

Outlook 2026

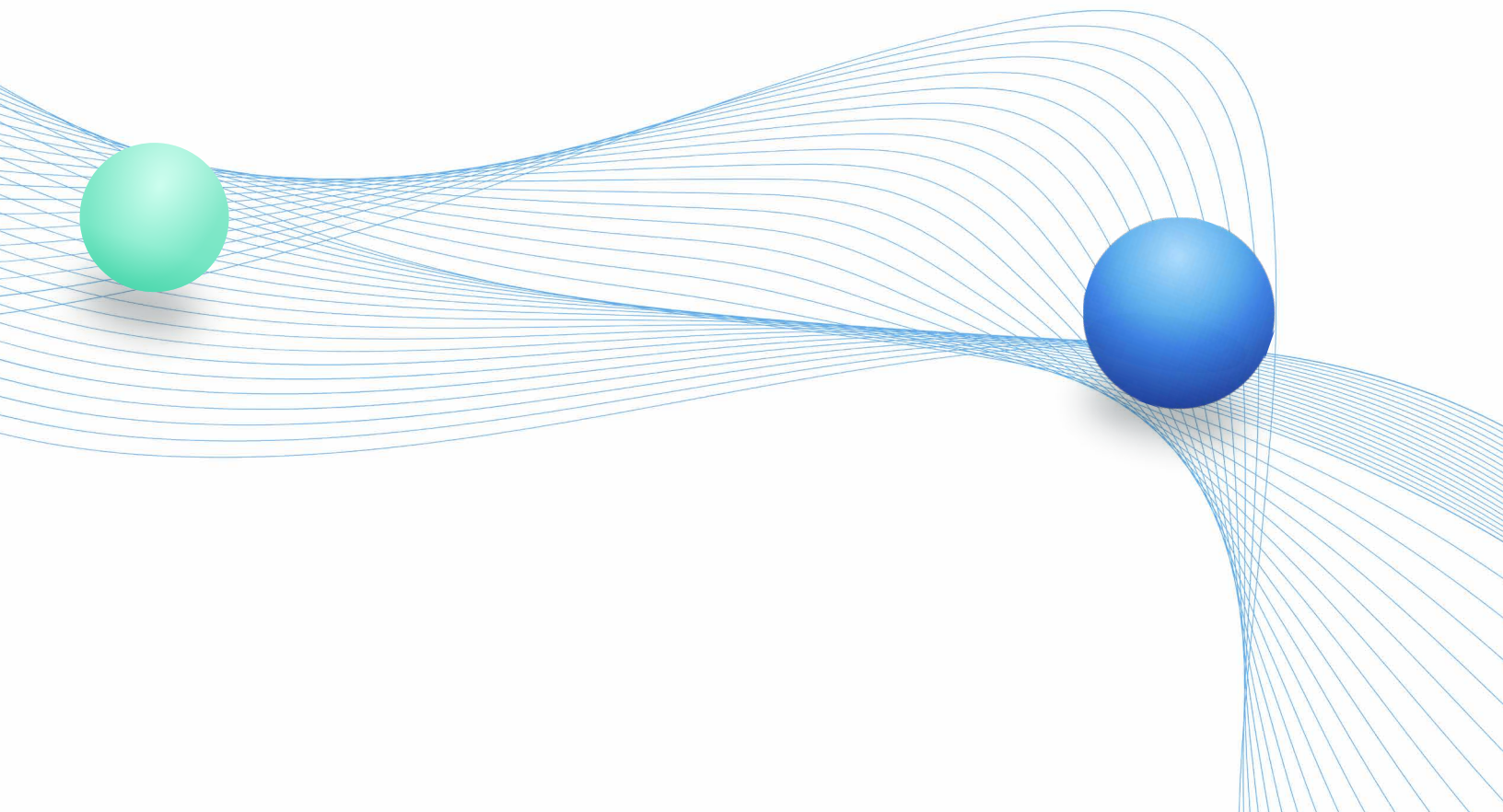
# Education

Institutions that embrace risk management are building stronger, more resilient learning environments.



# What to Expect in 2026

To pass the risk assessment, education leaders need to manage a growing list of challenges, including funding pressures, talent shortages and workforce strain. Other risk exposures from threats like cyberattacks and campus unrest must also be identified and addressed. Educational leaders with strong enterprise risk management and benefits strategies will be better positioned to build a resilient future.



