

Outlook 2026

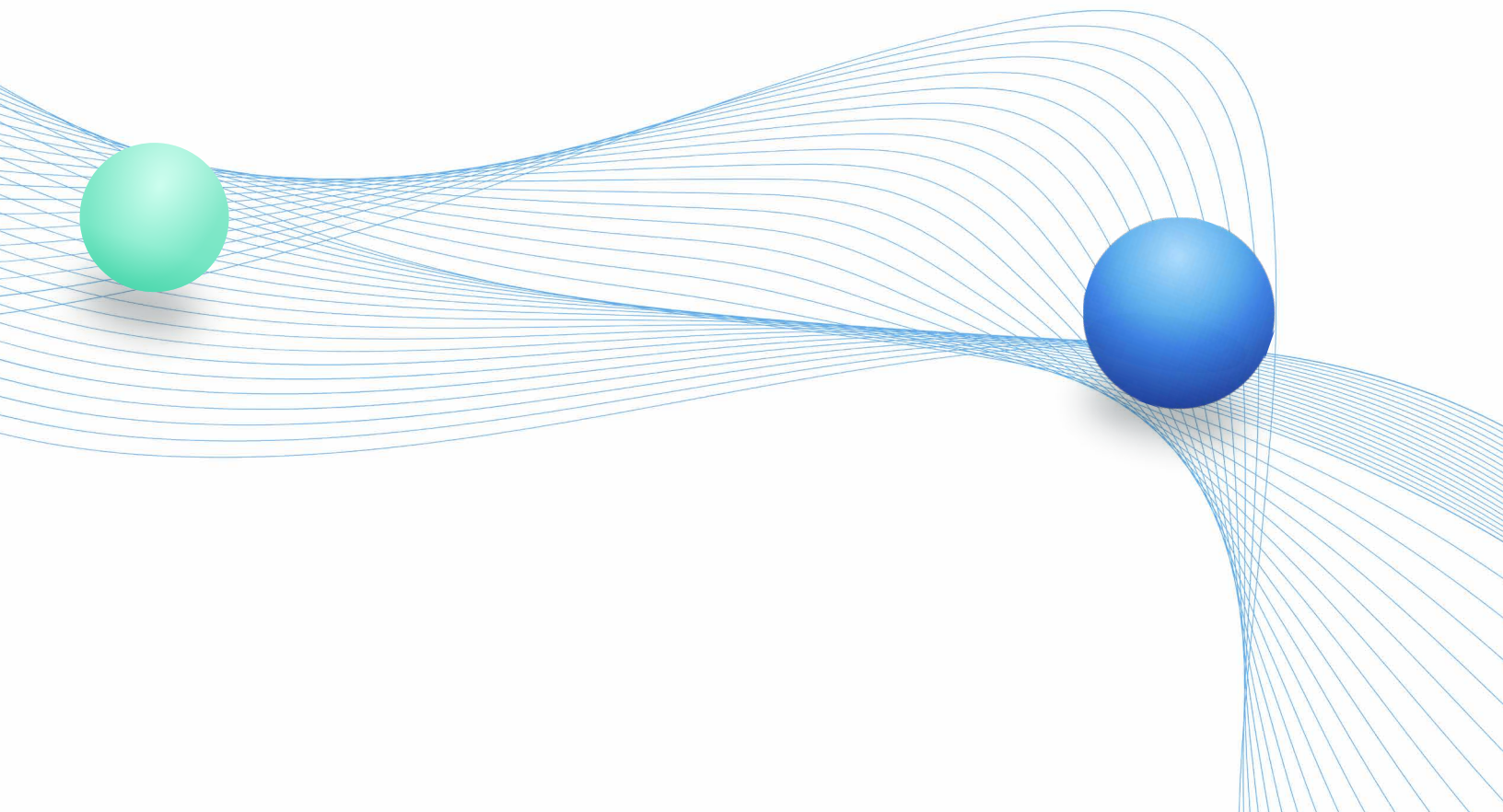
Entertainment & Sports

A focus on risk maturity and employee vitality will garner rave reviews.



What to Expect in 2026

Revenues will continue their upward trajectory as fans are expected to flock to live events in 2026, but cost pressures keep mounting. Film and TV face shifting delivery models, while rising costs, persistent labour shortages, extreme weather and event cancellations are also straining profitability and resiliency. However, opportunities exist for organizations to gain a competitive edge if they lead with data-driven strategies that improve risk maturity.



Profitability

Rain checks and rate hikes will test profitability, but forward-thinking operations will prosper.

