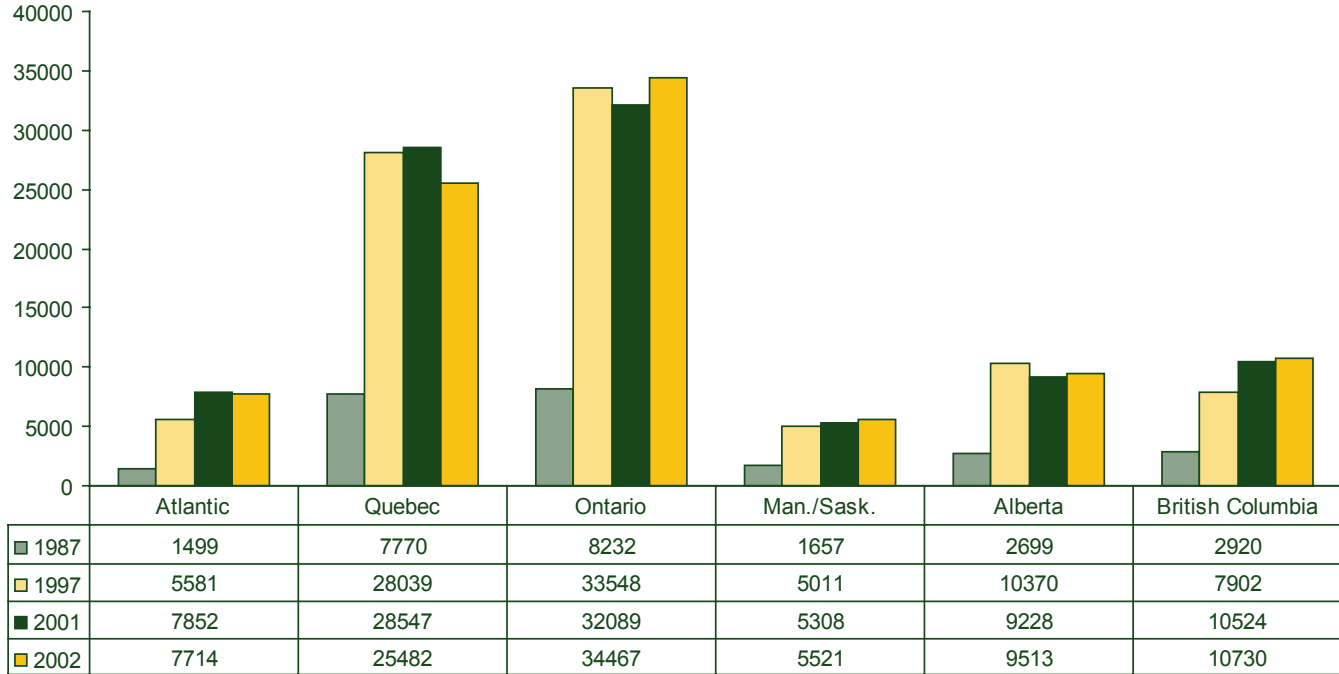


## Total insolvencies by major Canadian region, 1987-2002





## Consumer insolvencies by major Canadian region, 1987-2002

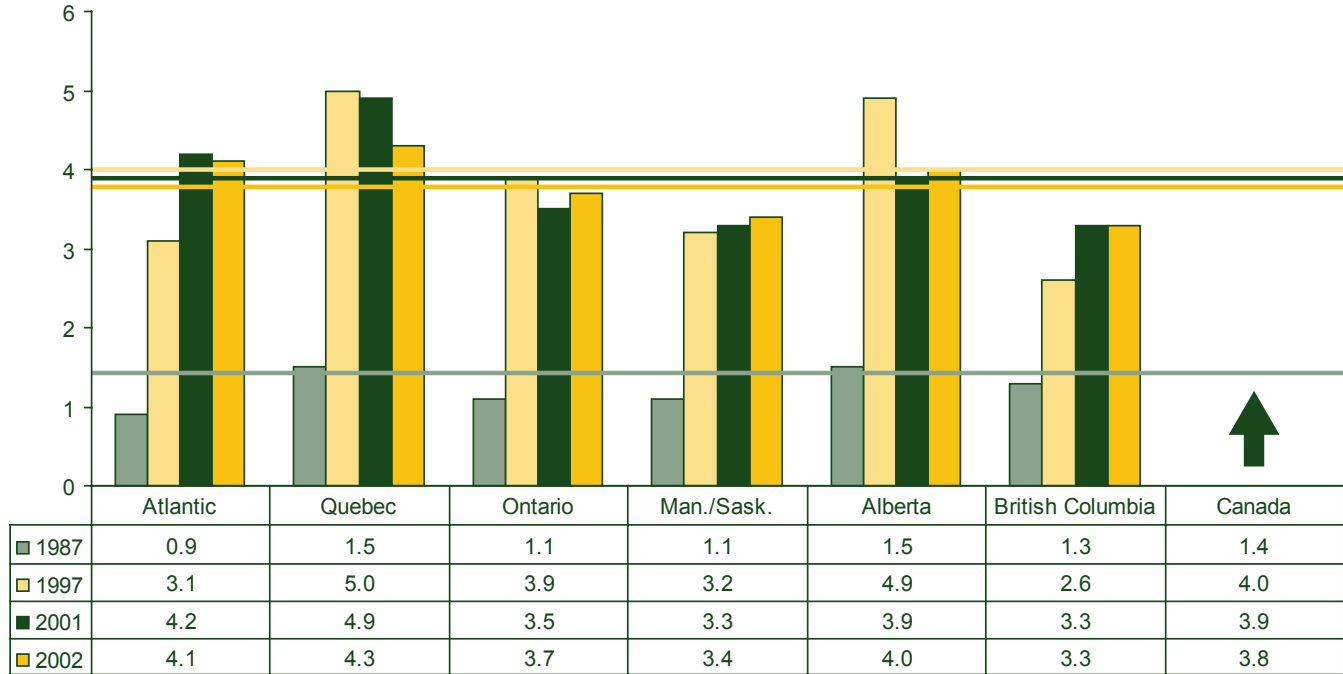


In 2002, the number of consumer insolvency cases filed with the OSB showed a year-over-year decrease from Quebec (-10.7%) and the Atlantic region (-1.8%), but increases from the four other regions.

The highest increases were recorded in Ontario (7.4%), followed by Manitoba/Saskatchewan (4.0%), Alberta (3.1%) and British Columbia (2.0%).

