REPORT

2026 Seasonal Catastrophe Outlook

Canada

Prepared for insurers anticipating elevated climate driven activity during the 2026 Catastrophic season.

Crawford®

Executive Summary

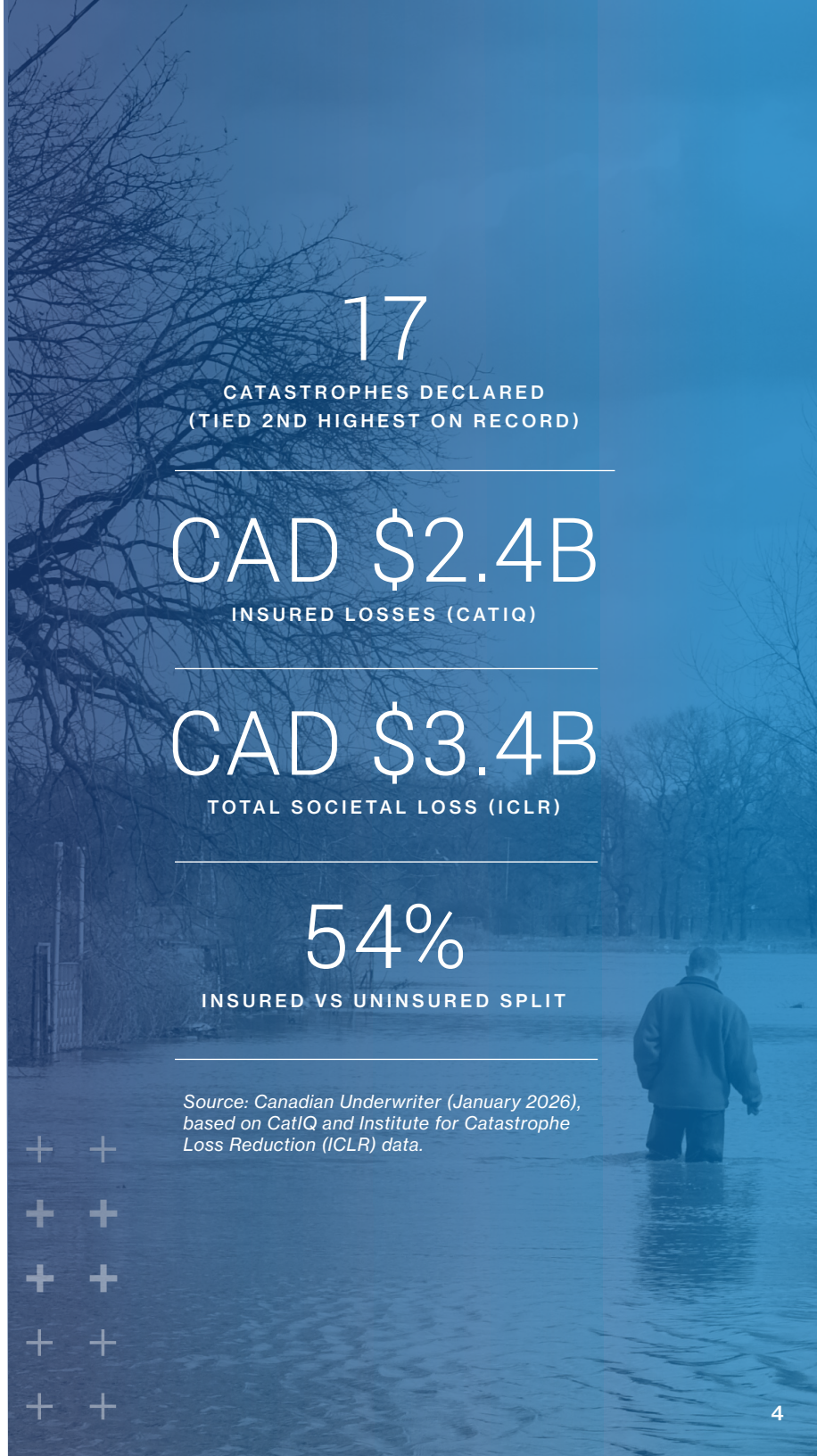
Canada continues to experience a steady rise in climate-driven catastrophic events, including severe convective storms, wildfire seasons extending earlier and later into the year, and increasing regional flood risk. As insurers plan for another volatile year, the need for support that goes beyond surge staffing is clear. Organizations require an independent adjuster (IA) that enhances technical decision-making, reduces severity volatility, and delivers dependable nationwide capacity supported by consistent expertise and scalability.

Table of Contents

2025 catastrophe year-in-review

While 2025 ranked on the lower end of recent years by total insured loss, the year was operationally complex. Canada recorded the highest number of fire related catastrophes on record, notably occurring in provinces with no prior industry fire catastrophe experience.

These events followed a series of early year snow and melt related catastrophes in southern Ontario and Quebec, culminating in a major ice storm that accounted for nearly a quarter of the year's insured losses. With 17 catastrophes declared overall, 2025 is now tied for the second highest number of catastrophe declarations on record, underscoring that even a "moderate" loss year can present significant claims and capacity challenges.



Implications for 2026 planning and forward-looking risks

Recent Canadian catastrophe experience shows a sustained increase in claims volume volatility and loss complexity driven by severe convective storms, wildfire, and water related events. These events have placed growing strain on claims operations, particularly during peak periods, where rapid scaling can challenge consistency in technical assessment, documentation quality, and early decision making. Historically, such conditions have contributed to severity drift through scope creep, delayed triage, and uneven reserving practices, while also increasing the risk of service disruption and inconsistent customer experiences during high demand periods.