Strong demand for live events will continue to fuel revenue growth in 2026. The live music sector in Canada is now a \$10 billion industry. Attracting nearly 20 million visitors, these events are driving tourism industries like hospitality, transportation and retail — accounting for nearly 11 percent of Canada's total tourism expenditures in 2023.¹

New trends and technologies, such as niche festivals, virtual reality and augmented reality, will contribute to the revenue surge by enhancing the concert experience and fan engagement.²

Worldwide, global entertainment and sports revenues are expected to reach US\$3.5 trillion by 2029,³ while revenues from spectator sports in Canada recently hit \$4.4 billion.⁴

The industry should feel optimistic, though it needs to be prepared for economic uncertainty and rising costs that could challenge profitability. As ticket prices climb, consumers are likely to reduce their discretionary entertainment spending. In addition, the cost of producing live events keeps rising due to labour shortages, escalating security requirements and elaborate staging and high-tech equipment for shows.

Across entertainment and sports, insurance costs — particularly cancellation and excess liability — will continue to increase, adding another layer of financial strain. At the same time, other sources of revenue, such as municipal grants and corporate sponsorships, are shrinking. The combination of rising expenses and weaker funding sources has caused event cancellations.

Extreme weather has compounded these challenges, forcing major tours and music festivals to cancel in 2025, including the Steve Miller Band, which

cited extreme weather risks as the reason for its tour cancellation.⁵ Weather events related to climate change have affected events in Halifax, Calgary and the entire province of British Columbia. For instance, the Salmon Arm Roots and Blues festival in B.C. rescheduled its event in 2024 to avoid weather disruptions.⁶ Some fans are reluctant to attend outdoor shows as well, due to an increasing number of extreme weather events.⁷

A strategic approach on costs, revenues and risk management can open opportunities in 2026.

Meanwhile, cord-cutting continues to erode traditional revenue streams for television and film, reshaping delivery models. Production remains vulnerable to higher costs and labour strife, and more production is expected to move overseas in search of savings.

According to HUB International's 2026 Profitability & Resiliency Executive Survey,⁸ 89% of organizations in the lifestyle and experience sector (which includes entertainment companies and sports operations) say that rising operating and labour costs will affect profits in 2026, but only 54% feel confident in mitigating that risk.

Within these challenges lies the ability to overcome such obstacles to achieve profitability. Thinking strategically on production costs, revenue sourcing and risk management will help entertainment and sports operations open more opportunities. And it's important to consult with an experienced broker who can identify creative and effective paths to cost savings and risk financing strategies in 2026.

Profitability

1. CBC, "[Live music in Canada is a more than \\$10B industry, new study finds](#)," January 30, 2025.
2. Beatnickel, "[Is Live Music Dying? Trends in the Concert Industry](#)," February 2, 2025.
3. PwC, "[Perspectives from the Global Entertainment & Media Outlook 2025-2029](#)," July 24, 2025.
4. Statistics Canada, "[Spectator sports, event promoters, artists and related industries, 2023](#)," February 7, 2025.
5. CNN, "[Steve Miller Band says extreme weather is so dangerous it's canceling its tour](#)," July 18, 2025.
6. CBC, "[Extreme weather caused by climate change increasingly cancelling major events: study](#)," August 2, 2025.
7. Hypebot, "[Climate Change Impact on Festivals: Fan Hesitation](#)," May 8, 2025.
8. The HUB International 2026 Profitability & Resiliency Executive Survey polled 350 industry leaders and executives across North America on the issues facing them on profitability and resilience.

An organization-specific benefits strategy will help address labour shortages and employee stress.

The demand for skilled workers continues to exceed supply, leaving the industry struggling to fill essential roles in 2026. This shortage will not only drive up labour costs but also undermine confidence in organizers' ability to execute on contracts and large-scale productions.

The skilled labour deficit is so acute that some sectors, particularly film and live events, have seen an increase in workers' compensation claims, which industry observers attribute to a shortage of skilled hands and institutional knowledge.

At the same time, limited career pathways, scarce mentoring opportunities and fewer entry-level roles will restrict new talent pipelines. Rising salaries have not solved the problem and have instead added to operating costs.

Yet there are ways to improve employee vitality, particularly for entertainment and sports companies that leverage benefits for recruiting and retention. According to [HUB International's 2025 Canadian Workforce Vitality Gap Index](#), nearly three-quarters of employees say a comprehensive, personalized benefits program would increase the likelihood of staying with their current organization.

Mental health remains the most pressing wellbeing challenge in the industry: Long hours, stress, extended travel, erratic schedules and inconsistent pay affect mental health and accelerate burnout. While unionized film and TV crews receive benefits, the live events sector remains highly fragmented and not unionized, as most employees are part-time and contract workers with no fixed employer.

*Rising salaries alone cannot solve a talent shortage caused by **limited opportunities and career pathways.***

Organizations that provide access to mental health resources, crisis support and fatigue management programs will have a pronounced advantage in recruiting, retention and long-term productivity.