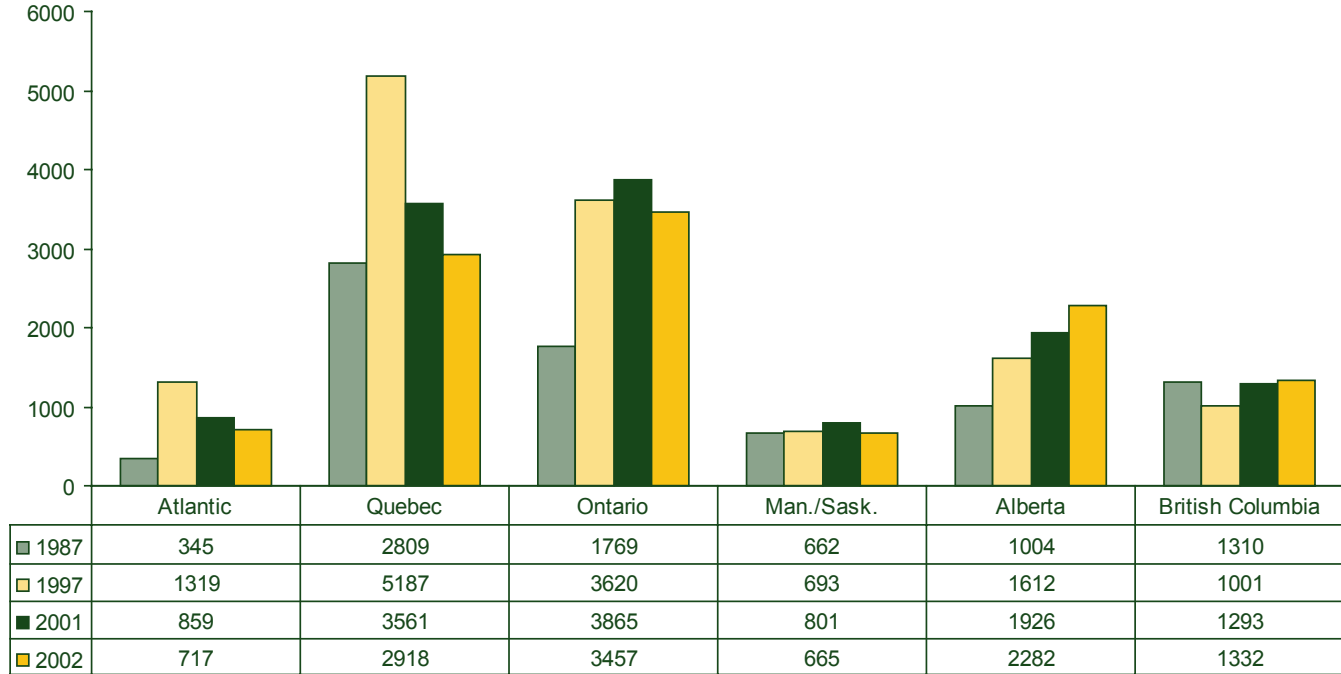
## NOTES

## Number of consumer insolvencies per thousand residents, 18 years of age and over, for Canada's major regions and the country as a whole, 1987-2002





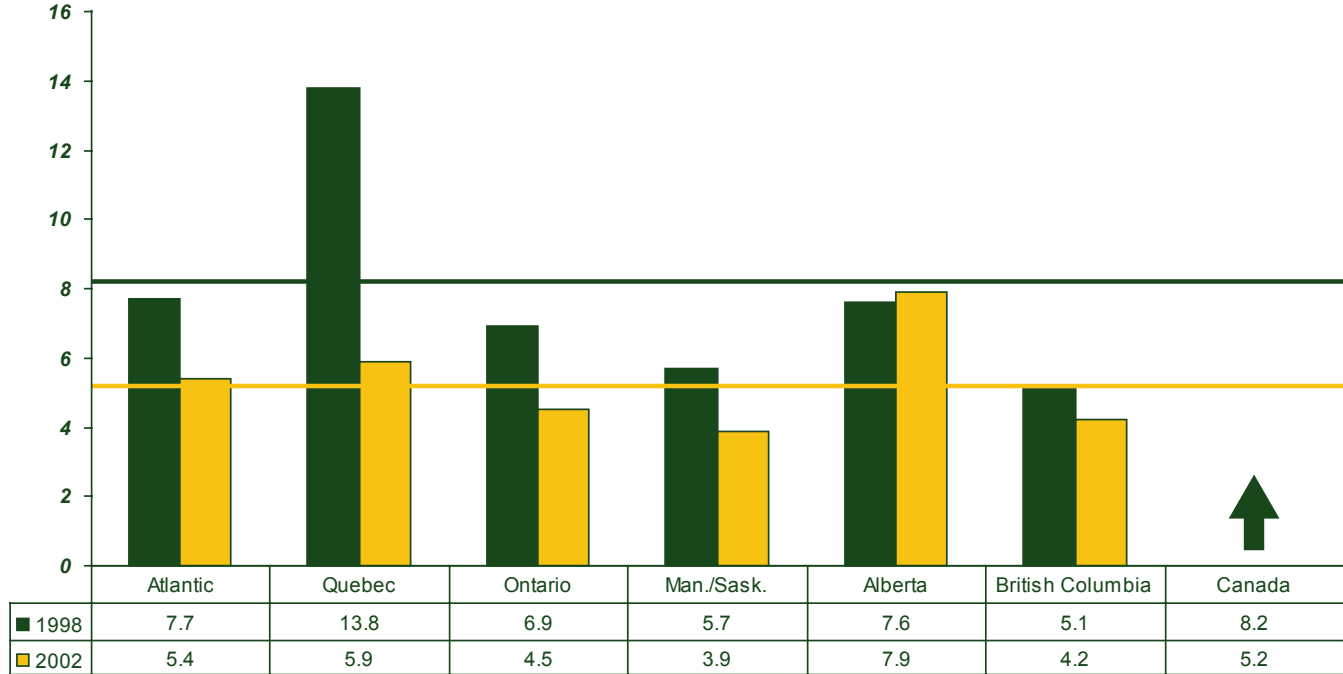
## Business insolvencies by major Canadian region, 1987-2002





