

Outlook 2026

Transportation

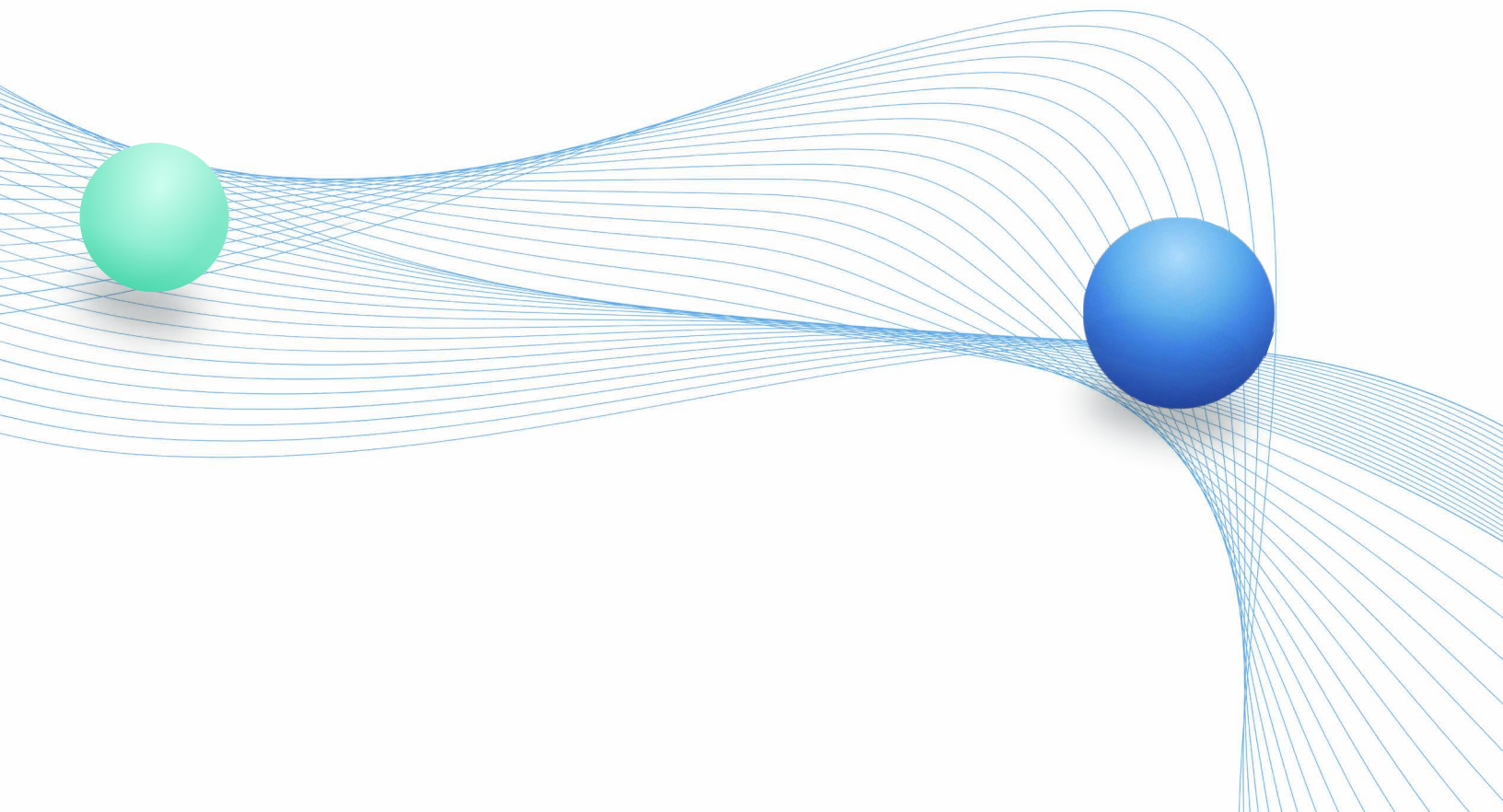
As cost and retention challenges persist, embracing technological innovation and accelerated risk maturity can be differentiators.



What to Expect in 2026

Between rising costs, ongoing trade discussions and the influence of potential litigation on insurance premiums, transportation companies will continue to face financial pressures in 2026. At the same time, workforce shortages and driver wellbeing remain ongoing priorities for the industry.

While these challenges are significant, they also highlight the importance of strengthening operational resiliency. By embracing advancing technologies and focusing on where your organization falls on the risk maturity curve, transportation carriers can better position themselves to stay competitive and uncover new opportunities in a changing landscape.



