

Outlook 2025

Private Client

Ever-evolving risk requires proactive strategies to protect affluent families.



What to Expect in 2025

With traditional insurance coverage continuing to become more expensive and less easily available, a more proactive approach to risk management will be required. Successful Canadian families will need to be increasingly cognizant of potential risks in their lives and take proactive steps to safeguard their loved ones, assets, personal data and financial security. Given their dynamic lifestyles and the ever-shifting risk environment, families need to be vigorously engaged in improving their resilience and managing their risk exposures. This will require more frequent, wider-ranging discussions with their risk advisors.

25%

of HNWI respondents cited safety as one of their emerging top concerns, up from 15% only a year ago.¹

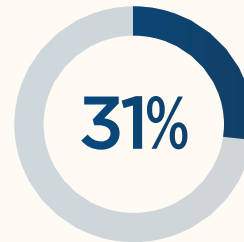
1. HUB International 2025 Outlook High-Net-Worth Survey.

With higher premiums come harder choices.

For many affluent families, risk management has become less a matter of how much premiums will cost and more an issue of how much financial risk they are willing and able to accept. Either by choice or due to lack of a better option, more families are assuming higher levels of exposure, a trend that is expected to continue.

As severe weather events continue to push insured losses to record levels across North America, the cost of coverage continues to rise. Carriers are steadily reducing their exposure to the highest risk areas – some carriers have exited catastrophe-prone areas altogether – rendering some of the highest-value homes in regions more susceptible to wildfires and hurricanes all but uninsurable. Not surprisingly, 73% of Canadian respondents to the HUB International 2025 Outlook High-Net-Worth Survey² reported they have faced challenges securing sufficient property insurance in the past year. The solution for some is to redefine what they consider to be “sufficient.”

Most HNW families are already engaging in some level of self-insurance, typically by setting deductibles higher or dropping riders to reduce their premiums. The small but growing number who are choosing to fully self-insure face a far more complex set of issues. That’s largely because the value of insurance goes well beyond claims settlements. Carriers who work with affluent families



Only 31% of high-net-worth families are willing to accept greater financial risk to lower their insurance costs, a decrease from 39% in 2023.

typically provide services to improve resiliency, issue warnings when major weather events are imminent and mobilize recovery vendors and contractors to repair damage. Those who self-insure would have to secure those services on their own.

As the trade-offs between the cost and level of coverage become more complex, it will be increasingly important for affluent families to work with a qualified risk advisor to determine the optimal balance.

2. HUB surveyed 200 high-net-worth individuals and their advisors on issues relating to risk tolerance, property and investment insurance coverage.
3. HUB International 2025 Outlook High-Net-Worth Survey.

Case Study

A HUB client who purchased a US\$1 million yacht had been declined coverage by several brokers, and the asset was uninsured. Working with a HUB Private Client Risk Advisor, the client was able to secure coverage through HUB’s expertise and strong carrier relationships. As a result, the client further engaged HUB to evaluate all of his personal insurance policies.

Protecting the rising value of valuables.

In April 2023, a single pair of Michael Jordan's game-worn sneakers sold at auction for a record US\$2.2 million.⁴ While the proud owners would likely be able to secure insurance coverage, the situation may be quite different if the shoes had been damaged or destroyed before their value was documented. What lessons might this hold for other passionate collectors?

The collectibles markets are notoriously volatile, with prices tending to soar and retreat as different types of rarities come in and out of vogue. While there is little protection for market losses, there are important considerations for protecting the value of collectibles through proper storage and handling and for adequately insuring against loss due to damage or theft. For example, a collection of rare bourbon can lose most of its value if a backup generator does not kick in during a power outage, and the storage space temperature exceeds 20 degrees Celsius. It can also easily exceed the standard rider on a homeowner's policy if a few cases go missing.

The best protection starts with a current assessment of the value of the objects you collect, particularly those that have become the latest hot commodity or an iconic status symbol, like Hermès Birkin bags. That value should be documented by a qualified appraiser, and depending on the nature of your collection, you may need experts to provide guidance on display, storage and transportation. Regardless, a risk advisor should be consulted so you understand the limits of your coverage and can determine how best to protect the investments you have made in the objects you value.

