



# Canadian Underwriter's

# 2026

# Executive Outlooks

A SUMMARY BY NAVACORD

# Introduction

*Each year, Canadian Underwriter publishes a series of Executive Outlooks capturing how leaders across Canada's property and casualty insurance industry view the year ahead.*

Amid rapid technological advancement, sustained climate volatility and shifting economic conditions, Canada's property and casualty insurance industry enters 2026 facing increased complexity. Artificial Intelligence has moved quickly from experimentation to integration, reshaping how organizations operate. At the same time, wildfire and other secondary perils continue to test community resilience, commercial lines soften while personal lines remain pressured, and regulatory reform — including auto modernization and expanded disclosure requirements — is redefining operating expectations. Together, these forces are influencing pricing, underwriting discipline and the evolving needs of clients across the country.

**Read on for Navacord's summary of this year's Executive Outlooks, highlighting both the challenges and opportunities shaping 2026.**

# What Did We Find?

36

TOTAL OUTLOOKS

5

KEY THEMES

5

STOOD OUT

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## Key Stakeholders



CLIENTS



BROKERS



INSURERS



MANAGING  
GENERAL  
AGENTS (MGAS)

Artificial Intelligence was referenced in approximately 75% of all Outlooks, making it the single most cited industry shift. Climate risk and catastrophe volatility followed closely, while market cycle divergence, regulatory reform and talent transformation also featured prominently.

# Top Themes for 2026

## ARTIFICIAL INTELLIGENCE AS INFRASTRUCTURE

Discussed in three quarters of all Outlooks (75%)



## CLIMATE VOLATILITY & RESILIENCE

Discussed in half of all Outlooks (53%)



## DIVERGING MARKET CYCLES

Discussed in almost half of all Outlooks (47%)



## TALENT TRANSFORMATION

Discussed in one third of all Outlooks (36%)



## REGULATORY REFORM & COMPLIANCE PRESSURE

Discussed in one third of all Outlooks (33%)



# What's New This Year?

## AI MOVES FROM PILOT TO CORE OPERATIONS

In 2025, artificial intelligence was largely discussed as experimentation. In 2026, leaders describe full integration. AI is now embedded across underwriting, claims and customer experience, shifting from innovation initiative to operating infrastructure.

## STRUCTURAL AUTO REFORM

Ontario's move toward optional accident benefits and Alberta's care-based model represents substantive regulatory shifts. These changes place greater responsibility on consumers and elevate the advisory role of brokers, making education and clarity essential.