Data-driven insurance strategies can help offset rising costs and profitability threats.

As operating costs continue to rise alongside unpredictable global trade and market dynamics, fleet operators will need to remain vigilant and flexible in their approach to safeguarding profitability from a wide range of threats.

Transportation carriers across all industry segments have already been hit hard by growing cost pressures and decreasing margins over the past two years. These challenges are likely to be exacerbated by fluctuating prices on goods and other commodities in response to shifting U.S. tariff policies, as well as widespread geopolitical volatility. As a result, Canadians are buying fewer American products.

Economists anticipate prices will continue to climb throughout 2026. This could further threaten profitability across the logistics value chain as carriers navigate declining shipping rates and an overcapacity of vehicles. [Long-haul trucking](#), [last-mile delivery](#), [auto dealerships](#) and [moving and storage](#) companies will be disproportionately impacted.

While the Canadian insurance market across all lines of coverage for transportation companies is generally soft, the cost of auto repairs and the frequency of claims is driving rates as is litigation financing and nuclear verdicts.¹ Though the issue of legal abuse is less severe than in the U.S., it is a trend Canadian insurers are watching and proactively addressing through increased underwriting scrutiny. A bright spot is that auto liability insurance premiums have remained flat for firms with strong loss controls.

Given these challenges, it's no surprise that rising operating and labour costs were noted as the biggest threat to profitability by more than half of transportation companies responding to the HUB International 2026 Profitability & Resiliency Executive Survey.²

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Transportation operators that invest in safety and compliance through telematics, [driver training](#) and incentive programs, while also controlling repair and maintenance costs, will be better positioned with banks, shippers and transportation brokers that are implementing stricter requirements. These efforts not only strengthen compliance and competitiveness but also improve long-term profitability.

An insurance broker with the right expertise and analytics tools can help support fleet operators in financial planning and capital readiness, as well as identifying creative and effective paths to insurance cost savings, including individualized captive insurance and risk financing strategies.

1. Canadian Lawyer, "[Litigation funders are profiting off lawsuits making it to Canadian court: Dentons report](#)," June 13, 2025.
2. The HUB International 2026 Profitability & Resiliency Executive Survey polled 350 business leaders across North America on the issues facing them on profitability and resilience.

Low-cost wellness and incentive programs can address driver shortage and retention challenges.

Between historic labour shortages, retention challenges and increasing concerns about driver wellbeing, sustaining a healthy, committed workforce remains one of the biggest challenges for transportation carriers.

One concern going forward will be the reduction in the number of new immigrants due to changing government regulations.³ In an industry that has been struggling to attract new talent for years, immigration growth over the last several years has helped mitigate the transportation labour crisis for employers who did their due diligence on licensing and ensuring employees had the right training to drive in Canada.

Meanwhile, with an entire generation of professional drivers soon to enter retirement, fleet operators are struggling to find younger workers to fill their place. Employers have noted that higher salaries are no longer enough to attract and retain talent. In fact, two-thirds of employers report that non-monetary incentives are critical.⁴ To attract the younger generation and improve recruitment and retention, organizations will turn to thoughtful, data-driven benefits strategies — such as prioritizing benefits that a younger generation cares about — including [financial wellness, retirement planning](#) and mental health programs.

Fleet operators need solutions to tackle both root causes of employee churn and ways to incentivize new and existing workers for long-term job commitment. Adopting a [holistic wellness approach](#) is another way to help transportation companies support drivers' physical, mental and emotional wellbeing while addressing common stressors.

Robust benefit packages are not common among many transportation carriers due to the traditionally high cost. But there are creative ways to help fill the gap.

*Two-thirds of employers report that **non-monetary incentives are critical to driver recruitment.**⁴*

For example, poor health and wellbeing remains a major factor in losses and excessive turnover among truck drivers. Long hours on the road often translate to an overreliance on unhealthy foods, limited opportunities for exercise, prolonged social isolation and an increased risk of accidents due to high rates of sleep deprivation.⁵ One solution could include reconfiguring operations to shorten routes and allowing drivers to spend more time at home, thus improving their physical and mental health.

Transportation companies should also look at how they can leverage a variety of low-cost wellness tools like CDL health scanners or fitness and nutrition apps, as well as data-driven, [performance-based incentive programs](#) powered by advanced in-cabin telematics solutions.

