



April 2026

HUB Q1 Rate Report

Competitive market conditions create real opportunities for well-managed risks



As commercial insurance rates soften across most lines, Canadian organizations with strong risk profiles recapture coverage, consider new coverage to protect against emerging risk and exposure and strengthen their programs.

Canada's commercial insurance market is in a period of genuine opportunity. Middle- to upper-middle-market organizations are broadly seeing rates hold stable or decrease by as much as 10% or more in some cases, reflecting strong carrier appetite, improved loss experience and a more favourable reinsurance landscape. While economic uncertainty — including ongoing trade volatility and its downstream effects on claims costs — adds complexity, organizations that engage proactively with their brokers are finding meaningful ways to strengthen their programs.

What's shaping market conditions?

Property softening, with regional nuance.

A less active catastrophe year in 2025¹ and stable reinsurance costs are driving improved conditions for commercial property. Well-performing accounts with clean loss histories benefit from broader coverage terms and more competitive pricing. Organizations in catastrophe-prone areas, including those with wildfire, flood or severe convective storm exposure, may see more measured outcomes, and insurance to value remains a critical focus for underwriters across the board.

Auto rates remain under pressure.

Commercial auto continues to face upward pressure across Canada, driven by elevated repair costs, supply chain disruptions and auto thefts. Accounts with strong fleet risk management practices, including telematics, driver screening programs and disciplined maintenance protocols, are best positioned to mitigate rate pressure at renewal.

Liability and financial lines present clear advantages.

General liability is one of the more favourable lines in the Canadian market, with increased capacity translating into broader terms, reduced retentions and premium reductions for well-managed risks. Financial lines — including private and public D&O and cyber — are similarly competitive, with more than 30 insurers actively competing for cyber accounts with revenues of \$100 million and above.

¹Artemis, "Lower Q2'25 cat losses lighten re/insurance industry burden after heavy Q1: J.P. Morgan," July 4, 2025

Leveraging market conditions into strategic advantage

The current environment rewards preparation. Organizations that experienced coverage erosion or tighter terms during the hard market now have a genuine opportunity to strengthen their programs — whether that means restoring sub-limits, improving retentions or exploring better coverage options across liability and financial lines.

Small-to-medium-sized businesses (SMBs) are also seeing meaningful benefits, as new market entrants and digital underwriting platforms expand available capacity and create more competitive outcomes for well-performing accounts. For organizations navigating uncertainty around tariffs and broader macroeconomic conditions, working closely with a broker to model program options and understand coverage implications can provide a clearer path forward.

Looking ahead

Competitive conditions are expected to continue across Canada's commercial insurance market, supported by strong carrier underwriting returns and ample capital. Outcomes vary meaningfully by line of business, geography and risk profile — and organizations that take a proactive, data-driven approach to renewal are best positioned to capitalise on what the current market has to offer. HUB's advisors across Canada are ready to help you identify the opportunities that matter most for your organization.

Q1 2026 Canada Rate Report

HUB International’s rate guidance is based on proprietary national survey data and interviews with HUB commercial insurance brokers and risk services consultants specializing across all industries throughout North America.

The information contained in this report is intended as a general market guide. Actual rate outcomes vary by account based on individual merits, including loss history, geography, industry class and overall exposure profile. No two renewals are alike, and results within any given line of business reflect a wide range of outcomes depending on these factors.

Coverage	Q1 Canada Rate Outcomes	Market Observations
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**Commercial Automobile:
1-5 vehicles**

+3% to +5%

Commercial auto rates for accounts with less than 5 vehicles, driven by inflationary claims costs, supply chain disruptions and rising vehicle theft activity across Canada. Tariffs on imported auto parts have meaningfully increased repair costs, with parts sourcing delays extending vehicle off-road times and driving up both repair and replacement expenses — pressures that are particularly acute for commercial vehicles with specialised components or equipment.

Vehicle theft rates have risen sharply in recent years, with Canada recording some of the highest per-capita theft rates among developed nations. That trend has placed additional strain on comprehensive loss experience and contributed to premium adjustments across affected vehicle classes. Insurers are responding by scrutinising individual risk characteristics more closely, with pricing outcomes increasingly differentiated by vehicle type, garaging location, claims history and the robustness of an insured’s loss prevention measures.