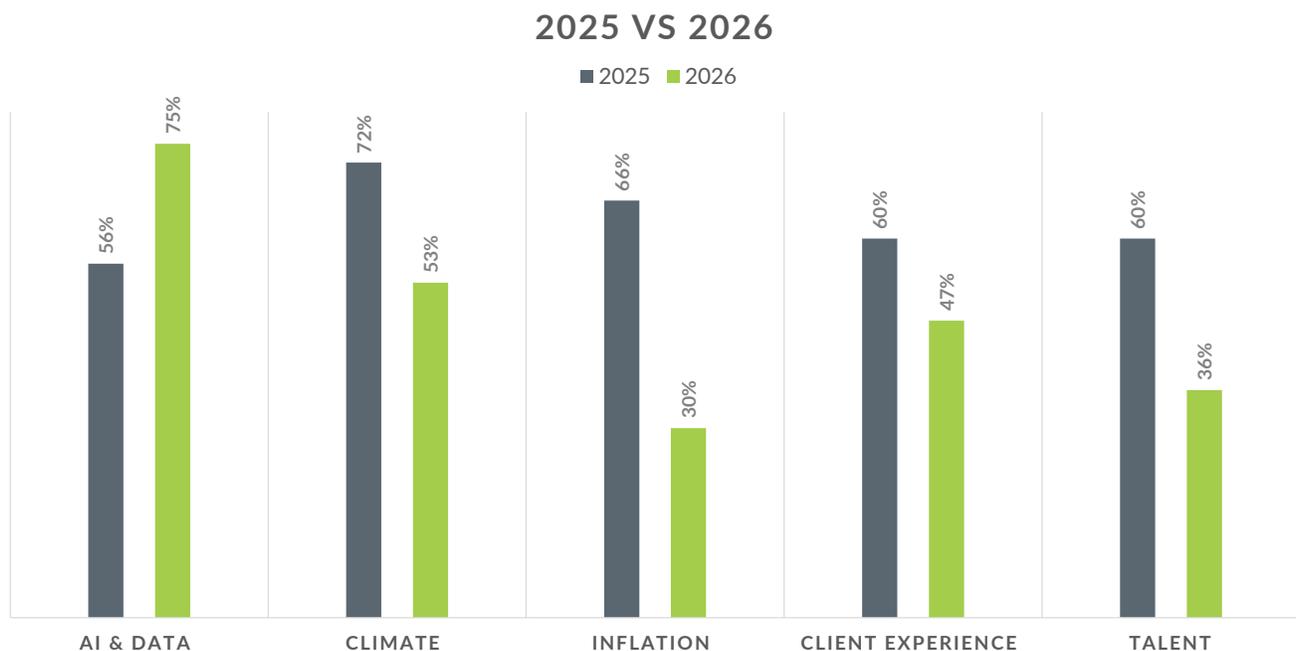
## A SHARPER MARKET DIVIDE

The divergence between softening commercial lines and sustained pressure in personal lines is more pronounced than in 2025. Increased capacity is driving competition in commercial segments, while personal lines continue to face affordability and catastrophe-driven strain.



“The most important shift in 2026 will be the power of scale... As Canada’s brokerage market continues to consolidate, brand strength is emerging as a strategic asset. In an environment shaped by economic pressure, digital transformation, and rising client expectations, perception can play a critical role in driving client satisfaction, retention and sustainable growth.”

- Shawn DeSantis, Navacord



In 2025, leaders anticipated acceleration in AI, sustained climate volatility and continued economic strain. In 2026, those themes matured. AI became operational. Climate focus turned to resilience. Market divergence sharpened. Inflation eased. Regulatory reform advanced. Transformation is no longer anticipated; it is underway.

# Artificial Intelligence as Infrastructure

- Artificial Intelligence is moving beyond isolated pilots, toward more integrated applications. Leaders describe a structural transition underway, with AI playing a growing role in underwriting, claims management and fraud detection instead of being treated as an add-on to existing workflows.
- Speed and automation are no longer differentiators. As deployment expands, competitive advantage depends on governance, accountability and human oversight – particularly where model outputs require interpretation or discretion.
- AI integration is also reshaping operational models. Routine processes are being streamlined, enabling teams to focus on higher-value advisory work, portfolio strategy and complex risk evaluation.
- As organizations scale adoption, expectations around transparency, bias mitigation and cybersecurity safeguards are intensifying. Responsible deployment is becoming as important as technical capability.



# Climate Volatility & Resilience

- While catastrophic losses moderated compared to prior record years, secondary perils such as wildfire, flood and severe storms continue to define underwriting volatility across regions. Leaders caution against interpreting short-term moderation as long-term stability.
- The strategic focus is shifting from recovery to resilience. Insurers are investing in mitigation strategies, predictive modelling and infrastructure advocacy to reduce exposure and support sustainable rebuilding.
- Climate risk is increasingly embedded into underwriting frameworks and capital planning. Portfolio discipline is being recalibrated to reflect long-term environmental exposure rather than isolated loss events.
- Collaboration across insurers, brokers and government remains essential to balancing affordability with sustainability as climate-related pressures persist.

