



2026 insurance M&A outlook: Eye on the ball

Expectations for Canada

Canada's insurance M&A market in 2025 was shaped by continued consolidation across property and casualty carriers, sustained activity in distribution, and a notable transaction among mutual insurers. Deal activity reflected a market focused on scale, technology readiness, and capital efficiency, with well-capitalized buyers remaining active. These dynamics provide a clear backdrop for how insurance M&A activity in Canada may evolve in 2026.

Looking ahead to 2026, several themes may influence the pace and composition of insurance M&A activity.

1. Consolidation among P&C carriers will likely continue, particularly among subscale platforms

Carrier consolidation advanced in 2025 with Definity Financial Corporation's May acquisition of Travelers' Canadian operations, a transaction that underscored the strategic value of scale in a market facing rising technology and operating costs.¹ This deal may prompt other foreign or subscale carriers to reassess their Canadian presence, particularly where investment requirements outweigh growth prospects. Several well-capitalized domestic insurers could remain acquisitive as these opportunities emerge.

2. Distribution M&A could remain the most active segment, with monetization opportunities increasing

Brokerage consolidation continued to dominate Canadian insurance M&A in 2025, led by private equity-backed platforms pursuing larger acquisitions alongside steady small and midsize broker roll-ups. Transactions such as Navacord's December 2025 acquisition of Acera Insurance Services,² along with continued activity by Westland Insurance Group and Synex Business Performance, illustrate the momentum in this segment. As capital markets improve, the potential for large platform exits—through IPOs or strategic sales—may become more pronounced.

3. Mutual insurer consolidation may progress selectively, despite structural constraints

The merger between Beneva and Gore Mutual, completed on January 1, 2026, demonstrated the strategic rationale for mutual insurers to pursue scale and risk diversification.³ While similar combinations could emerge among Canada's many smaller mutuals, differing provincial regulatory regimes may continue to slow broader consolidation. As a result, activity in this segment will likely remain opportunistic rather than systemic in the near term.

Taken together, these dynamics suggest that insurance M&A in Canada in 2026 may remain focused on scale-driven consolidation and distribution-led transactions, with selective opportunities emerging among carriers and mutual insurers as capital availability and strategic priorities align.

Endnotes

1. Travelers, "[Travelers to Sell Its Canadian Personal Insurance Business and Majority of Its Canadian Commercial Insurance Business to Definity for US\\$2.4 Billion](#)," press release, May 27, 2025.
2. Navacord, "[Navacord and Acera Insurance Announce Transformational Merger](#)," press release, December 3, 2025.
3. Beneva, "[Beneva and Gore Mutual Complete Merger, Marking a New Era for Mutual Insurance in Canada](#)," press release, January 5, 2026.

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