3. Immigration.ca, "[Canada's Population Growth Slows Sharply in 2025 as Immigration Cuts Fuel Labour Force Aging](#)," September 25, 2025.
4. TruckNews.com, "[Industry could see 40,400 vacancies by 2030, THRC warns](#)," March 5, 2024.
5. ScienceDirect: Journal of Transport and Health, "[The biosocial health of U.S. long haul truckers](#)," February 2025.

Resiliency

Natural disasters and cyber threats demand innovative risk mitigation and insurance solutions.

The rising frequency and costs of climate-related disasters⁶ will continue to represent a major challenge for all segments across the transportation industry.

For trucking fleets, this means better mitigating the safety concerns, shipping delays, compounding costs and myriad other operational impacts of adverse driving conditions.⁷ Segments particularly vulnerable to on-lot damage from severe weather, such as [auto dealerships](#) and [waste management companies](#), must take steps to prepare for potentially catastrophic risks.

Technology-enabled route optimization and advanced weather modelling can help with identifying and planning the most efficient and resilient transportation strategies to avoid disruptions caused by severe weather or logistical bottlenecks.

Additionally, motor carriers must address the pervasive challenge of preventing cyber-facilitated cargo theft. Cybercriminals have been able to successfully reroute trucks to steal mid-value goods like food, shoes and energy drinks by using artificial intelligence (AI) software or manipulating data from Transport Canada. Instances of cargo theft were up 13% year-over-year in mid-2025.⁸

Closing coverage gaps and/or re-evaluating terms with your broker to ensure adequate protection from these threats are critical. Overall, only 57% of respondents to HUB International's 2026 Profitability & Resiliency Executive Survey said they felt confident about mitigating technology and cybersecurity risks.

Improving an organization's risk maturity should include bolstering a fleet's overall cyber hygiene to improve response planning, enhancing access controls and patching social engineering vulnerabilities.

*Instances of cargo theft were **up 13%** year-over-year in mid-2025.⁸*

A broker who offers tools like benchmarking loss data, risk profile assessments and regulatory compliance audits can help transportation operators better understand how they compare with other companies and what steps they can take to improve their overall risk profile.

6. CBC, "[This is our second-worst wildfire season on record — and could be the new normal.](#)" August 12, 2025.
7. FreightPulse.com, "[The Impact of Weather Conditions on Trucking Industry.](#)" January 6, 2025.
8. TruckNews.com, "[Cargo theft surges 13% in Q2, organized crime targets high-value freight.](#)" July 17, 2025.

Technology

Adoption and optimization of emerging tech are non-negotiable.

The [integration of new and emerging technologies](#) in the transportation sector is no longer a differentiator but an imperative, as more fleet operators look to enhance driver safety and wellbeing, improve risk mitigation and reduce claims.

The use of telematics, for example, which has been driven largely by the Electronic Logging Device (ELD) mandate,⁹ is expanding rapidly — but still behind the U.S. With the ability to generate and analyze critical data around driver and vehicle performance, telematics can significantly reduce risks through real-time safety monitoring, distracted driving feedback and predictive route optimization.

Advancements in telematics and digital first notice of loss (FNOL) platforms are quickly evolving and transforming how transportation companies manage assets, safety and claims to be more efficient. When claims incidents occur, integrated FNOL systems can allow immediate reporting, data uploads and accident reconstruction to insurers, which reduces claims costs, speeds up claims resolutions and strengthens fleet safety and risk management.

Dual-facing cameras and in-cab systems are also seeing widespread adoption, most notably among public transit and school bus fleets. These tools can provide the evidence needed to clarify claims and mitigate legal liability in potential litigation scenarios. Other AI-powered tools, such as predictive routing, provide intelligent, centralized platforms that integrate weather, traffic and road hazards into dispatch decisions and [offer a competitive advantage for resilient fleets](#) across all segments of transportation.

Underwriters now expect the use of critical transportation technology systems when negotiating terms. Moving forward, fleet operators can benefit from working with their insurance broker to better navigate these tools, analyze the data and continuously leverage all relevant insights to implement and maintain advanced risk mitigation processes.

*Underwriters **now expect the use of critical transportation technology systems when negotiating terms.***

Fleet operators must also be mindful that increased technology use heightens their cyber risk. Your broker can help ensure you have adequate [cyber liability coverage](#) when investing in new technology.

9. Government of Canada, "[Electronic Logging Devices](#)," accessed October 21, 2025.

Moving Your Organization Forward

HUB transportation insurance, risk management and employee benefits specialists are ready to help your organization develop a tailored strategy that will protect the bottom line, support your workforce and build resiliency for 2026. Here are key areas to prioritize.

