Midyear 2026

HUB Midyear Rate Report

A Favourable Market, with Cyber and Casualty on the Move

HUB

As competitive conditions hold across most lines at the midpoint of 2026, Canadian organizations with strong risk profiles have a genuine window to secure better terms, restore coverage and build programs that respond to today's evolving exposures.

Canada's commercial insurance market remains a buyer-favourable environment heading into Q3. Middle- to upper-middle-market organizations are broadly seeing rates hold stable or decline, with the most meaningful reductions reserved for accounts that demonstrate favourable loss experience and disciplined exposure management. Strong carrier results, ample capital and a benign natural catastrophe environment continue to fuel competition — even as economic and political headwinds, including tariff pressures and trade uncertainty, add complexity. Organizations that engage their brokers early are finding real opportunities to strengthen their programs.

What's shaping market conditions?

Competitive conditions hold across property and liability.

Commercial property and liability remain among the most favourable lines in the Canadian market. Stable-to-declining reinsurance costs and a less active 2025 catastrophe year continue to support broader coverage terms, reduced retentions and premium reductions for well-performing accounts. Increased capacity — from domestic carriers and the London market alike — is translating into genuine flexibility on terms. Organizations in catastrophe-prone areas may see more measured outcomes, and insurance-to-value remains a central underwriting focus across the board.

Auto pressure is moderating.

Commercial auto continues to face cost pressure from elevated repair costs, supply chain disruptions and vehicle theft. Still, the rate of increase is moderating as the market finds a new equilibrium in 2026. Accounts with strong fleet risk management practices — telematics, driver screening and disciplined maintenance protocols — are best positioned to achieve the most competitive terms at renewal.

Casualty holds favourable, with an eye on social inflation.

Casualty lines continue to benefit from ample capacity and competitive terms, but underwriters are staying watchful on long-tail exposures. Social inflation and growing class-action activity — concentrated in environmental liability and healthcare — are the clearest pressure points. While they have yet to disrupt the broader competitive environment, they are shaping how carriers approach limits and reserves on longer-tail risks. The current window gives organizations a timely opportunity to secure increased limits and strengthen their casualty programs while terms remain favourable.

Financial lines flatten as cyber begins to firm.

The financial lines market has been shaped by several consecutive years of rate decreases. While conditions remain favourable for buyers, that trend is now giving way to a flatter landscape, with larger reductions settling into the single digits or flat renewals. Capacity is still abundant, and insurers remain willing to get creative on coverage enhancements, even as the overall rate environment levels off. Cyber stands apart from this broader trend, though, with a tighter perspective emerging as rising claims activity and mounting concern over AI-driven threats point to the early stages of a firming market. Meanwhile, on the directors and officers (D&O) liability side, the market is keeping a close eye on macroeconomic factors, which so far have yet to make their way into pricing.

Leveraging market conditions into strategic advantage

The current environment rewards preparation. Organizations that absorbed coverage erosion or tighter terms during the hard market now have a genuine opportunity to strengthen their programs — restoring sublimits, improving retentions, adding coverage for emerging risks and increasing limits where underlying exposures justify it. Buoyed by favourable results, carriers are showing greater willingness to collaborate with experienced brokers to expand terms and build solutions for today's dynamic economic, political and technological landscape.

Smaller organizations are also seeing meaningful benefits, as new market entrants and digital underwriting platforms expand 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 through the second half of 2026, influenced by strong carrier underwriting returns, ample capital and a less intense catastrophe environment compared to 2025. The clearest shifts to watch are a firming cyber market and continued vigilance around social inflation in casualty lines. Outcomes vary meaningfully by line of business, geography and risk profile. Organizations that take a proactive, data-driven approach to renewal are best positioned to capitalise on what the current market has to offer.

Midyear 2026 Canadian Rate Report

HUB International's rate report comprises an analysis of proprietary national data and interviews with HUB commercial insurance brokers and risk services consultants across industries and lines of business 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	Midyear Canada Rate Outcomes	Market Observations
Commercial Automobile: 1-5 vehicles	+3% to +5%	Commercial auto insurance rates for individually rated risks showed signs of stabilization in Q2, following a sustained period of upward pressure. The underlying cost drivers remain present, including inflationary claims costs, supply chain disruptions and rising vehicle theft activity across Canada. Though they continue to shape the environment, the rate of increase is moderating as the market finds new equilibrium. Tariffs on imported auto parts have meaningfully increased the cost of repairs, with sourcing delays extending vehicle off-road times and driving up both repair and replacement expenses. Such pressures 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 vehicle theft rates among developed nations, specifically in urban areas. This has placed additional strain on comprehensive loss experience and contributed to premium adjustments across affected vehicle classes. Insurers are responding by scrutinising more closely than ever individual risk characteristics, with pricing outcomes increasingly differentiated by factors such as vehicle type, garaging location, claims history and the robustness of an insured's loss prevention measures. For individually rated commercial auto accounts, demonstrating a proactive approach to risk management, such as driver screening programs, GPS tracking, anti-theft devices and disciplined vehicle maintenance protocols, will be essential in achieving the most competitive terms available in the current environment.

