INSURANCE IN CANADA:

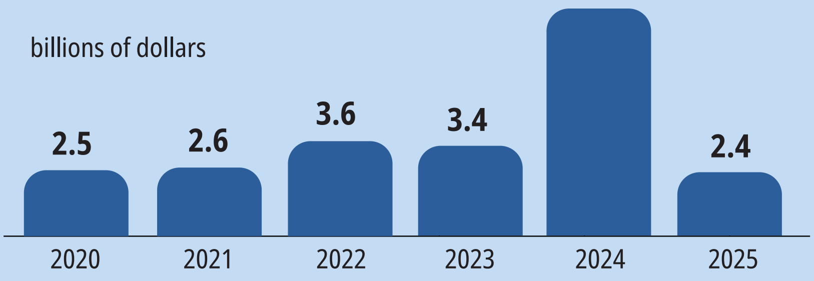
WHAT'S DRIVING PREMIUMS HIGHER?

Canadians have seen their insurance premiums go up in the last six years. There are a number of reasons for this, including a significant rise in extreme weather claims, higher replacement and repair costs, and auto thefts.

CATASTROPHIC CLAIMS

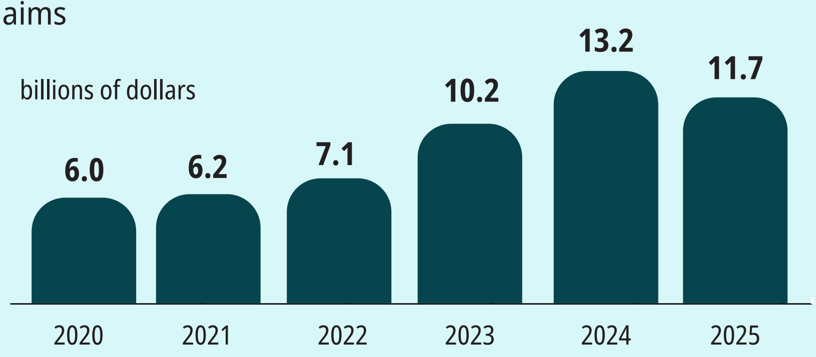
2024 was the costliest year on record for extreme weather claims, and each year from 2020 to 2025 ranked among the top 10 costliest

COST OF CATASTROPHIC EVENT CLAIMS[1]



HOMEOWNERS' INSURANCE

The **expenses incurred by insurers for homeowners' insurance** reached an all-time high in 2024, amid the spike in catastrophic event claims



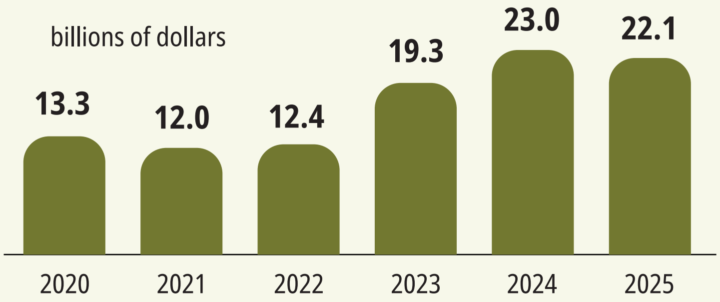
Higher construction costs, tariffs and labour shortages contributed to the increase

+19.1% Homeowners' maintenance and repair costs (December 2019 to December 2025)

+69.4% Residential Building Construction Price Index[2] (fourth quarter 2019 to fourth quarter 2025)

AUTO INSURANCE

Insurers' expenses for auto insurance claims were lower during the pandemic, then jumped in 2023[3]



Higher vehicle prices and an increase in auto thefts contributed to the growth

+22.6% Auto part, maintenance and repair costs (December 2019 to December 2025)

IMPACT ON CONSUMERS

From December 2019 to December 2025, home and auto insurance premiums rose faster than the all-items Consumer Price Index

+21.0% **All-items Consumer Price Index**

+45.0% Homeowners' home and mortgage insurance

+23.9% Passenger vehicle insurance premiums

IMPACT ON INSURERS

For many insurers, the third quarter of 2024 was the worst on record, as their total expenses rose **$3.8 billion** from a year earlier. This increase is largely due to extreme weather events.

REVENUE AND EXPENSES OF PROPERTY AND CASUALTY INSURERS, FIRST QUARTER OF 2023 TO FOURTH QUARTER OF 2025

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
	billions of dollars											
Total insurance revenue	17.5	18.6	19.5	20.3	19.8	20.8	21.6	22.0	20.8	21.6	22.3	22.8
Total insurance claims and expenses	16.0	16.4	17.6	16.7	17.1	17.2	21.4	18.5	18.7	18.3	19.1	18.8

1. Catastrophic event claims refer to claims that exceed $30 million per event. The majority are homeowners' insurance claims, but they also include auto insurance claims.
2. See Statistics Canada table 18-10-0289-01 – Building construction price indexes, by type of building and division.
3. The IFRS-17 accounting standards came into effect on January 1, 2023. As a result, the figures before and after this date may not be fully comparable.

Sources: McGillivray, M., 2024, "Insights into the impact of extreme weather trends in Canada on homeowners insurance profitability and consumers, January 2020 to December 2024," *Analysis in Brief*, Statistics Canada Catalogue no. 11-621-M, 2025, "Impacts of rising costs and claims on personal automobile insurance profitability and consumers in Canada," *Analysis in Brief*, Statistics Canada Catalogue no. 11-621-M, and 2026, "Extreme weather impacts on consumers and insurers in Canada, December 2019 to December 2025: An updated analysis," *Analysis in Brief*, Statistics Canada Catalogue no. 11-621-M.

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