

Outlook 2025

Education

To pass the test on risk management, educational institutions must develop a new curriculum.



What to Expect in 2025

Educational institutions continue to navigate a growing list of complex risks, which may include intense financial pressures, campus safety challenges and issues related to educator and student mental health.

The increasing adoption of artificial intelligence is creating other exposures educational leaders cannot ignore. Institutions that prioritize risk education and implement effective risk management strategies will move to the head of the class.

88%

of educational institutions say they are “highly” to “cautiously optimistic” about their organization’s performance and prospects in 2025, the highest confidence level reported by any industry surveyed by HUB.¹

1. HUB’s 2025 Outlook Executive Survey polled 900 C-Suite and VP-level executives on the issues facing them on profitability, employee vitality and organizational resilience.

Navigating emerging risks while facing financial uncertainty.

Ongoing financial challenges continue to pressure the budgets of educational institutions as higher operating costs related to salaries and overhead, campus safety, technology, insurance and facilities maintenance show no signs of easing. The declining enrolment trend at some institutions is accelerating financial issues, particularly those in higher education. The international student population has plummeted after the federal government imposed a cap earlier this year on the number of international study permits it would allow.² As a result, universities that rely on international student enrolment to achieve their budgets expect to take a major financial hit.

As educational institutions navigate these financial strains, the risks they face are also on the rise, including cybersecurity threats, infrastructure vulnerabilities, campus safety and increasing sexual abuse and molestation liability concerns. According to the HUB International 2025 Outlook Executive Survey,³ increased costs, business disruption and cyberattacks are the greatest risks to financial stability facing educational institutions. However, less than 30% of respondents have developed an action plan to address these risks, and only 21% have enough insurance coverage to protect their resources and data in the event of a cyber incident.

Many educational institutions continue to face significantly higher insurance premiums and limited capacity for sexual abuse and molestation coverage. This stems from large settlements and high costs of legal defence for legacy cases and current claims of sexual abuse, molestation and harassment. Academic leaders who work proactively to mitigate their risk can help reduce insurance costs and improve an institution's insurability.

Educational institutions should work with their insurance broker and use data analytics and predictive modelling to assess if their current insurance program is appropriate for their exposure or if other risk transfer solutions may be better able to meet their needs at a more affordable cost. A best-in-class broker with dedicated expertise in the education sector can help evaluate alternative risk financing strategies or suggest other creative options to help an institution's insurance dollars go further. This can include the use of parametric insurance for unique exposures, such as hail and earthquake, and the use of captives for both commercial insurance and employee benefits.

2. CTV News, "[International student enrolment dropping below federal cap, Universities Canada warns.](#)" August 30, 2024.
3. HUB's Outlook Executive Survey polled 900 C-Suite and VP-level executives on the issues facing them on profitability, employee vitality and organizational resilience.

Making the grade with educators by enhancing benefit options.

High levels of stress among educators remain a top issue since the COVID-19 pandemic as faculty and staff continue to deal with ongoing mental health challenges, the increased politicization of the educational system and gaps in student learning.

At the K-12 level, half of Ontario teachers reported suffering from emotional exhaustion, and more than one-quarter have experienced high burnout.⁴ In higher education, many faculty members feel extreme stress, anxiety or depression — only doctors and nurses are more likely to burn out.⁵

These factors, as well as strained resources and concerns about campus safety, are impacting the sector's ability to attract and retain new teachers. In fact, there is a growing number of non-certified (or non-qualified) teachers in the classroom, a stopgap measure adopted during the pandemic.⁶

Low morale in the education sector is likely affecting employee productivity, which was noted as a key priority that needs to be addressed by 67% of education sector respondents in the HUB survey.

Though educational institutions may find it difficult to compete with other industries when it comes to salary, institutions can provide robust and personalized employee benefit options to faculty and staff that boosts attraction and retention. According to the HUB survey, the benefit strategies that have the most traction within the education sector are mental health care, auto enrolment in benefits and offering personal and lifestyle insurance programs.

Case Study

The HUB Health & Performance practice created a health and wellness strategy and disability management plan for a public university that resulted in reductions in absenteeism and accelerated employees' return to work.

Conducting a [Workforce Persona Analysis™](#) and leveraging analytics tools can offer key insights into the benefits that faculty and staff want most, as well as how to deliver a personalized [quality employee experience \(QEX\)](#).

4. Frontiers, "[Burnout among elementary and high school teachers in three Canadian provinces; prevalence and predictors](#)," April 25, 2024.
5. Psychology Today, "[Why Are Academics So Burnt Out? The exhaustion crisis at universities should concern us all](#)," November 17, 2023.
6. CBC, "[Teacher shortage has staff across Canada working 'in survival mode'](#)," March 11, 2024.

A proactive approach to risk management is essential to resilience.