Coverage	Midyear Canada Rate Outcomes	Market Observations
Commercial Automobile: 5+ vehicles	Flat to +3%	Commercial auto rates for fleet accounts stabilised in Q2 2026, with pricing adjustments becoming more measured following several quarters of meaningful increases. The key cost drivers, including elevated repair costs, vehicle complexity and supply chain disruptions, remain present but are no longer accelerating at the pace seen in prior periods. Increases in auto repair costs are driven by advanced driver assistance systems, specialised components and electronics requiring skilled technicians and longer repair cycles. Pricing remains most differentiated for fleets with adverse claims histories, higher-risk vehicle classes or operations in urban centres where frequency and severity trends are most acute. For insureds, demonstrating strong fleet risk management practices, including driver screening programs, telematics adoption and vehicle maintenance protocols, remains the most effective lever for achieving competitive outcomes at renewal.
Liability	-10% to flat	Insurers are demonstrating notably greater flexibility in both pricing and terms as they actively seek to grow their liability portfolios and diversify overall risk exposure. Increased capacity, driven by strong underwriting performance, improving loss ratios and heightened competition from both domestic carriers and the London market, is translating into broader coverage terms, reduced retentions and meaningful premium reductions for well-managed risks. Many markets are actively competing for accounts with favourable loss histories. Social inflation and evolving litigation trends remain areas of ongoing vigilance for underwriters, particularly for long-tail liability exposures and accounts with complex risk profiles, specifically those with U.S. exposure. For well-structured risks with robust risk management frameworks, the current environment presents a clear opportunity to enhance program terms, including increased limits and excess layers.

Coverage	Midyear Canada Rate Outcomes	Market Observations
Excess Liability	-5% to flat	Pricing for Canada-only exposure remains stable to modestly declining, with more competitive outcomes available for well-managed risks engaging the market proactively. Risks with U.S. exposure may continue to see premium pressure depending on the attachment point, industry segment and U.S. jurisdiction, as carriers remain cautious around the implications of nuclear verdicts and an increasingly unpredictable litigation environment in key U.S. states.
Commercial Property	-10% to flat	Canada's commercial property market continued to be competitive in Q2, with conditions broadly sustained by increased insurer appetite for growth, new entrants and a more favourable reinsurance landscape. Reinsurance costs are flat and, in select cases, have declined, flowing through to more attractive pricing for well-performing accounts. Natural catastrophe and claims experience in 2025 and the first half of 2026 proved less challenging than the significant activity recorded in 2024, providing further relief to insurer loss ratios. That said, recent wildfire and flood activity may affect that relief, and the market remains far from uniform. Clients in catastrophe-prone regions, especially in areas exposed to wildfire, flooding and severe storms, may continue to experience rate pressure. Insurance-to-value remains a critical area of focus for underwriters. Despite early signs of stabilization in rebuilding costs, many properties remain underinsured relative to current replacement cost estimates. Ensuring declared values accurately reflect current construction costs, while demonstrating strong property risk management credentials will be key to capitalising on more favourable conditions.

Coverage	Midyear Canada Rate Outcomes	Market Observations
Residential / Habitational Property	Flat to +15%	Residential and habitational property rates continue to reflect the elevated loss experience that has characterised this segment in recent years. Rate changes vary meaningfully across condo, homeowners and tenant policies, with insurance-to-value increases averaging 5% as rebuilding costs continue to outpace general inflation. Alberta and Saskatchewan saw the highest increases in Q2, at 5% to 15%, driven by severe weather losses that included significant hailstorm activity. For habitational owners, proactive loss control measures, including water leak detection systems, updated mechanical and electrical systems, and robust maintenance programs, remain the most effective tools for managing renewal outcomes.
Catastrophic Perils	Flat to +5%	The increasing frequency and severity of weather-related events remains a structural concern that underwriters are factoring into longer-term pricing strategies. Canada experienced approximately 6,000 wildfires burning 8.9 million hectares in 2025.[1] Despite the scale of activity, the market has been relatively sheltered due to fires occurring in areas with lower population concentration. Flood and severe storm exposure continue to receive close attention from underwriters, particularly in regions with documented frequency trends. For clients with meaningful catastrophic perils exposure, demonstrating strong risk mitigation measures, including site hardening, business continuity planning and comprehensive risk engineering engagement, will be increasingly important in maintaining access to competitive terms.
Environmental	-5% to -10%	The market continues to experience ongoing rate declines for well-managed accounts. Increased capacity and new market entrants, paired with minimal insurer claims activity and growing public environmental awareness, have created a consistently competitive market in an already profitable line.

[1] Government of Canada, "Government of Canada provides update on 2025 wildfires as support continues," October 30, 2025.

Coverage	Midyear Canada Rate Outcomes	Market Observations
Directors & Officers: Private	0 to -10%	The market is seeing stability in 2026 driven by good claims results and healthy market capacity. There remains discussion on the impact of tariffs and insolvency concerns among insurers; however, it has not yet resulted in any meaningful rate impact.
Directors & Officers: Public	-8% to flat	The market is stabilizing in 2026 after many years of significant rate decreases. Rates have flattened to single-digit decreases, unless an extenuating factor has inflated the historical rate profile. As the market returns to 2019-era pricing, focus has moved to the broadening of coverage and increasing sub-limits.
Cyber Liability	Flat to +10%	After years of declining rates, the market is showing signs of firming caused by heightened claims activity. While capacity remains abundant, insurers are monitoring the influx of artificial intelligence (AI) threats, which could further impact loss ratios.
Small- to Medium-Sized Businesses (SMBs)	-5% to flat	The segment is stable with competitive dynamics intensifying as new market entrants expand available capacity and efficiencies. Established carriers look to retain well-performing accounts across package lines. New market entrants anticipated throughout 2026 are expected to drive some rate reductions, broader coverage terms and improved flexibility on policy conditions for eligible risks. The proliferation of digital underwriting platforms and streamlined submission processes is fundamentally reshaping how the market operates, enabling carriers to assess and price risk more efficiently while delivering faster, more competitive outcomes for clients.

Note: *Rate is typically defined as the amount of money necessary to cover losses, expenses and provide an insurance company with a profit for a unit of exposure. Exposure refers to a business' or individual's susceptibility to various risks encountered daily. Carriers evaluate the level of risk an insured faces in calculating insurance premiums.*

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