# Financial diversification key to easing funding pressures.

Higher education institutions in Canada are significantly challenged by an extreme decline in the enrolment of international students across the country. The drops are steep: International student enrolment is down 36% in universities in the Atlantic Canada region<sup>1</sup> and 50% in universities in Quebec.<sup>2</sup> Ontario universities are projecting a \$1 billion loss in revenue between 2024 and 2025,<sup>3</sup> and enrolment drops at universities in British Columbia have already led to job losses.<sup>4</sup>

The decline stems from changes in immigration regulations, which reduced the number of new international student visas by 35% in 2024 and by another 10% percent in 2025, year-to-date. In addition, students who are permitted to enrol could be expected to have as much as \$20,000 in a bank account for living expenses, depending on the province, which may be prohibitive.<sup>5</sup>

While these cuts were driven, at least in part, by a larger concern around housing availability and affordability, the sudden drop has led to other issues across the education sector. Because lower enrolment means less revenue, these institutions now find themselves struggling financially. Many programs supported by tuition from international students will have to be downsized or eliminated unless institutions can find new ways to diversify their enrolment pipelines, increase tuition and other sources of revenue, such as workforce-aligned programs, to offset these declines.

Vocational and trade-based programs are a bright spot for the sector as they experience steady growth, driven by a need for skilled labour across industries. With both federal and provincial governments investing money in vocational programs, some educational institutions are increasing the number of trade-based offerings.

For example, several colleges across Ontario have built new facilities<sup>6</sup> to attract a growing number of new students each year to attend vocational training programs intended to combat the labour crisis across the

skilled trades.<sup>7</sup> Educational institutions should look to these programs as areas of strategic opportunity and risk planning.

The financial pressures facing educational institutions are extending to their physical campuses. Declining enrolment has created excess facility capacity, placing added strain on facilities managers to optimize the use of existing spaces while ensuring that buildings are properly maintained. Preventing deferred maintenance has become a key priority, as postponing necessary repairs can lead to significantly higher long-term costs and increased insurance exposure.

---

*International student enrolment is down 36% in universities in the Atlantic Canada region<sup>1</sup> and 50% in universities in Quebec.<sup>2</sup>*

---

The good news is that risk and facilities managers should see some relief in insurance premiums as the property insurance market softens. Anticipated rate reductions in 2026 make it a good time to reassess property values and coverage gaps, address deferred maintenance that could lead to liability exposures and look for potential premium savings that can be reinvested into core academic or student programs.

1. CBC, "[Most N.B. universities see drop in international enrolment for 2nd year in a row.](#)" October 19, 2025.
2. CityNews, "[International student enrolment in Quebec plummets: report.](#)" August 29, 2025.
3. The Star, "[Drop in international students leads Ontario universities to project \\$1B loss in revenues over 2 years.](#)" October 28, 2025.
4. Global News, "[Job cuts loom at B.C. post-secondary institutions due to international student visa cap.](#)" August 27, 2025.
5. University World News, "[International enrolment plummets 36% in Atlantic Canada.](#)" October 18, 2025.
6. College Trades, "[Georgian College's Centre for Skilled Trades is Getting a Major Expansion.](#)" accessed October 19, 2025.
7. College Trades, "[Humber Trades Expansion Transforms Furniture Plant into State-of-the-Art Woodworking Lab.](#)" accessed October 19, 2025.

## Vitality

# Better benefits programs can support the mental health and retirement needs of educators.

Staffing will continue to present major challenges in the education sector in 2026. Over the last five years, nearly half of Canadian teachers have considered quitting their profession because of stress and burnout,<sup>8</sup> and growing concerns about financial solvency are only making the situation worse.

In fact, rising operating and labour costs were identified as organizations' top concerns affecting their financial viability in 2026, according to the HUB International 2026 Profitability & Resiliency Executive Survey,<sup>9</sup> underscoring how these growing labour challenges are having a broader impact on an institution's ability to operate.

Those that double down on [wellbeing and benefits programs](#) are not just helping teachers on a personal level — they're strengthening retention, reputation and performance.

Although salaries have not kept pace with inflation, increasing them will be difficult since more than half of public-school budgets are already devoted to payroll.<sup>10</sup> Teacher absenteeism and disability leave are on the rise and closely linked with mental health struggles.<sup>11</sup> Managing teacher absenteeism is essential for effective workforce management, which is why building preventative health and wellness programs is critical to reducing short- and long-term absenteeism and ensuring the health and vitality of staff.

Employee wellbeing initiatives, strong benefits and financial planning resources directly correlate to improved work satisfaction and attraction and retention of teachers. Educators who feel supported in the workplace and aren't stressed about retirement planning can and do perform better in the classroom. Offering retirement planning and financial education can help educators minimize their external financial stress while remaining focused on their students.

---

*Nearly half of Canadian teachers **have considered quitting their profession because of stress and burnout.**<sup>8</sup>*

---

8. CTF-FCE, "[One foot out the door: Students remain key reason why most teachers choose to stay](#)," July 17, 2025.
9. The HUB International 2026 Profitability & Resiliency Executive Survey polled 350 business leaders across North America on the issues facing them on profitability and resilience.
10. Fraser Institute, "[Education Spending in Public Schools in Canada, 2025 Edition](#)," accessed October 19, 2025.
11. MacDonald Laurier Institute, "[Students skipping class is nothing new, but teachers missing school is a growing problem too: Paul W. Bennett in the Hub](#)," November 13, 2024.