The financial performance and reputation of educational institutions are directly impacted by their ability to mitigate and manage risks, making it critical that they improve their organizational resilience. There are five key areas of focus for institutions to proactively address:

Campus Safety: Academic institutions must continuously monitor new and evolving threats to campus safety, such as active assailant, student protests and civil unrest. But being aware of them is not enough; they must also have a robust plan in place to protect students and faculty from these types of events. An insurance and risk specialist in the education sector can help educational institutions establish effective campus safety procedures and evaluate the risk of student harm. Managing risk to prevent incidents of sexual abuse is essential in all academic institutions. Specialists can also assist with developing a risk management plan and risk mitigation strategies to prevent incidents of sexual abuse from happening and implement a crisis response plan should a dangerous situation unfold.

Sexual Abuse & Molestation: Long-standing challenges stemming from incidents of sexual abuse or molestation also require proactive planning and constant attention. With one in 10 Canadian women experiencing sexual assault in a postsecondary setting,⁷ leaders of educational institutions can't afford to not invest in proven abuse prevention practices.

Mental Health of Staff and Students: A 2023 study cites rising rates of severe depression, anxiety and stress among students,⁸ but the need for more support services is across the board, not just for one group. While staff are trying to address the needs of their students, they're also not able to get help for themselves, only exacerbating the issue.

Artificial Intelligence (AI): According to the HUB survey, only 30% of educational institutions see AI as a top risk to their viability, but there is no question AI technology is having a significant impact across the educational sector. By understanding and embracing AI's many advantages, including its ability to automate and streamline core operations and help preserve academic integrity, educational institutions can become true leaders in this space. A robust AI governance strategy that is developed and followed by all key stakeholders will help organizations actively manage this evolving risk.

Cybersecurity: With educational institutions possessing volumes of highly sensitive information for both minors and adults, the impact of a cyber incident could be catastrophic. Institutions must take their cyber hygiene seriously with a strongly enforced policy for managing device and network security, along with having a crisis response plan ready should an event occur.

7. Statistics Canada, "[One in ten women students sexually assaulted in a postsecondary setting](#)," September 14, 2020. 2024.
8. CAMH, "[Ontario youth experiencing increasing levels of psychological distress and inability to cope](#)," August 21, 2024.

Navigating Your Next Steps

HUB education industry insurance, risk management and employee benefits specialists will work with you to develop a tailored strategy to protect your bottom line, support the vitality of your workforce and build resiliency for 2025. Here are some initial considerations:

1

Develop a comprehensive risk plan.

Enterprise risk management (ERM) can help educational institutions identify exposures, placing your organization in the best position to respond in case of an incident. Make sure your broker understands how to approach risk strategically and identify gaps in your institution's coverage.

Employees expect organizational support for their health, safety and wellbeing. Schools with a benefits strategy based on personalization and fostering quality employee experiences (QEX) will boost engagement, recruitment and retention while lowering risk.

2

Create a personalized benefits strategy.

3

Rely on your broker and carrier in a crisis.

An incident can be devastating to your institution's reputation. Take advantage of your broker and insurer's expertise if an event occurs. They can assist with legal counsel, crisis management, digital forensics and other issues.

Consistent communication with your insurance broker will help identify and mitigate issues in advance of the next insurance renewal and position your institution in the best light. Review exposures and insurance needs at least 90 to 120 days prior to policy renewal to allow your broker to find the optimal mix of coverage for your educational institution's needs.

4

Be transparent with your broker.

Canada Commercial Rate Guide

HUB International analyzes proprietary national survey data and interviews commercial insurance brokers and risk services consultants to create an annual rate outlook for Canada.

Below is our outlook on insurance rates in Canada for 2025. Discuss your business exposures with your HUB insurance broker to understand what to expect in advance of your next renewal.

Coverage	2025 Canadian Rate Guide	Insights
Commercial Automobile: One to five vehicles	Flat to +5%	Inflation and vehicle thefts continue to push rates upward. Rate increases are being filed in most provinces due to an increase in the frequency of claims and the amount of repair bills rising.
Commercial Automobile: Six or more vehicles	Flat to +5%	Inflation and theft continue to put pressure on rates. An increase in the frequency of claims and higher repair costs have driven rate increases.
Liability	-5% to Flat	Better performance in general liability has helped insurers offset losses in property insurance. Terms and pricing are more flexible as carriers seek to diversify their business.
Excess Liability	Flat	Excess liability premiums remain stable and in some cases are falling, with variability depending on exposure and attachment points. Excess layers with U.S. exposure may see rates increase.
Commercial Property	-10% to Flat	Most segments in commercial property are seeing rate reductions, but property in catastrophe-prone zones is still experiencing rate increases. Rebuilding costs have steadied, but undervalued properties remain a concern, as these properties may not be insured to cover full rebuilding and replacement costs.
Residential/Habitational Property	Flat to +5%	In light of recent natural catastrophes, premium increases and stricter terms and conditions are expected to continue.
Catastrophic Perils	Flat to +5%	Given the increased frequency and severity of weather events, rate increases are expected in catastrophe-prone areas. Climate change continues to push rates higher.
Environmental	-10% to Flat	The environmental insurance market remains favourable as insurers are eager to write new business. However, terms are tightening; insureds need to carefully review exclusions and restrictions at renewal.
Directors & Officers: Private	-10% to Flat	D&O coverage for private companies remains soft with ample capacity as carriers compete to keep business. Rates will be flat at renewal or dropping when there's competition for the business.