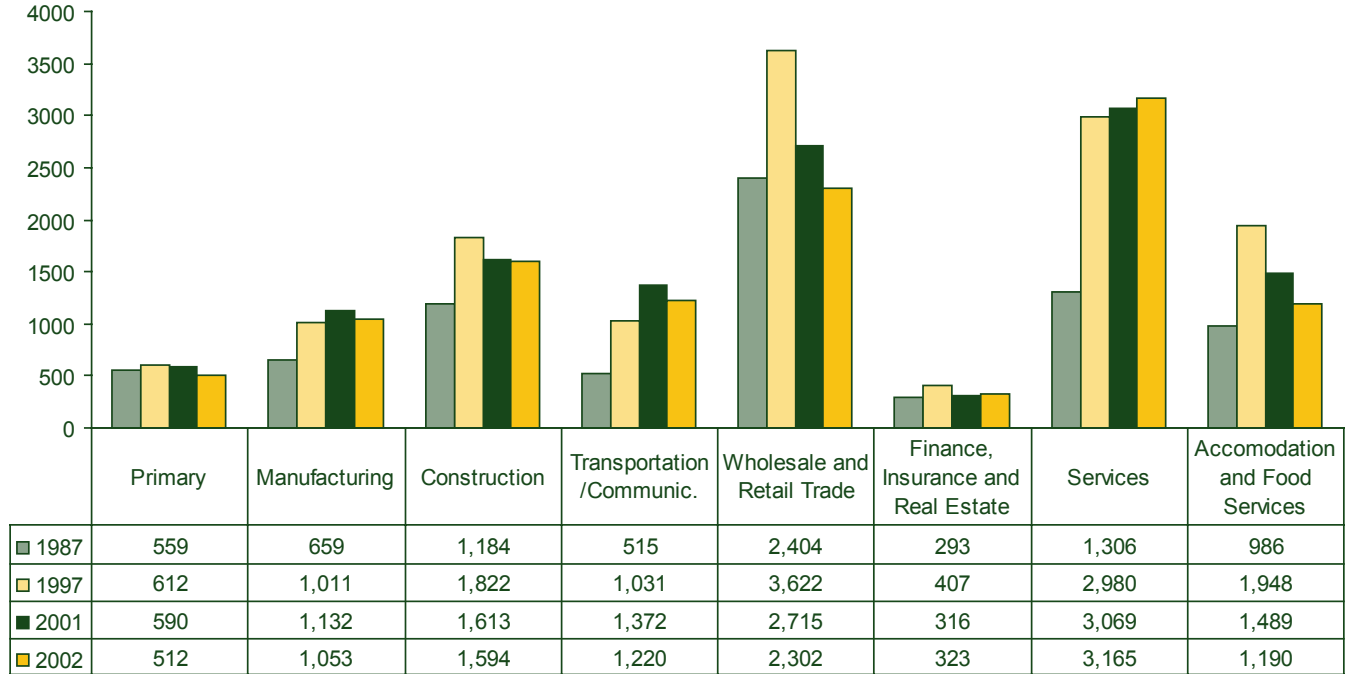


## Number of business insolvencies per thousand businesses by major Canadian region, 1998 and 2002





## Business insolvencies by major economic sector, Canada, 1987-2002



The bulk of business insolvency cases filed with the OSB come from the wholesale/retail trade and services sectors.

In 2002, the number of business insolvencies in Canada dropped in six of its eight major economic sectors with only the finance and services sectors showing increases. Since 1997, business insolvency has dropped an average of 9.8% per year in the accommodation and food services sector and by 9.5% in the wholesale/retail trade sector.

## NOTES

## Number of business insolvencies per thousand businesses by major economic sector, Canada, 1998 and 2002



For the economic sectors as a whole, the number of business insolvencies per thousand businesses dropped from 8.2 in 1998 to 5.2 in 2002. The greatest improvement has been in three sectors: finance; accommodation and food services; and wholesale/retail trade. The sectors that have a lower than average business insolvency rate are primary, finance and services.

## NOTES

