Tariff TIV Rider

Short-term coverage for tariff-driven reconstruction & construction cost increases

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. We built the Tariff TIV Rider to close that gap without a full policy rewrite.

What We Offer

- **TIV top-up.** A temporary increase to the building's total insured value, sized to absorb tariff-driven reconstruction cost surges.
- **2 or 3 month term.** The insured chooses the term that matches their rebuild timeline or tariff outlook.
- **Pro-rata premium.** The insured pays only for the selected term, not a full annual premium.
- **Extendable.** The rider can be renewed in further 2 or 3 month increments if tariff conditions persist.

Why It Matters

- **Closes the coinsurance gap.** Protects your clients against being penalized at claim time for a TIV that fell behind rebuild costs.
- **No mid-term rewrite.** The rider attaches to the existing policy at pro-rata cost for a short, defined term, not a full-year premium increase.
- **A timely, trust-building conversation.** Tariff exposure is already on your clients' minds, giving you a well-timed reason to reach out ahead of renewal.
- **Flexible.** Coverage can be extended in further 2 or 3 month increments if tariffs and material costs remain elevated.

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.

Worked Example: $20,000,000 TIV

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% Rider	**$4.00M**

On large non-combustible risks, a high-end scenario leaves little margin above the modeled gap; review baseline insurance-to-value alongside this rider.

Submit Through

Email: **info@spgcanada.ca**

Or connect with your SPG Canada Underwriter directly

Phone: **1.877.532.6864**

How It Works

1. Broker identifies buildings with meaningful steel, aluminum, or flooring content in the rebuild
2. Broker submits the request to their SPG Canada underwriter for TIV top-up
3. SPG Canada issues the rider at pro-rata premium for the 2 or 3 month term
4. Broker or insured extends before term end if costs stay elevated

Bottom line: one short-term rider, one broker conversation, coverage that keeps pace with tariff-driven rebuild costs until the trade picture settles.

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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.