

HUB 2025

Outlook

Mid-Year
Rate Report

EDUCATION



Risk & Insurance | Employee Benefits | Retirement & Private Wealth

Education

Mid-Year Rate Insights

The education sector faces a distinct set of risks that necessitate specialized insurance coverages, each with its own market dynamics.

Insurers continue to highly scrutinize abuse liability insurance, designed to cover allegations of sexual abuse, harassment, or misconduct involving staff or volunteers. With rising claims frequency and escalating legal exposure, rates for this coverage are trending significantly upwards, typically between +10% and +25%, often accompanied by higher deductibles and increasingly restrictive terms.

Educators' legal liability (ELL) provides errors & omissions (E&O) coverage for professional exposures unique to educational institutions, including claims related to failure to educate, wrongful dismissal, or disciplinary actions. This coverage is frequently bundled with employment practices liability (EPL) and directors & officers (D&O) coverage. ELL rates typically range from flat to +10%, with pricing influenced by the institution's size, type, and historical claims experience.

The current geopolitical climate has also highlighted the relevance of civil disturbance or political risk extensions, particularly for post-secondary institutions that may experience student protests or campus encampments. These coverages are usually secured as custom manuscript endorsements or through specialty markets.

For K-12 public and independent schools, student accident and special risk insurance is a common and essential coverage that protects against injuries sustained by students during supervised school activities, field trips, or while utilizing third-party facilities. Rates for this product generally remain stable, primarily priced based on student volume and the nature of the activities.

Environmental impairment liability (EIL) coverage addresses critical risks stemming from pollutants, mould, chemicals or historical site contamination. This coverage is particularly important for educational institutions managing aging infrastructure or heritage buildings that may pose environmental hazards. EIL rates are generally stable, showing trends from flat to +5%.

Canada Rate Report

HUB International's rate guidance comprises an analysis of proprietary national survey data and interviews with HUB commercial insurance brokers and risk services consultants who specialize in all industries throughout North America.

Commercial insurance rates in Canada for middle to upper-middle market companies are decreasing 5% on average, depending on client claims history, risk control measures and natural catastrophe exposure.

The Canadian insurance market is currently experiencing a competitive rate environment driven by factors such as economic conditions, loss trends, and carrier capacity. Insurers are carefully assessing risks, with premiums largely determined by individual risk factors such as industry, location and coverage needs. Tariffs are expected to affect loss costs, particularly on auto lines, as the parts needed to complete vehicle repairs increase. Many carriers are forecasting claims costs could increase 3% to 6%. Similarly, insurers are closely managing their exposure in wildfire-prone regions and other high-risk geographies. As market dynamics shift, businesses and individuals must stay proactive in managing their exposures to optimize insurance costs.

Coverage	CAN Rate Guidance	Insights
Individually Rated Commercial Auto (IRCA)	Flat to +5%	Rising claims costs and increasing vehicle thefts continue to impact the auto insurance industry. Most provinces are seeing upward rate filings, driven by more frequent claims and higher repair costs. Tariffs on auto parts are expected to further escalate the cost of repairs and replacements.
Fleets	-5% to Flat	Premiums are expected to keep rising due to inflation-driven claims costs and increasing vehicle thefts. Rate filings are trending upward across most provinces, fueled by more frequent claims, higher repair costs and tariffs that further inflate auto repair and replacement expenses.
General Liability	-5% to Flat	General liability continues to perform well and has helped insurers offset the more challenged property lines. Insurers are more flexible in pricing and terms as they look to write more liability to diversify their book.
Package	Flat	This segment is expected to remain stable, with potential for rate reductions driven by increased competition in Canada. A growing number of both domestic and international carriers are seeking to write package business, and with rising supply alongside stable demand, downward pressure on premiums is anticipated.
Umbrella & Excess Liability	-5% to Flat	Excess casualty pricing remains stable for Canada-only risks. However, accounts with U.S. exposure may see premium increases, depending on the attachment point and business segment, due to the higher litigation risk in the U.S. market.