Canada Commercial Rate Guide

Coverage	2025 Canadian Rate Guide	Insights
Directors & Officers: Public	-10% to Flat	Public companies continue to see rate cuts or no increases at all due to increased competition. There is plenty of capacity, and underwriters are pricing with favourable terms and conditions.
Cyber Liability	-10% to Flat	Rates continue to reflect improvement in the cyber market. Carriers will lean toward flat rates at renewal unless competition for business drives rates downward.
Inland Marine	-5% to Flat	Despite trending downward overall, rates are rising in some geographies, largely due to the increased frequency and severity of weather events in catastrophe-prone locations, as well as an increase in theft.

NOTE: *Rate* is typically defined as the amount of money necessary to cover losses and expenses while providing an insurance company with a profit for a unit of exposure. *Exposure* refers to a business' or individual's susceptibility to various risks encountered daily. Carriers evaluate the level of risk an insured faces in calculating insurance premiums.

Industry Perspective

Business	2025 Rate Guide	Insights
Agribusiness	-10% to +5%	Additional property capacity is available for best of class construction and protection. Unprotected frame properties remain challenging to cover.
Cannabis	-10% to +10%	<p>Insurance rates for cannabis operations will vary depending upon the type of business and coverage. Commercial auto coverage is likely to rise 5% to 10% due to worsening loss trends. However, insureds may be able to negotiate discounts for general liability insurance and package coverages.</p> <p>Despite an improving market overall, property insurance rates in cannabis are likely to increase as much as 10% due to some significant losses. Following market trends, cannabis insureds will enjoy rate relief for D&O and cyber coverage.</p> <p>Stock throughput insurance rates will rise about 5% to 15%, with rate increases at the higher end for perishable or combustible stock.</p>
Construction	-5% to Flat	When construction operations put their business to market, there may be rate decreases. Several factors will drive reductions in rates: increased capacity, favourable claims experience and a more competitive environment.
Education	-10% to Flat	The property market is competitive, giving rate relief for educational institutions. Rates for cyber and D&O are also declining, giving institutions an opportunity to consider fortifying coverages.
Entertainment & Sports	-5% to +10%	<p>After years of rate increases, the market for property insurance in entertainment and sports has leveled out, with slight decreases or slight increases for 2025. General liability coverage will depend on loss history, with rates falling 5% or rising up to 10%.</p> <p>Excess liability coverage insurance rates will be flat or drop slightly. D&O and cyber insurance will follow general industry trends, with rates stabilizing or falling as much as 10%.</p>
Financial Institutions	-10% to +5%	<p>The industry will benefit from trends affecting insurance overall. D&O rates will drop as much as 10% due to strong competition and favourable conditions for insureds, while professional liability rates will reflect aggressive bidding for business.</p> <p>Low claims activity for Canadian private equity firms has attracted capacity for general partner liability coverage. However, firms with U.S. presence are likely to see reduced capacity.</p>
Healthcare	-5% to +10%	<p>Rates for property insurance in healthcare will rise, although the increases are expected to be small. General liability coverage will also increase slightly, with a high rate of renewals; insureds may see a 5% to 10% decrease if they go to market for a lower rate. The same is true for E&O insurance in healthcare.</p> <p>Excess liability rates are expected to remain stable.</p>

Industry Perspective

Business	2025 Rate Guide	Insights
Hospitality	-15% to +10%	<p>A wide range of outcomes in hospitality reflects different market conditions. Underwriters are competing for business for property, general liability and excess liability insurance, driving down rates as much as 15%.</p> <p>Meanwhile, auto insurance remains challenging in some regions though rate increases for larger fleets should be minimal. Like for cyber insurance as a whole, the cyber market in hospitality is also competitive, but can be challenging for hotels, as the risk is shared between the owner, manager and banner.</p>
Real Estate	-15% to Flat	<p>A competitive market will continue to drive property rate reductions for best-in-class properties with favourable loss histories. General liability rates for real estate will remain relatively flat and insureds can negotiate reductions for best-in-class properties.</p> <p>Underwriters are competing for business in excess casualty, moderating or reducing rates for insureds without U.S. exposure.</p> <p>And environmental coverage for property owners could see rates fall as much as 15%, particularly for low-risk residential properties.</p>
Transportation	Flat to +5%	<p>The transportation sector is in a very competitive market cycle. Companies that put their business out to market are likely to get better rates than those simply renewing with their current carrier.</p>

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HUB Education

When you partner with us, you're at the centre of a vast network of experts who will help you reach your goals. For more information on how to manage your insurance costs, reduce your risk and take care of your employees, talk to a HUB education insurance specialist.

\$350M

in commercial insurance premium brokered by HUB

14,000

insurance policies managed

4,300

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