Looking ahead to 2026, continued weather volatility and more geographically dispersed events are expected to amplify these pressures. Higher frequency of isolated large loss events, coupled with constrained access to experienced adjusting resources in certain regions, may increase uncertainty in early reserving and prolong claim lifecycles. Without disciplined technical oversight and scalable operating models, organizations may face heightened exposure to reserve inadequacy, greater severity variability, and downstream impacts on policyholder confidence and broker relationships. Proactive planning that anticipates surge demand, supports consistent technical decision making, and reinforces quality controls will be critical to maintaining claim stability and customer experience during the 2026 catastrophic season.

2026 catastrophe drivers and emerging threats

Severe weather events

Severe summer storms remain Canada's costliest annual peril, with hail, straight line winds, and tornado activity continuing a multi year upward trend. Alberta and the Prairies continue to show disproportionate exposure, but recent years confirm growing severe convective storms (SCS) frequency in Ontario and Atlantic Canada.

2026 Outlook:

- Early season thunderstorm risk due to warmer spring conditions.
- Above average hail activity projected for Alberta and Saskatchewan.
- Higher atmospheric volatility suggests more isolated large loss events.

Market impact and response requirements: Increased claims volume volatility and rising severity, especially where inexperienced adjusting can lead to scope creep and inconsistent documentation.

Canada's 10 Highest Insured Loss Years due to Severe Weather on Record

(Loss and Adjusted Expenses in 2025 dollars)

Rank	Year	Total losses ($ billion)	Notable severe weather events
1	2024	9.4	Calgary hailstorm, Jasper wildfire, remnants of Hurricane Debby, Greater Toronto Area (GTA) floods
2	2016	6.5	Fort McMurray wildfire
3	2013	4.2	Alberta floods, GTA floods, GTA ice storm
4	2023	3.8	Nova Scotia floods, Okanagan and Shuswap-area wildfires
5	2022	3.8	Ontario and Quebec derecho, Hurricane Fiona
6	1998	3.1	Quebec ice storm
7	2020	2.7	Fort McMurray flood, Calgary hailstorm
8	2021	2.6	Calgary hailstorm, British Columbia floods
9	2018	2.6	Ontario and Quebec rainstorms and windstorms
10	2025	2.4	Ontario and Quebec ice storm, multiple Prairie wildfires

Wildfire

The 2023 and 2024 seasons highlighted the structural shift in Canada's wildfire profile: larger burn areas, increased interface exposure, and smoke related claims stretching across provinces.

2026 Outlook:

- Elevated risk in BC, Alberta, and northern Ontario.
- Dry early season conditions heighten ignition risk.
- Continued pressure on local adjusting availability in remote regions.

Market impact and response requirements: Higher demand for specialized adjusters capable of handling complex total-loss evaluations, smoke claims, and business interruption impacts.

> "The wildfire risk profile in Canada has fundamentally shifted, with broader geographic impact, greater interface exposure, and increased claims complexity driving higher demand for specialized technical expertise."

Ed Ivy
Catastrophic & Property Technical Lead

Flooding & water related losses

From spring thaw flooding to fall storm surge activity, water remains one of Canada's most predictable but still highly disruptive perils.

> "Our outlook on water related losses is grounded in historical loss patterns, regional exposure trends, and real world claims experience tied to infrastructure stress, not in event specific forecasting."
>
> Ed Ivy
> Catastrophic & Property Technical Lead

2026 Outlook:

- Warmer winters increase freeze–thaw cycles, driving infrastructure stress and water escape claims.
- Flooding risk expected to rise in Quebec, Ontario, Manitoba, and Atlantic Canada.
- Urban flash flood patterns intensifying due to aging drainage systems.

Market impact and response requirements: Greater severity exposure and increased scrutiny on documentation, causation analysis, and consistent reserving.

How leading insurance organizations stay ahead during a catastrophic season

Strengthening decision quality through technical expertise

Accurate early decision making is becoming increasingly important as weather volatility drives higher claim severity and greater documentation scrutiny. Organizations that prioritize technically sound assessments from the outset tend to see more consistent outcomes, fewer disputes, and greater stability across their portfolios.

This is supported by experienced adjusters who can navigate structural, commercial, environmental, and complex loss scenarios with precision.

Building surge capacity that maintains quality

As catastrophic events become less predictable and more geographically dispersed, insurers and brokers are focusing on scalable operating models that can flex without compromising technical accuracy. Consistent national standards, virtual support models, and well coordinated deployment processes help minimize severity variance while maintaining service continuity during peak periods.

Leveraging experience to support more predictable outcomes

Organizations increasingly rely on partners with proven experience across large scale Canadian catastrophic events. Familiarity with regional building environments, local regulations, remote area logistics, and high volume triage can meaningfully influence how efficiently claims move through the system. Transparent reporting and disciplined quality assurance frameworks further support consistency during high pressure periods.

For further discussion on catastrophic preparedness and response strategies, visit crawco.ca or contact:

Edmond Ivy
Catastrophic & Property Technical Lead
P 519-608-0074
E Edmond.Ivy@crawco.ca

William Slade, BA, CIP, CFEI
Vice President, National Property and Contractor Connection
P 778-879-3029
E William.Slade@crawco.ca

About Crawford & Company®

For over 80 years, Crawford has led the industry through a relentless focus on people and the innovative tools that empower them.

10K employees | **50K** field resources | **70** countries | **$18B** claims managed annually

Crawford®

Learn more at
www.crawco.ca

CRAW-CAT REPORT-CANADA-0426