Canada Rate Report

Coverage	CAN Rate Guidance	Insights
Commercial Property	-10% to -5%	<p>The commercial property market remains highly competitive, with most segments seeing rate reductions. While reinsurance costs have risen slightly, properties in catastrophe-prone regions may face modest rate increases due to frequent severe weather.</p> <p>Although rebuild costs are stabilizing, insurance-to-value (ITV) remains a key concern. Ensuring clients are fully insured to the full rebuild or replacement value is essential for proper compensation in the event of a loss.</p>
Environmental	Flat to +5%	<p>Environmental insurance rates continue to vary by industry and site history. Businesses in low-risk sectors like clean tech, warehousing and logistics, particularly those with no known environmental issues, can expect stable or even competitive pricing.</p> <p>In contrast, high-hazard operations such as chemical manufacturers, waste handlers and brownfield redevelopers continue to face higher rates, stricter terms or retentions due to greater underwriting scrutiny. Insurers favor accounts with strong environmental management systems, newer infrastructure and proactive risk mitigation.</p> <p>Market capacity remains stable but cautious, with some major carriers reducing long-tail exposures or tightening underwriting guidelines. Loss severity is rising, especially for groundwater contamination and complex cleanups.</p> <p>Inflation and supply chain disruptions continue to drive up remediation costs, while concerns over property valuation are prompting more detailed underwriting of site appraisals and cleanup estimates. Uncertainty around emerging contaminant regulations is also pushing insurers to revise pricing models.</p>
Directors & Officers: Private	-10% to Flat	<p>The market remains highly competitive, putting downward pressure on pricing, though overall stabilization is evident. Accounts moving to platforms like ProEx Digital are seeing greater premium reductions due to panel efficiencies.</p> <p>In the EPL space, competitive conditions continue to influence rates. However, underwriters are closely monitoring economic trends, particularly rising corporate bankruptcies, which could shift risk assessment strategies.</p>
Directors & Officers: Public	-10% to Flat	<p>After years of sharp declines, the public D&O insurance market is largely stabilizing, supported by ample capacity. Dual-traded and post-transaction accounts have seen the largest rate cuts due to their inherently higher premiums.</p> <p>New market entrants continue to undercut incumbents, keeping competition high. While U.S. claims are ticking up slightly, the increase hasn't yet shifted the broader market. In contrast, Canadian claims trends remain favourable, helping to balance overall conditions.</p>

Canada Rate Report

Coverage	CAN Rate Guidance	Insights
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Cyber Liability

-15% to +5%

The cyber insurance market is currently soft, with most insureds seeing flat renewals or rate decreases. Some are even securing deeper discounts as insurers aggressively compete for new business. Law firms are a key exception, facing higher rates due to ongoing claims in that sector.

This soft market isn't driven by fewer claims — incidents remain frequent — but by a surge in capacity over the past two to three years. Many new insurers have entered the space, offering both primary and excess cyber coverage, and this aggressive pursuit of market share is pushing rates down. However, as losses begin to mount, especially for newer entrants that will be compelled to adjust their strategies, the market is expected to correct and tighten over time.

Professional Liability: Misc. Errors & Omissions

-10% to Flat

The Miscellaneous Professional Liability (MPL) market is highly competitive, with rates typically flat to down 10%. This broad category covers various professions, and abundant capacity, particularly from MGAs, is the main driver behind falling rates. Insurer appetite remains strong for most MPL classes, though there's less interest in certain real estate professionals and those with higher financial exposures, such as accountants. However, many in these categories are often covered through mandatory or specialized professional programs.

Despite claims inflation, MPL claims remain lower in frequency and severity compared to regulated professions like architects, lawyers and insurance brokers. This favourable loss profile, combined with high capacity, suggests competitive conditions will likely persist.



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