Accounts with less than 5 vehicles that demonstrate a proactive approach to risk management — driver screening programs, GPS tracking, anti-theft devices and disciplined vehicle maintenance protocols — will be best positioned to achieve the most competitive terms available.

**Commercial
Automobile:
5+ vehicles**

Flat to +5%

Commercial auto rates in Canada continued to face upward pressure this past quarter, driven by rising claims frequency and sharply increasing repair costs. Industry data shows auto repair costs doubled between 2013 and 2023 — a trend attributable to the growing complexity of modern vehicles, which incorporate advanced driver assistance systems, specialised components and electronics that demand highly skilled technicians and longer repair cycles.

Supply chain disruptions have compounded these pressures, extending vehicle off-road times and inflating both repair and total loss costs. Insurers have responded with pricing adjustments, most pronounced for fleets with adverse claims histories, higher-risk vehicle classes or operations in urban centres where frequency and severity trends are most acute.

Fleet operators that invest in strong risk management practices — driver screening programs, telematics adoption and disciplined vehicle maintenance protocols — are best positioned to moderate rate pressure and achieve competitive terms at renewal.

Liability

-10% to Flat

General liability continued to perform well across the Canadian market this past quarter. Insurers demonstrated notably greater flexibility in both pricing and terms as they sought to grow their liability portfolios and diversify overall risk exposure, with many markets actively competing for well-managed accounts with favourable loss histories.

Increased capacity — driven by strong underwriting performance and heightened competition from both domestic carriers and the London market — translated into more advantageous conditions for insureds, including broader coverage terms, reduced retentions and, in some cases, meaningful premium reductions.

Social inflation and evolving litigation trends remained areas of ongoing vigilance for underwriters, particularly for long-tail liability exposures and insureds with U.S. exposure. Accounts with complex risk profiles or adverse claims experience may find the market less accommodating than the broader trend suggests — but for well-structured risks with robust risk management frameworks, the current environment presents a genuine opportunity to enhance program terms and strengthen overall coverage.

**Excess
Liability**

-5% to flat

Pricing remained stable for Canada-only exposures this past quarter, with the line benefiting from the same favourable market dynamics as primary liability. Risks with U.S. exposure faced a different picture — potential premium increases depending on the attachment point and segment, driven by continued pressure from nuclear verdicts in certain U.S. states and industries.

**Commercial
Property**

-10% to Flat

Canada's commercial property market remained competitive this past quarter, underpinned by increased insurer appetite for growth and a more favourable reinsurance landscape. Reinsurance costs stabilized and, in select cases, declined by 0% to 10% heading into 2026 — a dynamic that translated into improved underwriting conditions and more attractive pricing for well-performing accounts.

Natural catastrophe and claims experience in 2025 proved less challenging than the significant activity recorded in 2024, providing further relief to insurer loss ratios and contributing to the broader softening trend now evident across much of the property market. That said, the market remains far from uniform. Insureds in catastrophe-prone regions — including areas exposed to wildfire, flooding, and severe convective storms — may continue to experience rate pressure, as the frequency and severity of weather-related events remain elevated relative to long-term historical averages.

Insurance-to-value continued to be a critical area of underwriter focus. Despite early signs of stabilization in rebuilding costs, many properties remain underinsured relative to current replacement cost estimates — a gap that can carry significant implications at the time of a loss and that insurers are increasingly scrutinising at renewal.

Insureds with accurately declared values, strong property risk management credentials and early broker engagement are best positioned to capitalise on the more favourable conditions the current market has to offer.

Coverage**Q1 Canada Rate Outcomes****Market Observations****Residential /
Habitational
Property**

Flat to +10%
(varies by
region and
risk type)

Rate changes varied across condo, homeowners and tenant policies this past quarter, with insurance-to-value (ITV) increases averaging 5% as rebuilding costs continued to outpace general inflation. Carriers took additional rate in high earthquake zones and unprotected or extreme unprotected locations, and some introduced water damage restrictions in areas where frequency and severity had been most problematic.

