

Tariff TIV Endorsement

A broker's guide to tariff-driven reconstruction cost increases, and how to adjust coverage

Effective September 8, 2026, Canada's counter-tariffs on U.S. goods confirm 50% duties on steel and aluminum, covering most raw, semi-finished, and fabricated products, including structural steel and aluminum framing, doors, and windows. Plywood and engineered wood panels also sit at 50%, and most carpet and textile flooring at 25%. These materials appear in nearly every commercial build and rebuild across Canada.

When construction material costs rise faster than a building's insured value, the gap between what a policy pays and what the build actually costs widens quickly, often within a single policy term. SPG Canada can endorse an existing annual policy to increase Total Insured Value and keep pace with tariff-driven reconstruction cost inflation, without replacing or rewriting the policy.

✓ How the Endorsement Works

- **A TIV increase, not a new policy.** We endorse the existing annual policy to reflect tariff-driven reconstruction cost increases.
- **No fixed term.** The increase applies for the remainder of the current policy term and can be adjusted during that term.
- **Pro-rata either way.** Premium for an increase is calculated pro-rata for time remaining. If values are later reduced, a pro-rata return premium is calculated for the unused portion.
- **Amend anytime.** Insureds can request an adjustment, up or down, at any point in the term as tariff conditions and rebuild costs change.

? Why It Matters

- **Helps address potential underinsurance.** Protects your clients against being penalized at claim time for a TIV that fell behind rebuild costs.
- **Simple to action.** One endorsement to the existing policy, no new application or policy rewrite required.
- **Reversible.** If tariffs ease and material costs come back down, insureds aren't locked into an inflated TIV, they can request a decrease and receive a pro-rata return premium.
- **A timely, educational conversation.** Tariff exposure is already on your clients' minds, giving you a well-timed reason to reach out.

⚙️ How It Works

- 1 Broker reviews a client's construction type and exposure to tariff-affected materials
- 2 Broker discusses the potential TIV gap with their client
- 3 Broker contacts their SPG Canada underwriter to request a TIV increase
- 4 SPG Canada endorses the policy at pro-rata premium; values can be adjusted again later as conditions change



Bottom line: talk to your clients about their tariff-driven reconstruction cost exposure, then contact your SPG Canada underwriter to request a TIV increase.

info@spgcanada.ca

Tariff rates reflect Canada's confirmed September 8, 2026 counter-tariff schedule (Department of Finance Canada) and industry cost-composition estimates; they are directional, not a substitute for a property-specific valuation. Rates are subject to ongoing government revision.

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Estimated Cost Impact

Based on confirmed September 2026 tariff rates (steel and aluminum at 50%, carpet and flooring at 25%) and typical material cost weightings by construction class:

Frame	-7.9%
Non-Combustible	-15.8%
Fire-Resistive	-11.6%

Estimates reflect a full trade-level breakdown (framing, roofing, exterior envelope, interior finishes, sitework) tied to confirmed tariff rates; mechanical, electrical, and general conditions are treated as non-tariffed. Actual impact varies by building.

Illustrative TIV Increase: \$20,000,000 Policy

Modeled at the high end of the trade-level cost-weighting ranges, a more conservative scenario than the typical estimate above:

Frame gap	\$2.23M
Non-Comb. gap	\$3.89M
Fire-Res. gap	\$3.06M
20% increase	\$4.00M

On large non-combustible risks, a high-end scenario leaves little margin above the modeled gap; review baseline insurance-to-value with your client before setting the increase amount.

Submit Through

Email: info@spgcanada.ca

Or connect with your SPG Canada Underwriter directly

Phone: 1.877.532.6864