Utilize your data.

1

Companies that work with their broker to understand their data and analytics can use that information to mitigate their risk, as well as demonstrate a strong safety performance to carriers that can result in better terms and conditions.

Listen to your drivers.

2

Personalized benefits tailored to the needs of your drivers can improve recruiting and retention. Find ways to connect drivers to benefits beyond health insurance, like providing access to personal insurance solutions and establishing rewards programs to incentivize good driving behaviour.

Invest in technology.

3

Embracing cameras and telematics can improve your company's resiliency for the long haul. And integrating new technologies with traditional claims and first notice of loss system data can increase roadside safety and organizational efficiency.

Be transparent with your broker.

4

Consistent communication with your broker will help identify and mitigate issues before renewal time and position the organization in the best light. Review exposures and insurance needs at least 90 days prior to policy renewal to allow your broker to find the best coverage for your organization's needs.

Transportation 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 transportation 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 Transportation Rate Guide	Insights
Property (Including Marine)	-5% to Flat	A surge in market competition — driven by new entrants and expanded capacity over the past 18 months — has kept commercial and marine rates stable to slightly down. Cargo placements remain steady, and capacity is generally ample, even for higher limits. However, shipments involving hazardous materials or lithium batteries continue to draw heightened underwriting scrutiny and face fewer placement options.
		<p>Well-managed and larger accounts continue to benefit from the most favourable pricing, while smaller or more complex risks may still encounter challenges. Warehouse coverage follows broader property market trends: Capacity is far more available than it was three to five years ago, particularly for modern, well-constructed facilities. That said, underwriters remain cautious when battery storage is involved on-site.</p> <p>Rates for hazardous materials have largely stabilized, with capacity more accessible when strong risk management protocols are demonstrated.</p>
Casualty	Flat	Casualty exposures in the transportation sector remain secondary compared to auto risks. General liability rates are stable to slightly down, following overall market trends. The primary exposures tend to arise from subcontractor arrangements, which can add complexity and additional layers of liability. Non-owned auto liability coverage remains difficult to obtain, as only a limited number of insurers are active in this space.
Automobile	Flat	Auto liability continues to represent the core exposure for transportation companies. Cross-border operations into the U.S. remain the biggest concern, given the higher liability environment. Overall, rates are flat, with some insurers offering multi-year rate guarantees for accounts demonstrating strong loss performance.
		<p>The auto market remains highly regionalized. British Columbia, Manitoba and Saskatchewan remain largely insulated from fluctuations due to government-regulated systems, while Ontario, Alberta and the Maritimes are seeing competitive conditions that are pushing rates downward. Carrier participation remains consistent across Canada, with no significant market exits or new entrants.</p> <p>Rate increases are typically limited to accounts with poor loss experience or deteriorating driver quality. Insurers continue to place strong emphasis on driver qualification, training and fleet maintenance, supported by risk services inspections.</p> <p>The industry continues to experience significant movement and restructuring, including bankruptcies, mergers, and acquisitions. A notable trend is the rise of Drivers Inc., where drivers incorporate themselves and subcontract their services rather than owning trucks directly. This model, particularly prevalent in Quebec and Ontario, has created pricing pressure as incorporated drivers can offer lower rates, leading to competitive disparities within the industry. Trucking associations have been lobbying governments to regulate or eliminate this practice to stabilize competition.</p>

Transportation Rate Guide — Canada

Coverage	2026 Transportation Rate Guide	Insights
D&O	Flat	Directors and officers (D&O) coverage for transportation companies continues to mirror broader market trends, with rates generally flat to slightly down.
Cyber	-5% to -10%	Cyber coverage is tracking closely with the broader market, though cyberattacks targeting trucking and logistics companies have increased noticeably. Many recent incidents stemmed from weak cybersecurity controls or a lack of structured risk management frameworks. The industry is responding with more operators implementing multi-factor authentication, network segmentation and employee training programs. As a result, underwriting outcomes have improved, and insureds demonstrating strong controls are securing higher limits and more competitive pricing.
Environmental	Flat	Environmental liability coverage for transportation risks remains consistent with general market conditions, with rates stable to slightly down and ample capacity available. Underwriters are increasingly emphasizing spill prevention, hazardous materials handling and waste transport controls as key differentiators in pricing and capacity decisions.

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 Transportation

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 Transportation insurance specialist.

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managed

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