Water damage represents 55% of residential claims, making it a central focus of carrier underwriting strategies. To address this, carriers broadly targeted 4% to 5% for inflation and an additional 4% to 5% in rate. Alberta saw the highest regional increases, ranging from 5% to 10%, driven by severe weather losses, including significant hailstorms.

**Catastrophic
Perils**

Flat to +5%

The frequency and severity of weather events continued to influence insurer loss experience, shaping underwriting strategies toward more disciplined pricing and tighter terms. Canada experienced approximately 6,000 wildfires burning 8.9 million hectares in 2025 — significant activity largely absorbed by the market, as fires occurred predominantly in remote areas with lower population density.

Environmental

-5% to -10%

Increased capacity and new market entrants — paired with minimal claims activity and rising public environmental awareness — created a competitive environment in an already profitable line. Environmental impairment liability (EIL) policies typically carry three-year terms, meaning most 2026 renewals were last marketed in 2023, when conditions were significantly firmer.

**Directors &
Officers:
Private**

-10% to Flat

The private D&O market remained competitive this past quarter, with sustained downward rate pressure and expanding coverage terms reflecting strong carrier appetite. Underwriters kept a close eye on insured financials; however, as macroeconomic headwinds intensified, attention to bankruptcy risk heightened. Political, economic and social uncertainty continued to factor into underwriting considerations, though prevailing market conditions tempered any meaningful tightening.

**Directors &
Officers:
Public**

-10% to Flat

The public D&O market stabilised this past quarter following multiple years of significant decreases, with ample capacity continuing to drive rate reductions for well-performing risks. Industries facing tariff exposure and broader macroeconomic headwinds drew closer underwriter scrutiny, as did the ongoing political, economic and social environment — including shareholder activism, securities litigation risk and regulatory scrutiny — which continued to support relatively stable pricing despite competitive pressure.

Claims frequency and severity remained elevated, particularly for securities class actions and derivative suits, keeping carriers focused on balancing market share goals with underwriting profitability.

**Cyber
Liability**

Flat to -10%

The cyber insurance market continued to demonstrate strong competitive dynamics this past quarter, with rate decreases, reduced retentions and enhanced coverage terms broadly available across most account segments. The most competitive segment was for accounts with revenues of \$100 million and above, where more than 30 insurers actively competed for market share — driving increasingly favourable pricing and terms for well-qualified risks and creating meaningful leverage for insureds at renewal.

Underwriting discipline relaxed considerably from the hardened conditions of recent years, reflecting improved loss experience and greater insurer confidence in the maturity of corporate cyber risk management programs. That said, foundational security controls — including multi-factor authentication, endpoint detection and response, and privileged access management — remained non-negotiable prerequisites for accessing the most competitive terms.

Social inflation, evolving ransomware tactics and the growing sophistication of threat actors continued to draw underwriter attention. Accounts that demonstrated a proactive, well-documented approach to cyber hygiene were best positioned to capitalise on favourable market conditions — accessing broader capacity and more competitive pricing than the broader market trend might otherwise suggest.

The current environment presented a meaningful opportunity for insureds to strengthen their cyber programs, particularly around business interruption, social engineering and funds transfer fraud coverage — areas where enhanced limits and broader terms became increasingly achievable.

Small- to Medium-Sized Businesses (SMBs)

-5% to Flat

Canada’s SMB insurance segment remained broadly stable this past quarter, with conditions increasingly favouring insureds as competition among domestic and international carriers created meaningful downward pressure on premiums across package lines.

New market entrants are anticipated in 2026, further expanding capacity and competition for well-performing SMB accounts – a dynamic expected to translate into rate reductions, broader coverage terms and improved flexibility on policy conditions. The proliferation of digital underwriting platforms and streamlined submission processes continued to reshape how the SMB market operates, enabling carriers to assess and price risk more efficiently, reduce placement friction and deliver faster, more competitive outcomes.

Insurers actively sought to grow their SMB portfolios as part of broader diversification strategies, recognising the segment’s historically stable loss experience and attractive combined ratios relative to more volatile commercial lines – a trend drawing increased participation from London and international markets previously less active in this space.

SMBs that come to renewal with well-organised submissions and a clear picture of their risk profile are best positioned to capitalise on current market conditions – securing broader coverage terms and more competitive pricing than in prior years.

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