Brokers with the right expertise and tools, such as [HUB Workforce Persona Analysis™](#), can add value by helping industry leaders design benefits strategies, wellness programs and risk management practices that support retention while reinforcing safety and performance.

Resiliency

To stay resilient in 2026, the industry will shine a spotlight on risk maturity.

Resiliency will remain a major challenge for the entertainment and sports industry in 2026, as the industry will cope with severe weather, performer liability, safety issues and issues in insurance converge.

These challenges present organizations with an opportunity to improve their risk maturity and resiliency, which is not just an organization's ability to stay afloat but its ability to anticipate, adapt and recover quickly from risks.

Insurers are closely scrutinizing contracts, risk transfer provisions and safety preparations before offering coverage. General liability coverage could rise as much as 15% in 2026. Underwriters are focused on exposures for public liability, premises liability, violence and concentration of attendees.

Smaller venue operators will face heightened scrutiny as underwriters demand evidence of risk management rigour.

Weather-driven losses remain a critical concern. The cost of cancellation coverage — already one of the largest insurance expenses for the industry — may not rise much in 2026, but general weather conditions, geographies and coverage terms and options will affect rates.

For catastrophe (CAT) coverage, entertainment and sports operations may have difficulty finding coverage and face increasing deductibles in high-risk geographies.

Outdoor events must account for high-probability threats like wind and lightning. Evacuation routes, shelter-in-place protocols and real-time meteorology are now considered table stakes in planning. Organizers that can document decision-making protocols and show evidence of [emergency response plans](#) are more likely to secure coverage on favourable terms.

*General liability coverage **could rise as much as 15% in 2026.***

To stay insurable, companies must prioritize [enterprise risk management \(ERM\)](#), which leads to a strong culture of safety, security and training, as well as advanced risk maturity. Weather protocols should be explicitly tied to policy language, layered liability structures and cyber readiness validated through tabletop exercises and vendor oversight.

Organizations that work with an experienced broker can tell underwriters a clear, data-driven story, backed by minimal claims, analytics and strong governance and will stand out as best-in-class risks, improve risk maturity and secure the coverage they need to thrive in 2026.

Case Study

The BeachLife Festival, a three-day live music event, was exposed to unnecessary risk due to a fragmented and inadequate insurance program. BeachLife consolidated its broker relationships with HUB and developed protocols to reduce risk. The improved risk profile meant fewer expected claims and the possibility of lower rates, positioning BeachLife for sustained growth and stability.

Preparedness

Proper preparation will help the industry combat increasing risks.

In addition to erratic and unpredictable weather, entertainment and sports operations in 2026 will need to prepare for risks like attendees' safety and cybercrime, both of which are getting harder to combat.

In Canada, the entertainment sector is becoming more cautious, as insurers are expecting more risk management strategies. The sector will have to evaluate and respond to the inherent risks of putting on events.

For instance, a single lapse in weather preparedness, security planning, crowd control or on-set safety can result in large losses. Preparedness must extend beyond traditional event safety. Strategies that include advanced weather modelling, rigorous crowd management and thorough background checks have become essential tools to reduce risks that can balloon into large insurance claims.

The threat of cybercrime on entertainment and sports operations remains high as the industry is a favourite target for its valuable intellectual property, fan data, financial information and high-profile clients.⁹ The financial impact is growing: In 2025, the average cost of a data breach for Canadian companies was nearly \$7 million, up roughly 10% from 2024.¹⁰

At the same time, cyber exposures have intensified reputational risk. The 2024 Ticketmaster breach highlighted the high stakes of compromised ticketing and customer information. The fallout continued when a ransomware group tried to resell the stolen data a year later.¹¹

Fortunately, there are clear paths to improvement. As more than 40% of ransomware incidents in the entertainment sector have been traced to inadequate cyber protections,¹² there are plenty of places to enhance risk maturity.

It starts with strong cyber defenses — including multi-factor authentication (MFA), endpoint detection, vendor oversight and real-time monitoring. These defenses, along with rigorous employee training to combat social engineering and related scams that threaten data security, can help the industry mitigate cyber risk.

In 2025, the average cost of a data breach for Canadian companies was nearly \$7 million, up roughly 10% from 2024.

By integrating operational readiness with financial protection, entertainment and sports organizations can safeguard both their bottom line and their brand, ensuring that when the unexpected occurs, they remain protected.

Given the stakes involved, working with an experienced broker is essential in combatting these threats. A broker with the right expertise can help entertainment and sports companies incorporate cutting-edge technologies, advanced ERM and thoughtful planning strategies to battle nuclear verdicts, cyber threats and risks that will emerge in the future.