## Resiliency

# Comprehensive risk management strategies will move institutions ahead.

Several risks will continue to affect educational institutions in 2026, including cyberattacks and sexual abuse claims. Institutions that embed [enterprise risk management \(ERM\)](#) into their governance don't just avoid losses, but free leadership to focus on innovation, growth and student success.

Educational institutions are a major target of cyberattacks<sup>12</sup> and are increasingly vulnerable to threats from increased artificial intelligence (AI) usage. However, the cybersecurity knowledge and coverage gap remain prevalent. The good news is that 70% of organizations reported they have either increased or plan to increase coverage limits for cyber insurance, according to the HUB International 2026 Profitability & Resiliency Executive Survey. Doing so is a strong step toward improving risk maturity.

Sexual abuse claims against schools and their staff continue to grow as well, as have the costs to defend and settle them.<sup>13</sup> This has made access to sexual abuse and molestation coverage difficult as underwriters pull back capacity and tighten up policy requirements. Institutions must ensure that they are not only deeply committed to child protection and the safety of minors on campus, but also to risk management policies, procedures and training.

Board-level engagement is critical in making these changes and decisions, as is working with your insurance broker to run comprehensive risk audits across insurance lines, from general liability to sexual abuse protections and [cyber coverage](#).

---

*70% of organizations **have either increased or plan to increase coverage limits for cyber insurance.**<sup>9</sup>*

---

A strong ERM program will go a long way toward staying on top of risks, [especially those from sexual abuse claims](#). HUB's risk services support team can assist institutions with improving governance and resilience that can help minimize the potential for a claim in the first place.

12. Canadian Centre for Cybersecurity, "[National Cyber Threat Assessment 2025-2026](#)," accessed Oct. 21, 2025.

13. United Educators, "[Large Loss Report 2025](#)," accessed August 3, 2025.

## Student-Centred Risk

# Focusing on health and wellbeing to support students on campus.

With a variety of risk factors growing, student mental health is a major concern, with 1 in 2 students saying they have a “moderate to serious” level of psychological distress.<sup>14</sup>

In addition, managing [student safety risks](#) from incidents of violence, such as active assailants or protest activities, remains a top priority, particularly as it relates to student stress and wellbeing. Though most students report feeling safe in school, 7 in 10 experienced some level of bullying over the past year, and 1 in 5 were cyberbullied.<sup>15</sup> Since the pandemic, there has been a 77% increase in violent incidents in Ontario schools alone, leaving teachers and staff concerned about the larger school community.<sup>16</sup>

Institutions that proactively invest in student wellbeing will set themselves apart, as these issues can have an impact on student enrolment, retention and graduation rates. By tailoring staff training programs to guide students in understanding and navigating what resources are available to them, institutions can maximize resource utilization, minimize confusion and strengthen student confidence and engagement.

Forward-looking schools are positioning themselves as safe havens for athletic and academic excellence and working to mitigate these risks by seeking expert advice and innovative risk solutions from an insurance advisor with expertise in this area. Adjusting policy structures specifically designed to safeguard against lawsuits tied to athletic injuries is a critical step in reducing an institution’s liability and protecting long-term sustainability.

---

*1 in 2 students say they have a moderate to serious level of psychological distress.<sup>14</sup>*

---

14. The Centre for Addiction and Mental Health, “[Ontario Youth experiencing increasing levels of psychological distress and inability to cope](#),” August 21, 2024.

15. Children First Canada, “[New Report: Vast Majority of Canadian Kids are Bullied and Don’t Feel Supported at School](#),” September 2, 2025.

16. Canadian Union of Public Employees, “[New data confirms alarming rise in violence in Ontario schools; OSBCU demands urgent action from Ford government](#),” August 15, 2025.

# Moving Your Organization Forward

HUB's education specialists in insurance, risk management and employee benefits will partner with you to design a customized strategy that protects your bottom line, strengthens workforce vitality and builds resilience for 2026. Key considerations include:

**1 Advance your risk maturity.**  
An [ERM](#) strategy can help educational institutions identify exposures and ensure your institution is in the best position to respond to any situation that may arise. Work with your broker to approach risk strategically and identify gaps in your institution's coverage.

---

**2 Create a personalized benefits strategy.**  
Employees expect organizational support for their health, safety and wellbeing. Schools with a benefits strategy based on personalization and [quality employee experiences \(QEX\)](#) will see better engagement, recruitment and retention and lower risk.

---

**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's and insurer's expertise and resources if an event occurs, which can include access to legal counsel, crisis management, digital forensics and other services.