*“Climate change continues to be one of the most pressing challenges for the property and casualty insurance industry. But what will truly set 2026 apart is the way insurers respond, and not just with coverage but with comprehensive resilience strategies.”*

*- Valerie Lavoie, Desjardins General Insurance Group*

# Diverging Market Cycles

- The Canadian market is operating in a pronounced two-speed environment. Commercial lines continue to remain soft as global capacity expands and competitive underwriting appetite increases across multiple segments.
- Improved pricing flexibility and broader terms are benefiting many commercial clients, though leaders caution that disciplined underwriting remains critical to long-term sustainability.
- In contrast, personal lines remain under sustained pressure. Prior catastrophe losses, affordability concerns and regulatory constraints continue to influence pricing discipline and consumer sentiment.
- Structural auto reform in Ontario and Alberta introduces additional complexity, increasing the advisory responsibility of brokers as consumers navigate expanded coverage options and evolving frameworks.

*“Commercial insurance has softened faster and more drastically than many anticipated in Canada... The further influx of additional capacity into the Canadian commercial insurance market has led to more competitive pricing and broader coverage options for businesses.”*

*- Aly Kanji, InsureLine*

# Talent Transformation

- Demographic pressure continues to reshape the industry, with retirements across technical and leadership roles outpacing new entrants. Knowledge transfer and succession planning remain strategic priorities.
- Automation is redefining traditional roles. As technology streamlines administrative processes, analytical capability, advisory expertise and relationship management become increasingly valuable.
- Organizations are investing in upskilling initiatives to ensure teams can operate effectively within more data-driven environments while maintaining client trust.
- Attracting the next generation of professionals depends on positioning insurance as a purpose-driven industry – one that supports communities, economic stability and long-term resilience.

*“Globally, retirements in the property and casualty insurance industry are outpacing new entrants... Winning in the AI era means building a future-ready workforce that attracts talent, invests in future leaders and retains skilled experts.”*

- Nav Dhillon, Aviva Canada

# Regulatory Reform & Compliance Pressure

- Regulatory reform is advancing across multiple fronts. Auto modernization in Ontario and Alberta will materially reshape consumer choice and broker advisory dynamics.
- Mandatory climate-related disclosure requirements are increasing reporting expectations and formalizing climate risk assessment within underwriting and capital allocation frameworks.
- New pay transparency legislation introduces additional obligations related to hiring and compensation disclosure, reinforcing the need for operational discipline.
- As technology adoption accelerates, governance expectations surrounding data usage, privacy and algorithmic accountability are also intensifying. Compliance is becoming embedded within strategic planning rather than treated as a reactive function.

*“Next year, the industry will face the unique challenge of implementing not one, but two sets of substantive auto insurance reforms – one in Alberta and another in Ontario... Over the next year, the industry will focus on system upgrades, staff training, catastrophic claim management, and consumer education.”*

- Celyeste Power, Insurance Bureau of Canada

# What 2025 Predicted – Was it Right?



Artificial Intelligence



Climate Volatility



Market Cycle Transition



Economic / Inflation Pressure



Talent



Regulatory Reform



Importance of Key Relationships

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## LEGEND



Amount of Outlooks  
that discussed the  
topic increased



Amount of Outlooks  
that discussed the  
topic stayed the same



Amount of Outlooks  
that discussed the  
topic decreased

# Looking Ahead

As 2026 unfolds, many of the forces that once appeared as emerging trends are now embedded realities. Technology is integrated into operating models. Climate volatility remains a structural consideration. Market conditions continue to diverge across lines of business. Regulatory reform is moving from discussion to implementation. In this environment, sustained performance will depend less on reacting to change and more on executing with discipline, clarity and long-term perspective. The organizations that balance operational strength with thoughtful advisory will be best positioned to support clients and communities across Canada in the year ahead.



*“Those adapting quickly and investing in both technology and people will be best positioned to excel in this new landscape, in which success relies on operational excellence and the strength of client relationships.”*

- Catherine Roe, CNA Canada

# External Resources

## OUTLOOKS - ONES TO READ

- [Shawn DeSantis, Navacord](#)
- [Louis Gagnon, Intact Financial Corporation](#)
- [Rob Marsh, Liberty Mutual Canada](#)
- [Celyeste Power, Insurance Bureau of Canada](#)
- [Nav Dhillon, Aviva Canada](#)

Visit [Canadian Underwriter's Outlook Page](#) to read all 2026 Executive Outlooks.