9. Hosting Journalist, "[Top Tech Trends for 2025 by Gartner](#)," April 24, 2025.

10. IBM, "[IBM Report: Canadians' Data Security Under Increased Threat, While Breach Costs Surge](#)," July 30, 2025.

11. DataBreach, "[Is Ticketmaster's 2024 Mega-Breach Now on the Cyber-Crime Resale Rack?](#)" June 9, 2025.

12. Sophos, "[The State of Ransomware 2025](#)," accessed September 18, 2025.

Moving Your Organization Forward

HUB entertainment and sports 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 2026. Here are some initial considerations:

Accelerate your risk maturity.

1

Risks in entertainment and sports have increased — and so have insurance premiums. Consider taking a higher deductible on some coverages, which reduces premiums and improves experience rating, or think about alternative risk transfer vehicles to lower costs. Ask your broker what kind of insurance strategy meets your risk profile and budget.

Increase engagement through benefits.

2

Employees expect you to support their health, safety and wellbeing. A benefits strategy based on personalization and fostering [quality employee experiences \(QEX\)](#) will boost engagement, recruiting and retention and lower risk.

Understand your loss trends.

3

Understand the root cause of your large losses and explain to carriers what you're doing to prevent future losses. Develop a strategy with HUB to determine the best time and frequency to review alternative markets.

Be transparent with your broker.

4

Let your broker know what changes you've made to the business, so there are no surprises at renewal. Review exposures and insurance needs at least 90 days prior to policy renewal, so your broker can identify the best options.

Entertainment & Sports 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 entertainment and sports industries.

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 Entertainment & Sports Rate Guide	Insights
Commercial Auto	+5%	Commercial auto exposures in entertainment and sports are generally treated the same as broader transportation and auto risks, with tour buses and equipment trucks being the primary exposure unique to the industry. These are often underwritten separately through specialized insurers but otherwise follow the general market trends for auto.
General Liability	Lower Risk: -5% to -15% High Risk: Flat to +5%	General liability trends vary depending on the nature of the exposure. For straightforward, lower-risk accounts, rates are falling 5% to 15%, reflecting the competitive nature of the market. However, high-risk exposures, such as abuse coverage, remain challenging. With limited market appetite, rates for these risks are expected to rise 5% in 2026, with additional increases if there are frequent losses.
Umbrella and Excess Liability	-5% to Flat	Umbrella and excess liability generally follow the same trends as general liability, though there are more options and flexibility in this segment, creating additional competition.
Commercial Property	-10% to -5%	For insureds with clean claims histories, rates are trending down as much as 10%, particularly for new buildings. However, older buildings that have been converted into event spaces face fewer reductions, as they present higher risks. Overall, the market remains competitive, creating opportunities for insureds.
Catastrophic Perils	5% to Flat	Catastrophic perils follow broader industry trends. Entertainment and sports businesses are typically located in densely populated areas, reducing exposure to remote or high-risk regions (an exception being outdoor festivals in remote areas). However, capacity for CAT coverage may be limited, and deductibles may be higher for properties in CAT-prone areas or locations with a high concentration of risks. Insurers are more flexible for locations with strong infrastructure and mitigation measures. Certain cities with robust catastrophe mitigation plans may benefit from favourable rating conditions.
D&O	D&O Private: -10% to Flat D&O Public: -10% to Flat	Most directors and officers (D&O) coverage in the entertainment and sports industry is for nonprofit organizations. Market conditions in the sector align with the broader D&O segment across industries, with few differences.

Entertainment & Sports Rate Guide – Canada

Coverage	2026 Entertainment & Sports Rate Guide	Insights
Cyber	-10% to -5%	Cyber exposures follow general market trends. Accounts with strong risk management will enjoy favourable results, while those lacking controls face greater scrutiny.
Event Cancellation, Contingency and Non-Appearance	Flat to +5%	This coverage has shifted significantly post-COVID, as insurers have stricter language regarding communicable disease-related exposures. Weather has become a major driver of rates, with increased scrutiny of seasonal and geographic patterns affecting pricing. Overall, rates have firmed, and underwriters will remain somewhat cautious.
Production and Film Package	-5% to Flat	Coverage availability is influenced heavily by production size. While new options have entered the market for smaller documentary, industrial, commercial and educational (DICE) productions, several insurers have exited, creating limited capacity, particularly for larger film and TV series producers. Larger productions will need to plan ahead with economic forecasts in mind.
Media, E&O	-5% to Flat	Media and error and omissions (E&O) risks remain niche and specialized, with underwriters applying a rigorous approach to insureds. Rates are stable to slightly down.

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 Entertainment & Sports

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 Entertainment & Sports insurance specialist.

\$364M

in commercial insurance premium brokered by HUB

21,000

insurance policies managed

8,300

entertainment and sports clients

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