4. Sneaker Freaker, "[Michael Jordan's Six Game-Worn Championship Sneakers Sell For Record-Breaking \\$8 Million](#)," February 4, 2024.

Evolving threats at home, away and online.

The HUB International 2025 Outlook High-Net-Worth Survey revealed that affluent families feel an increasing sense of vulnerability. One-quarter of respondents said theft and accidents had a “high” or “very high” impact on their wealth, a 40% increase over the prior year. Nearly a third also cited cybercrime as having a negative impact. It is less clear whether those perceptions are in sync with the nature and magnitude of most likely threats.

Home burglaries in Canada are down significantly from the peak in 2003, but they still remain high at more than 130,000 incidents.⁵ Of course, the threats to any given family are highly localized, and affluent families are well advised to have a thorough security review conducted.

A steady rise in international travel has created a growing risk for affluent families. Illnesses and accidents are the leading cause of losses, particularly in regions with less developed medical infrastructure.⁶ Insurance that covers rescue and medical evacuation costs is highly recommended for the more adventurous, as costs for those services can run as high as CAD\$140,000.⁷

Cybercrime has become the leading criminal threat to the assets of HNW families. Global cybercrime is projected to reach CAD\$13.9 trillion by 2025, and ultra-HNW families and family offices are prime targets.⁸ In fact, 79% of North American families report that the threat of cyberattacks has “increased dramatically in the past few years.”⁹ In addition to professional cybersecurity reviews, affluent families should consult their risk advisors to determine if cyber insurance policies are warranted.

Social inflation is driving liability claims far faster than can be explained by economic factors, adding roughly 7% to a settlement in Canada in recent years.¹⁰ Fifty-three percent

Case Study

A professional sports team experienced an office data breach, and one of the executives leveraged their relationship with HUB's Private Client Risk Advisors to step in to mitigate the damage. As a result of HUB's deep expertise in handling sensitive cyber events, the business was able to quickly resolve the issue, minimize impact and enhance safety protocols to prevent repeat events.

of HNW respondents to the HUB survey feel they have adequate liability coverage, yet a significant number of affluent families do not have umbrella liability coverage that covers their net worth, making it essential to review policies and limits with their risk advisor annually.

5. Statista, “[Number of burglaries in Canada from 2002 to 2023](#),” August 15, 2024.
6. Novo-monde, “[The risks of traveling and how to prevent them](#),” February 10, 2024.
7. Global Rescue, “[Trip Evacuation Travel Insurance](#),” accessed November 12, 2024.
8. Statista, “[Estimated cost of cybercrime worldwide 2018-2029](#),” July 30, 2024.
9. CNBC, “[Family offices become prime targets for cyber hacks and ransomware](#),” May 21, 2024.
10. Swiss Re, “[Litigation costs drive US liability claims by 57% over past decade, reveals Swiss Re Institute](#),” September 7, 2024.

Navigating Your Next Steps

HUB Private Client Risk Advisors will work with you to develop a tailored strategy to protect your properties and assets and build resiliency for 2025. Here are some initial considerations:

1

Educate the next generation.

Retaining family wealth involves more than good investments and risk mitigation — it also requires preparing the next generation. Educate younger family members on how to manage risk. Ask your broker to participate in the discussion to answer questions and provide a picture of the family's exposures.

From installing wildfire-resistant landscaping and water sensors to upgrading cybersecurity, a little risk reduction can have an outsized impact on increasing your insurability. Don't forget to protect your other assets: Adequately safeguard valuables, store fine art in temperature- and humidity-controlled rooms, and dock your yacht at a marina with 24-hour security.

2

Invest time and money in mitigation measures.

3

Consider unconventional insurance options.

Today's challenging insurance marketplace requires creativity. Don't be afraid to look into options beyond the traditional marketplace, including securing coverage from unique wholesalers. Your broker can find the best mix to mitigate risk for generations to come.

Let your insurance broker know about any major life changes or planned property purchases to ensure you're as protected as possible. Review exposures and insurance needs at least 90 days prior to your policy renewal to allow your broker to find the optimal mix of coverage for your family's needs.

4

Be transparent with your broker.

Canada Private Client 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 Private Client 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.

HUB Private Client

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 Private Client Risk Advisor.

\$1B+

in premiums brokered

500

Private Client Risk Advisors

40,000

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