

## Pace of commercial rate hikes slows

*Trend of moderation continues in Canada and the U.S.*

CANADIAN commercial insurance renewal rate increases continued to slow in the first quarter of 2026, according to Applied Systems.

The technology company said average renewal rates across the most commonly placed commercial lines rose 1.67% in Q1-2026, down from 3.85% in the same quarter last year.

Renewal rate increases were lower year over year across all lines tracked for the firm's commercial rate index.

Quarter over quarter, average renewal rate increases were also lower in real estate property, construction, hospitality and retail services. Business and professional services were the only tracked category to record a quarter-over-quarter increase.

Business and professional services renewal rates rose 2.43% in Q1-2026, up from 1.83% in Q4-2025, but down from 3.99% in Q1-2025.

Construction, erection and installation services renewal rates rose 1.56% in the quarter, down from 2.52% in Q4-2025 and 3.85% a year earlier.

Hospitality services posted the lowest average increase among the categories tracked, at 0.43%. That was down from 0.96% in Q4-2025 and 3.08% in Q1-2025.

Real estate property renewal rates rose 1.02% in Q1-2026, down from 1.68% in the previous quarter and 3.58% in the same quarter last year.

Retail services renewal rates rose 2.39%, down from 3.12% in Q4 2025 and 4.57% in Q1 2025.

"The Q1-2026 results reflect a significant acceleration of the market softening we've been tracking over the past several quarters,

with overall renewal (rate increases) dropping to 1.67% — less than half of what we saw in Q1 2025," said Steve Whitelaw, the company's senior VP and general manager for Canada.

The Q1-2026 report is the final edition of the Canadian commercial lines index. Applied Systems said it is pausing publication as it reworks how it delivers commercial lines market insights.

Meanwhile, a new report from WTW shows the pace of commercial insurance rate increases has also slowed in the U.S.

The broker said insurers there reported an aggregate price increase of 2.5% in Q1-2026, down from 5.3% in the same period last year.

WTW said pricing trends softened across most commercial lines, including small commercial, mid-market commercial and large commercial accounts.

Excess/umbrella liability remained the line with the highest increases, though it declined from the previous quarter.

Commercial auto rate increases in the U.S. fell below double digits for the first time since the third quarter of 2023.

WTW said pricing trends across all other lines were largely unchanged or slightly lower than the prior quarter.

"The first quarter results reflect a continuation of the moderating pricing environment observed over recent quarters," said Yi Jing, managing director of insurance consulting and technology at WTW.

"While commercial auto and excess/umbrella liability continue to experience the largest increases, the pace of those increases has eased, with pricing trends across much of the market remaining stable."

## B.C. court dismisses claim against Marsh

THE SUPREME Court of B.C. has dismissed a third-party negligence claim against Marsh Canada in litigation arising from the collapse of an agri-product storage silo at a North Vancouver marine terminal.

AG Growth International had claimed Marsh, Fibreco Export's insurance broker, owed it a duty of care in relation to a course of construction insurance policy placed for Fibreco's terminal expansion project.

The policy expired Aug. 30, 2020. On Sept. 11, 2020, a newly built silo collapsed and damaged another silo and related infrastructure. Lloyd's Underwriters later denied coverage as the policy had expired before the collapse.

AGI had designed and supplied materials for the silos. Fibreco sued AGI in contract and negligence, while Fibreco also sued Marsh over the non-renewal of the construction policy. Fibreco and AGI later settled their claims, with AGI paying Fibreco a substantial amount. AGI then sought to recover almost \$30m from Marsh, arguing it represented the portion of the settlement that would have been covered had the policy remained in force.

Justice David Masuhara found AGI's claim against Marsh was a novel claim for pure economic loss. AGI argued Marsh owed a duty of care to unnamed insureds under the construction policy, including AGI.

Marsh said it owed no duty to AGI as there had been no undertaking to AGI and no detrimental reliance by AGI. Marsh also argued that recognizing such a duty would expose brokers to potential claims from large numbers of project participants with whom they had no contact.

The court accepted Marsh's position.

The judge found there was no relationship between Marsh and AGI, no communication between them about the policy, and no evidence that Marsh gave AGI any undertaking or that AGI relied on Marsh. The court noted AGI admitted it did not know Marsh was Fibreco's broker before the silo collapse and had not requested or received the policy or certificates of insurance before the loss.

The court said AGI was attempting to rely on Fibreco's relationship with Marsh by indirectly adopting Marsh's undertaking to Fibreco and Fibreco's reliance on Marsh. That approach was inconsistent with tort law principles governing pure economic loss.

The court said recognizing AGI's proposed duty of care would not be a modest extension of the law. It would create practical problems for construction insurance brokers, including conflicts of interest and potential duties to large and changing groups of project participants. The court found there was no genuine issue to be tried and dismissed AGI's third-party claim against Marsh.

## Alberta CIP students gain institute grants

THE INSURANCE Institute of Canada has announced the spring 2026 recipients of the Alberta Insurance Council Grant.

They include Illia Fedoruk, Quinn Ryckman and Josie Petrillo. All three are currently Chartered Insurance Professional student members of the Insurance Institute of Southern Alberta.

The Alberta Insurance Council Grant is available to eligible Insurance Institute members in the province who are pursuing their CIP, Advanced Chartered Insurance Professional or Fellow Chartered Insurance Professional designation and do not receive financial support from their employer.

Up to \$20,000 can be awarded each year through the grant. Eligible CIP students can receive \$3,500, while ACIP or FCIP students

may receive \$5,000.

Applications are accepted twice a year, in the spring and fall. The next application deadline is Sept. 25, with fall 2026 recipients expected to be announced in October.

Other scholarship deadlines are approaching. Applications for the 2026 Lloyd King Scholarship, available to Atlantic Canada residents pursuing full-time university studies, are due Sept. 18. Applications for the 2026 John E. Lowes Insurance Education Fund, which supports Ontario residents pursuing post-secondary education in p&c insurance and risk management, are due Sept. 25.

Applications and full details for the scholarships and bursaries are available on the institute's website.