

PRIVATE CLIENT

HUB 2025

# Outlook

Mid-Year  
Rate Report

Navigating Risk and Resilience in  
High-Net-Worth Insurance



Risk & Insurance

**The Canadian high-net-worth insurance market has been defined by volatility throughout the first half of 2025 as climate-related disasters, rising claims costs and economic pressures have strained insurance portfolios for affluent families.**

**Carriers continue to review their property exposures in catastrophe prone areas, impose stricter underwriting requirements and reduce coverage options across key asset classes including luxury residences, fine art, yachts and collectibles. However, there is more competition than in recent years. Proactive risk mitigation and strategic insurance planning are essential for clients seeking to preserve insurability and financial protection.**

**It's a good time for insureds to work with a trusted advisor to ensure they have the right coverage for their assets and discuss what steps they can take to improve risk exposure.**

# Rising Disaster Costs Lead to Stricter Coverage Reviews & Limited Options

The destructive wildfires of 2024 are still impacting rates so far this year, and that is likely to remain the case as the spring and early summer months brought more devastating fires across Canada.<sup>1</sup>

Rebuilding after large-scale catastrophes is becoming more difficult and expensive, and tariffs could drive up the costs of construction materials even more. Labour shortages and supply chain constraints continue to delay restoration timelines and add to rebuilding costs. High-net-worth families and individuals must now contend not only with the challenge of obtaining coverage but also with navigating complex, protracted recovery efforts in the aftermath of a loss. This has led to more limited coverage options for certain risks and locations.

As carriers try to reduce their overall exposure to these risks, underwriting has become more holistic and data driven. Carriers now assess not only the primary residence, but also ancillary assets such as high-end automobiles, fine art collections, yachts and vacation homes. Garaging locations for vehicles, elevation relative to flood risk and fireproof construction methods are all heavily scrutinized on new business and renewals. This has led to more limited coverage options for certain risks and locations.

1. WashingtonPost.com, "[Canada has already surpassed a year's worth of charred land from wildfires](#)," June 10, 2025.

# Risk Mitigation and Alternative Coverage Options

Clients with proactive risk management strategies are being rewarded with more favourable pricing and improved access to coverage. This includes investments in hardened exteriors, fire-resistant landscaping and elevated garaging for high-value vehicles. Carriers also look favourably on properties with compliant building codes and recent upgrades.

Many clients are choosing to assume more risk through higher deductibles. Rather than pocketing the premium savings, they are reinvesting in home improvements that reduce overall exposure. These measures not only improve insurability but also contribute to long-term resilience and loss prevention.

As the traditional markets continue to contract, particularly in areas with repetitive CAT exposure, more clients are also exploring alternative risk solutions like parametric policies or partial self-insurance to fill coverage gaps. While wholesale and managing general agent (MGA) markets offer needed capacity, they do so with fewer policyholder protections and less predictable pricing. Clients should work closely with their advisers to understand the implications of these solutions.

# Preparing for the Remainder of 2025

The long-term impact of climate volatility and social inflation will continue to shape underwriting decisions, however, particularly for high-exposure properties and portfolios with layered asset types.

To navigate this environment effectively, clients must:

- Partner with a specialist broker who understands high-net-worth complexity.
- Re-evaluate coverage limits, particularly around rebuilding costs and asset valuations.
- Consider adjusting deductibles to fund property upgrades and better align with market expectations.
- Implement risk mitigation measures wherever possible — clear brush around properties, install fire-resistant materials and water control systems.
- Anticipate expanded underwriting across all luxury assets, not just primary homes and begin renewal process early to ensure no coverage lapses.

With the right guidance, affluent families can move from reactive risk management to a position of control — prepared for both today's challenges and tomorrow's uncertainties.

# Rate Report

HUB International analyzes proprietary national survey data and interviews personal insurance brokers and risk services consultants throughout North America each quarter to bring you our 2025 Private Client Mid-Year Rate Report for Canada.

Discuss your business exposures with your HUB insurance broker to understand what to expect in advance of your next renewal.

Coverage	CAN Rate Guidance	Insights
<b>Automobile</b>	10% to 15%	<p>Modern vehicles are more complex, with advanced safety and convenience features that lower accident risk but drive up repair costs. Since 2014, auto theft claims have surged by over 138%, posing ongoing challenges for insurers and owners.</p> <p>Repair costs continue to climb sharply due to rising labor and parts expenses, a trend likely to persist amid current tariff pressures. Severe weather events in major cities throughout 2024 have further strained supply chains, as insurers and repair shops manage a surge in weather-related claims.</p>
<b>Homeowners</b>	15% to 20%	<p>Residential construction costs, especially for custom homes, have risen sharply over the past five years, pushing up insurance-to-value (ITV). Demand for skilled labour remains high, but availability is limited, worsened by changing immigration policies.</p> <p>Weather-related losses hit record highs last year and are expected to escalate, with more frequent rainfall, flash floods and longer wildfire seasons across Canada. In response, insurers are reducing capacity in catastrophe-exposed regions and tightening coverage limitations to mitigate risk, such as in wildfire-prone areas like Kelowna, BC. As a result, more high-net-worth (HNW) clients are choosing to self-insure at higher levels.</p>
<b>Personal Umbrella</b>	10% to 15%	<p>HNW individuals are increasingly vulnerable as they face growing exposure to large personal injury lawsuits due to their wealth, yet many carry less liability coverage than their risk warrants. While insurers have become more diligent in certain cases, comprehensive liability coverage remains generally accessible in Canada at reasonable rates.</p>
<b>Specialty: Motorcycle, RVs, Watercraft</b>	5% to 10%	<p>The rising complexity and sophistication of specialty assets, such as motorcycles and watercraft, are driving up replacement and repair costs. Growing customization trends further amplify this challenge, adding layers of intricacy that drive up these costs.</p> <p>As in the auto sector, part prices are increasing due to labor shortages and higher material costs. Current tariffs are adding further pressure, raising expenses for both owners and insurers.</p>

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



# HUB Private Client

When you partner with HUB Private Client, you're at the center of a vast network of experts who will help you reach your goals and remain resilient into the future. For more information on how to manage your insurance costs and reduce your risk, talk to a HUB Private Client Risk Advisor. We're here to help.

**\$1B+**

in personal lines  
premium brokered by  
HUB Private Client

**48,000+**

Private Client accounts

**500+**

Private Client  
Risk Advisors

## Stay up to date

Subscribe to receive risk, insurance and benefits insights, event invitations and rate forecasts throughout 2025.

[Subscribe](#)

The information in this piece is solely for general information purposes and is not intended as tax or legal advice. We do not warrant the accuracy, completeness or usefulness of the information. We disclaim all liability and responsibility arising from any reliance placed on the information by you or anyone else who may be informed of any of its contents. This information may include content provided by other parties. All statements and/or opinions expressed in these materials, other than the content provided by HUB, are solely the opinions and the responsibility of those other parties and do not necessarily reflect the opinion of HUB. We are not responsible or liable for the content or accuracy of any materials provided by any other parties.