---

**4 Be transparent with your broker.**  
Consistent communication with your insurance broker will help identify and mitigate issues before your next insurance renewal and position your institution in the best light. Reviewing exposures and insurance needs at least 90 to 120 days prior to policy renewal allows your broker to find the optimal mix of coverages and rates for your educational institution's needs.

# Education Rate Guide – Canada

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 the education sector.

Below are projections of rate increases that we anticipate in 2026. It’s important to discuss your business’ exposure with your insurance broker and understand what to expect well in advance of your next renewal.

Coverage	2026 Education Rate Guide	Insights
<b>General Liability</b>	Flat to +5%	General liability exposures in the education sector primarily stem from injuries to students and staff, with off-campus activities and athletic programs — especially those involving concussion risk — contributing to higher loss frequency and severity. Rates are expected to remain relatively stable, with modest increases for institutions engaged in higher-risk or broader extracurricular programs.
<b>Umbrella and Excess Liability</b>	Flat to +10%	Rates generally follow the broader liability market trends, but the sector can see more exposure from activities like field trips, extracurricular programs and varying facility usage.
<b>School Bus, Fleet and Commercial Auto</b>	Flat to +10%	Underwriters continue to place significant emphasis on internal risk management practices. Key factors such as loss history, volunteer screening, driver training programs, use of in-vehicle cameras, driver records and trip destinations are closely evaluated, as each plays a direct role in determining pricing and insurability.
<b>Abuse and Misconduct</b>	+5% to +20%	Abuse and misconduct coverage remains one of the most challenging placements within the education sector. Underwriters are intensely focused on the strength of risk management protocols, including child protection training, comprehensive policies and procedures, and rigorous employee background screening. Rates are expected to rise by up to 20%, with pricing heavily influenced by each institution’s risk management practices and historical loss experience.
<b>Commercial Property</b>	Low Risk: -5% to Flat  High Risk: Flat to +10%	Commercial property coverage for educational institutions generally mirrors broader market trends. Lower-risk schools can anticipate flat renewals or modest rate decreases, while those exposed to catastrophic perils such as wildfire, earthquake or hail may see increases of up to 10%. Underwriters are paying closer attention to properties with deferred maintenance, limited sprinkler protection or specialized assets, such as libraries and heritage buildings. Aging facilities, particularly within the post-secondary segment, continue to face heightened scrutiny and more restrictive terms.
<b>Governance Risk</b>	Flat	Governance risk across educational institutions is under the microscope, yet market competition continues to keep coverage relatively affordable. Nonprofit schools generally demonstrate stronger governance performance, while for-profit institutions are facing greater underwriting attention to their decision-making practices and financial management.

# Education Rate Guide – Canada

Coverage	2026 Education Rate Guide	Insights
<b>D&amp;O</b>	D&O: Private -10% to Flat  D&O: Public -10% to Flat	Coverage in education generally aligns with broader market trends. Nonprofit schools tend to perform better than for-profit institutions due to competitive dynamics. Governance risk is under greater scrutiny, but competition remains strong, and coverage is still accessible.
<b>Environmental</b>	-5% to Flat	Environmental exposures remain a key concern for educational institutions, particularly those with aging infrastructure. The risk is most pronounced in post-secondary schools, where extensive campuses and the presence of hazardous materials across multiple facilities elevate exposure. Rates in this segment are expected to remain flat or trend slightly downward, as underwriters place increased emphasis on robust facility management programs and proactive environmental controls.
<b>Cyber</b>	Flat to +5%	Cyber liability is increasingly important for schools due to risks associated with student data breaches and ransomware attacks. Rates are expected to remain flat or rise slightly, depending on the presence of strong risk controls, such as incident response protocols, staff training and modern IT security measures.
<b>Political Risk</b>	Flat	The need for political risk coverage is generally limited to higher education institutions, where campus activism and political activities can create additional exposure. While not widespread, this line of coverage is becoming more relevant as universities navigate politically sensitive environments.
<b>Employment practices liability for educators</b>	Flat to +5%	Employment practices liability is becoming an increasingly significant concern within the education sector, particularly as wrongful termination claims rise. Program reductions and budget-driven layoffs have amplified this exposure, while gaps in human resources practices and regulatory compliance further heighten risk. To mitigate potential claims, institutions should maintain rigorous HR protocols, thorough documentation and consistent adherence to employment regulations.

**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 an individual's susceptibility to various risks encountered daily. Carriers evaluate the level of risk an insured faces in calculating insurance premiums.

# 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.

**\$419M**

in commercial  
insurance premium  
brokered by HUB

**15,000**

insurance policies  
managed

**4,700**

education clients

---

## Stay up to date

Subscribe to receive risk and insurance insights and event invitations throughout 2026.

[Subscribe](#)

---

Contact:

Email:

Phone:

