

Outlook 2026

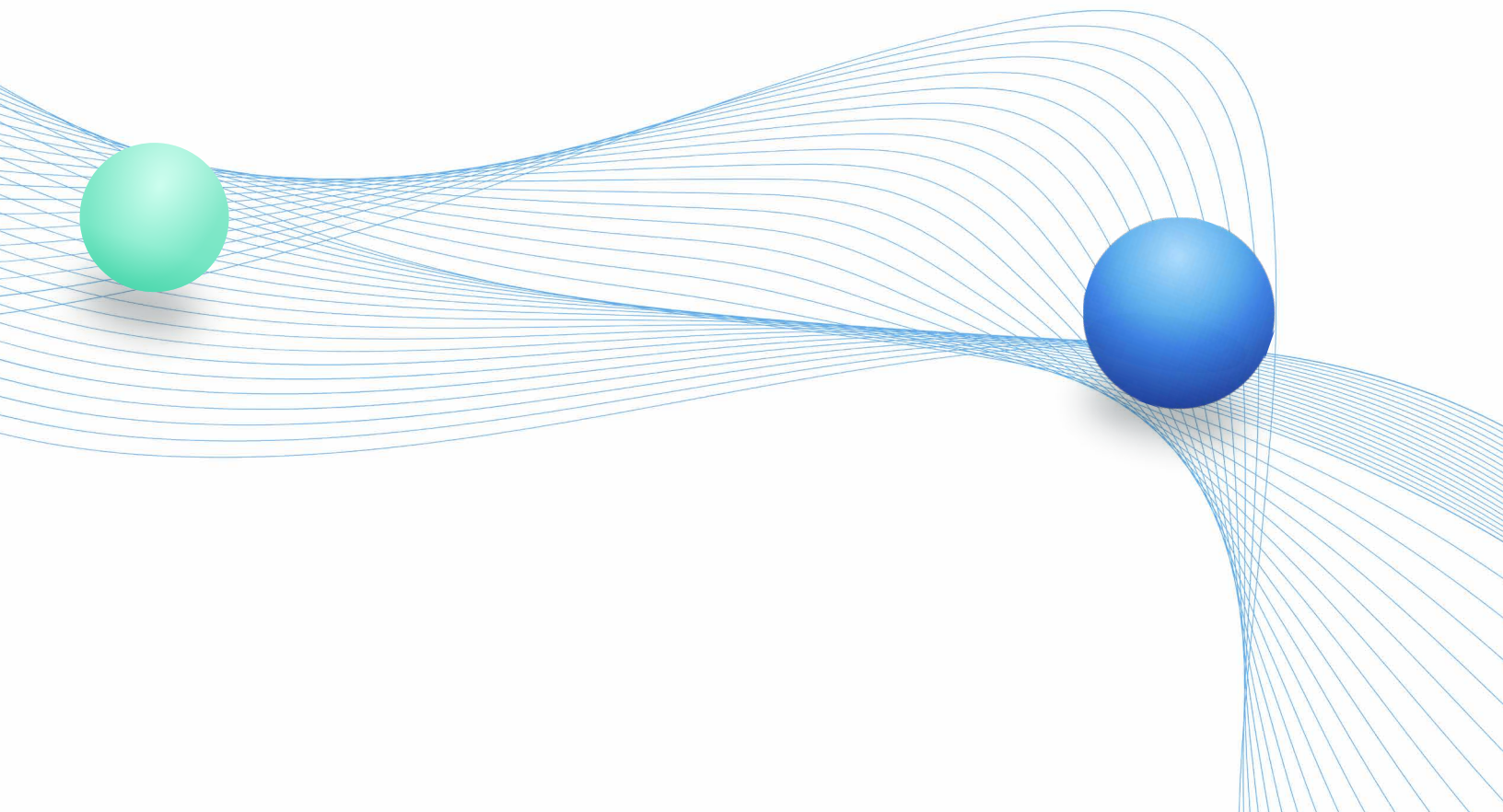
Healthcare

A commitment to strong risk management will help direct healthcare providers toward long-term stability.



What to Expect in 2026

Funding issues and rising labour costs will affect economic viability, employee vitality and resilience. But forward-looking organizations can tap new sources of revenue to help stabilize finances and offer thoughtful employee benefits to engage and retain employees. An integrated, enterprise-wide approach that enhances risk maturity, investment foresight and a strong broker relationship will be key to resiliency.



Economic viability

New revenue sources and enterprise risk management will help providers maintain economic viability.

Healthcare providers will continue to face a complex financial environment in 2026. That will lead all providers — whether they are hospitals, clinics, physician practices or senior care operations — to evaluate their funding and spending models to improve economic viability.

Several Canadian healthcare organizations are facing funding shortfalls, citing inflation and population growth as the culprits.¹ Just as difficult are rising labour costs, with the shortage of medical professionals straining institutions and forcing them to spend heavily on contract workers.²

And with an aging population, demand for healthcare services is expected to increase, putting huge stress on federal and provincial funding.

According to HUB International's 2026 Profitability & Resiliency Executive Survey,³ 93% of respondents classified as “community and public services” (which includes healthcare organizations) identified rising operational and labour costs as the most likely element to hurt the bottom line in 2026.

There's no single solution to financial instability, but providers can pursue strategies that can help stabilize their economic viability. For instance, primary care physicians — who are needed desperately throughout Canada but receive lower compensation than specialists — can offer additional, non-insured services like minor cosmetic procedures to generate income and shore up their practices.

In addition, Canadian institutions can sponsor or partner on clinical research for new funding. Providers other than hospitals or university research settings can also embrace this model. For example, stand-alone imaging clinics have generated new revenue by participating in research.

Healthcare enterprises that strengthen their ERM program will minimize costs and move up the risk maturity curve.

While these strategies can provide much-needed revenues, adding services or research capabilities also brings additional risk that will need to be addressed with an insurance broker.

In fact, healthcare enterprises that implement or strengthen their [enterprise risk management \(ERM\)](#) program — and the right insurance solutions — will help minimize costs while moving up the maturity risk curve. Partnering with a broker with deep industry expertise will help improve stability today and financial viability for tomorrow.

1. CBC, “[Ontario hospitals say they have \\$1B in funding needs.](#)” October 8, 2025.
2. The Hamilton Spectator, “[Hamilton hospitals spent millions on temp workers through secret contracts.](#)” May 9, 2025.
3. HUB International's 2026 Profitability & Resiliency Executive Survey polled 350 industry leaders and executives across North America on the issues facing them on profitability and resilience.

Vitality

Amid labor shortages, building trust and engagement through benefits will be essential.

Despite the labour shortage for medical professionals, providers will have opportunities to develop and retain talent through training and personalized benefits.

In 2024, costs for physicians and other medical professionals accounted for 24% of total Canadian spending on healthcare, second to spending on hospitals. The labour shortage, and an overreliance on overtime and contract workers, have contributed to higher costs.⁴

The growth in healthcare-related jobs has outpaced supply. Total employment in healthcare occupations reached approximately 1.7 million in 2024, or 8.1% of the nation's total workforce.⁵ But demand is still growing: By 2028, Canada will be short 60,000 nurses and 100,000 by 2030.⁶

Nowhere has the labour shortage had a greater impact than for primary care or family physicians. There's a deficit of nearly 23,000 family doctors in Canada, and the rate of new graduates each year won't make up the deficit.⁷

While technology and automation cannot fully replace humans, many providers are taking the opportunity to roll out new tech initiatives, including artificial intelligence (AI), to increase employee productivity.

In addition, worker engagement is a key element that drives higher costs and labour shortages. There's been difficulty in maintaining engagement across a spectrum of healthcare workers, with nursing positions and advanced providers garnering some of the lowest scores. Disengaged healthcare workers are 1.7 times more likely to leave their jobs than fully engaged employees.⁸

Burnout remains a major deterrent in staffing. The issue is most acute in nursing, where many nurses are considering a career change due to an overwhelmed system that puts enormous stress on workers.⁹

Personalized employee benefits that are responsive to individual needs are an instrumental part of the solution. [HUB International's 2025 Canadian Workforce Vitality Gap Index](#) found that nearly three-fourths of employers want to improve benefits and of those, 72% are expanding benefits.

Personalized employee benefits are instrumental in helping solve labour issues.

For healthcare providers, that means an increased commitment to safety, providing material resources to help mental health and benefits that meet the needs of an increasingly diverse workforce. Healthcare employers can leverage data by using tools like [HUB's Workforce Persona Analysis™](#) to deliver personalized benefits that will help restore trust and loyalty. Third-party tools and platforms can help improve employee financial wellbeing and improve engagement.

4. Canadian Institute for Health Information, "[National health expenditure trends, 2024 – Snapshot](#)," November 7, 2024.
5. Statistics Canada, "[Workforce renewal in health occupations](#)," April 10, 2025.
6. Bucketlist, "[The Current State of the Nursing Shortage in Canada And How to Solve It](#)," February 28, 2025.
7. Canadian Medical Association, "[Ground-breaking new report reveals Canada can't train enough doctors and other health professionals](#)," January 31, 2025.
8. PressGaney, "[Healthcare Employee Experience 2025](#)," April 23, 2025.
9. CBC, "[Fix nursing burnout or risk more staff shortages, says Sask. nurses' union](#)," September 9, 2025.

Resiliency

Risk management and creative insurance solutions will bolster resiliency in 2026.

Funding pressures will test healthcare providers' resiliency in 2026, but they'll have ample opportunities to improve their risk profiles and risk maturity.

In part, the opportunities lie in understanding resiliency. True resiliency means anticipating and adapting to pressures before they escalate, aligning with broad risk maturity models that healthcare leaders can use to ensure their institutions thrive in the long run.

Medical safety and other liabilities remain constant. About 6% of acute care hospital stays involved a "harmful event" — including hospital-borne infections, medication incidents and trauma suffered in a facility — between 2024 and 2025, and the average cost of hospitalization for those patients was about \$44,600, compared to \$9,800 for a patient that did not experience a harmful event.¹⁰

And while nuclear verdicts — those exceeding \$10 million — are uncommon in Canada, their growth in the U.S. has Canadian underwriters concerned about liability coverage.¹¹

The many risks facing healthcare are often reflected in insurance premiums. In healthcare, general liability is usually tied to commercial coverage and is often included alongside medical professional liability (MPL) insurance. Rates are anticipated to rise slightly, following malpractice trends.

However, new entrants offering MPL coverage will keep rates in check, which could drop as much as 10% despite the increasing frequency and severity of claims.

Like other industries, commercial auto insurance is expected to rise, along with patient transportation coverage. These healthcare costs are exacerbated by expensive onboard medical equipment and patient transportation.

In general, underwriters will reward providers that demonstrate strong [enterprise risk management \(ERM\)](#) frameworks and robust governance with more favourable terms and lower rates.

*Providers with strong ERM will **earn more favourable terms and lower rates.***

Building resilience also extends to workforce readiness and safety culture. A well-structured ERM program — a cornerstone of advancing along the risk maturity curve — provides a roadmap for healthcare organizations to navigate the formidable challenges threatening their long-term survival.

Beyond compliance, effective ERM integrates operational, financial and clinical insights, helping leaders anticipate emerging threats and align strategic decision-making with resilience goals.

Healthcare organizations that collaborate with an insurance broker possessing deep industry expertise are better positioned to turn these challenges into strategic advantages. With tailored risk strategies and informed guidance, they can not only withstand volatility but build the financial and operational resilience needed to thrive in 2026 and beyond.

10. Canadian Institute for Health Information, "[Patient harm in Canadian hospitals? It does happen.](#)" September 25, 2025.

11. Canadian Underwriter, "[Dark Clouds on the Horizon](#)" [The Impact of Nuclear Verdicts on Canadian liability insurance.](#)" March 20, 2025.

Cybersecurity

Providers will leverage every tool at their disposal to fight cybercrime.

As cyber threats escalate, healthcare providers are reinforcing their defenses and resilience.

The average cost of a data breach in healthcare — about \$10.4 million (US\$7.4 million) per incident — remains the highest of any industry. Breaches take an average of 279 days to identify and contain in healthcare, more than five weeks longer than the global average,¹² underscoring the urgency for stronger cybersecurity governance.

In 2024, healthcare entities were the target in 12% of cyberattacks in Canada, the most-targeted industry behind telecom and technology.¹³ The motivation is clear: Stolen medical records can fetch around \$1,400 per file, compared to just \$7 for a credit card number,¹⁴ making healthcare an attractive target for cybercriminals.

Cyber breaches at third-party service providers^{15,16} underscore the urgency with which providers are now moving to enhance security. Two major U.S. cyberattacks in 2024 were considered catastrophic: one that threatened hospital system's ability to operate¹⁷ and another on a service provider that cost US\$1 billion.¹⁸

Despite the escalating threat landscape, the good news is that healthcare entities have strong, sophisticated tools to reduce risk. Leading providers are embedding cybersecurity into their ERM frameworks and safety cultures, ensuring digital resilience is viewed as a strategic imperative rather than an IT function.

Replacing legacy systems, implementing endpoint detection and multi-factor authentication and using predictive analytics to identify vulnerabilities are helping organizations improve their risk maturity.

Emerging tools are also reshaping the sector's defensive posture. Generative AI technologies now automate security alerts, refine incident response protocols and help develop adaptive policies that keep providers ahead of evolving threats. Meanwhile, enhanced vendor risk management programs are strengthening cyber resilience across healthcare supply chains.

Cyber insurance remains a critical backstop in this evolving risk environment. Although premiums for healthcare entities remain among the highest (and could rise another 10% in 2026), underwriters are rewarding organizations that demonstrate robust security controls and cyber hygiene. Insurers increasingly require evidence of operational resilience and control maturity before issuing or renewing coverage.

*At around **\$10.4 million per incident**, the average cost of a data breach in healthcare is higher than in any other industry.*

This alignment between strong cybersecurity practices and insurability is paying off. In HUB International's 2026 Profitability & Resiliency Executive Survey, 46% of healthcare respondents reported plans to increase cyber coverage — the highest percentage among all industry groups. One HUB client that spent a year strengthening its cybersecurity infrastructure not only enhanced coverage but also reduced its deductible from US\$2.5 million to US\$500,000, showing that investment in cyber resilience delivers measurable financial returns.

12. IBM, "[Cost of a Data Breach 2025](#)," July 30, 2025.

13. PwC Canada, "[The emerging cybersecurity risks facing Canada's public sector](#)," accessed October 21, 2025.

14. HIPAA Journal, "[Healthcare Was the Most Breached Industry in 2024](#)," February 25, 2025.

15. CBC, "[Privacy investigator in Ontario hospital cyberattack outlines missteps, chances to improve](#)," June 18, 2025.

16. The HIPAA Journal, "[Episource Cyberattack Attack Affects More Than 5.4 Million Individuals](#)," June 16, 2025.

17. NPR, "[Cyberattack led to harrowing lapses at Ascension hospitals, clinicians say](#)," June 19, 2024.

18. IBM, "[Change Healthcare attack expected to exceed \\$1 billion in costs](#)," accessed September 3, 2025.

Moving Your Organization Forward

HUB healthcare industry insurance, risk management and employee benefits specialists will work with you to develop a tailored strategy to protect the bottom line, support the vitality of your workforce and build resiliency for 2026. Here are some initial considerations:

- 1 Accelerate your risk maturity.**

Risks in healthcare 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.

- 2 Increase engagement through benefits.**

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.

- 3 Understand your loss trends.**

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.

- 4 Be transparent with your broker.**

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 before policy renewal, so your broker can identify the best options.

Healthcare 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 healthcare and life sciences 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 Healthcare and Life Sciences Rate Guide	Insights
Commercial Auto and Patient Transportation	+5%	Commercial auto and patient transportation coverage remain among the higher-risk segments within healthcare due to the presence of specialized and expensive equipment, as well as the inherent exposure associated with transporting patients. While pricing generally tracks with broader commercial auto trends, premiums are typically higher to reflect the additional risk. The segment continues to represent a significant source of liability exposure, though rate differentiation is primarily driven by the degree of risk rather than by market volatility.
General Liability	Healthcare: Flat to +5% Life Sciences: -5% to Flat	<p>In the healthcare sector, general liability (GL) coverage is often packaged with commercial or medical malpractice policies and rarely serves as a standalone underwriting focus. As a result, GL rates tend to follow malpractice trends, with pricing expected to remain flat or experience modest increases in 2026.</p> <p>In life sciences, GL exposure typically relates to product liability exposures. Rates are generally flat to down by as much as 10%, with upward adjustments reserved for higher-risk categories. For standard accounts, rates continue to moderate amid heightened competition — particularly from London-based carriers expanding their presence in Canada.</p> <p>The life sciences sector continues to experience strong growth, driven by Canadian innovation and technology investment. Insurers are responding with additional capacity, contributing to a favourable market environment heading into 2026.</p>
Medical Professional Liability	-10% to Flat	The medical professional liability (MPL) market remains competitive, with premiums declining by as much as 10%. Although both the frequency and severity of losses are rising, increased competition continues to exert downward pressure on rates. Several new entrants view Canada as an attractive market for MPL coverage and are actively expanding their presence, intensifying competition across the segment.

Healthcare Rate Guide – Canada

Coverage	2026 Healthcare and Life Sciences Rate Guide	Insights
Umbrella and Excess Liability	-5% to Flat	Within healthcare and life sciences, umbrella policies are less common, as coverage is typically written on an excess basis above malpractice or product liability. The Canadian excess market remains highly competitive, with insurers aggressively pursuing these accounts through flexible pricing and broader terms. This dynamic continues to benefit insureds, particularly those requiring higher-limit placements.
Package (SMB)	-25% to Flat	<p>Small healthcare and life sciences operations are frequently placed under packaged policies designed for small- and medium-sized businesses. This segment remains intensely competitive, transactional and price-sensitive, with more players driving down premium costs. Rate reductions of up to 25% are common, particularly as underwriters continue to reduce minimum premium thresholds.</p> <p>However, businesses are cautioned to review policy wording carefully. While lower-cost options are readily available, they may not provide the same depth of protection or efficiency as more comprehensive products. Engaging a broker with sector expertise remains essential to ensure appropriate coverage quality.</p>
Commercial Property	-5%	Property insurance for healthcare and life sciences generally mirrors broader commercial property market trends. Facilities in these sectors are typically subject to rigorous regulatory requirements, which help mitigate risk and support favourable pricing.
Catastrophic Perils	Flat to +5%	Exposure to catastrophic perils follows the same trajectory as general property coverage. No notable divergence has been observed for healthcare or life sciences risks. Underwriters continue to focus on geographic risk mapping, flood controls and wildfire mitigation measures as standard underwriting criteria.
Environmental	Flat	Environmental coverage remains aligned with the broader property market. While healthcare facilities present potential exposures related to waste handling, chemicals and hazardous materials, no distinct pricing differential has emerged for the sector. Nonetheless, heightened awareness of environmental and sustainability risks is prompting greater interest in these coverages among both healthcare and life sciences organizations.
D&O	D&O Private: -10% to flat D&O Public: -10% to flat	In healthcare, directors and officers (D&O) liability continues to be viewed as a lower-risk class. Rates are expected to remain stable through 2026, with minimal upward pressure anticipated. In contrast, D&O exposure within the life sciences sector is considerably higher.

Healthcare Rate Guide — Canada

Coverage	2026 Healthcare and Life Sciences Rate Guide	Insights
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Cyber

Flat to +10%

Cyber risk remains a critical concern for healthcare organizations, which are prime targets for ransomware and cyberattacks due to the vast volumes of sensitive personal and medical data. As these breaches continue to escalate, insurers are highly selective, requiring robust cybersecurity protocols — including multifactor authentication, network segmentation and employee training — before issuing terms. Rates are likely to rise as much as 10%, following a period of sharp increases in prior years.

By contrast, cyber exposure in life sciences is considerably lower. Most organizations in this field do not store patient data, and their distribution models inherently reduce exposure. While many still purchase cyber protection as a safeguard, their risk profile is minimal, and rates remain flat.

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 Healthcare

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 Healthcare insurance specialist.

\$1.4B

in commercial
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brokered by HUB

54,000

insurance policies
managed

23,000

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