



# Severe Weather Trends in Alberta: What Does 2021 Have In Store For Us?

2021 Emergency Management Stakeholder Summit

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# About Insurance Bureau of Canada

IBC  BAC  
**ESTABLISHED  
IN 1964**

National association for Canada's  
private home, auto, business insurers

IBC members represent approximately  
90% of the Canadian P&C market

# Alberta's Property & Casualty Industry at a Glance



The P&C insurance network supports **15,445 jobs in Alberta:** with **10,842 employed directly** and over **4,500 employed indirectly** related to the industry.



P&C Insurers paid **\$421 million** in premium taxes and **\$141 million** in health care levies.



Insurers contributed **\$1.2 billion** to Alberta's GDP.



Alberta severe weather costs in 2020 exceeded **\$2 billion.**

\*Tax figures as of 2019

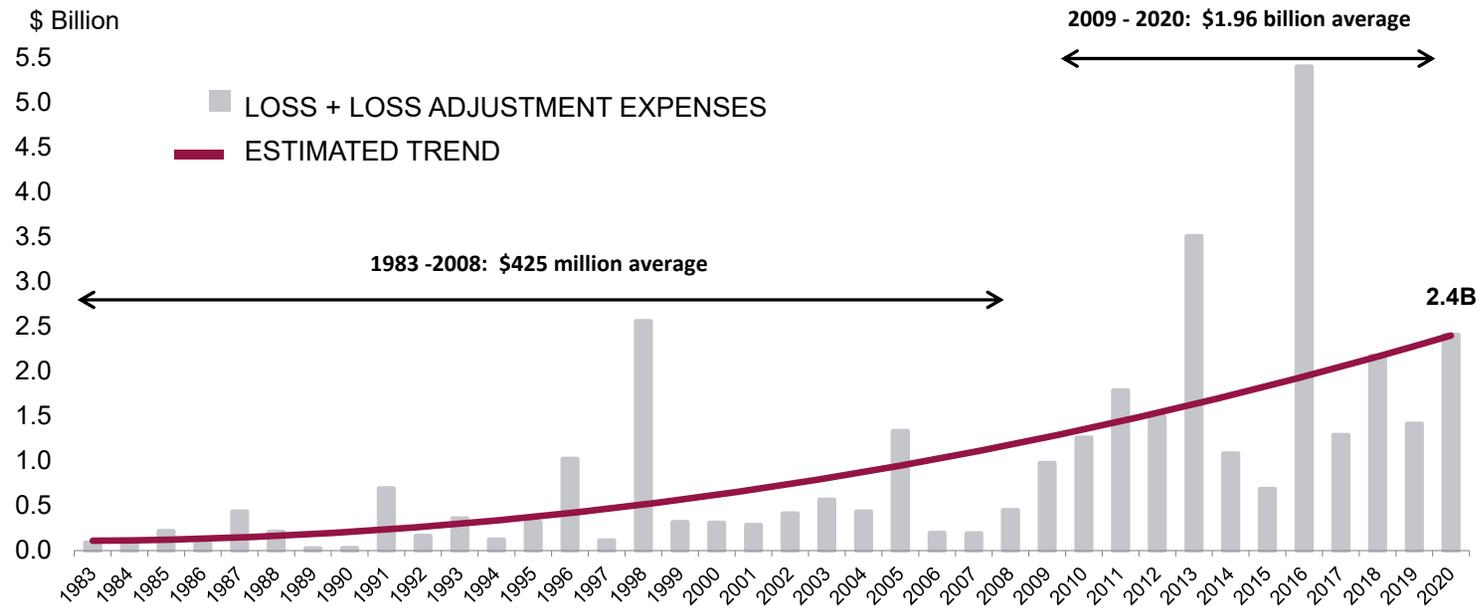


# Natural Catastrophes & Severe Weather

We are seeing an increase in the severity and frequency of severe weather events - many of which have affected Alberta directly.

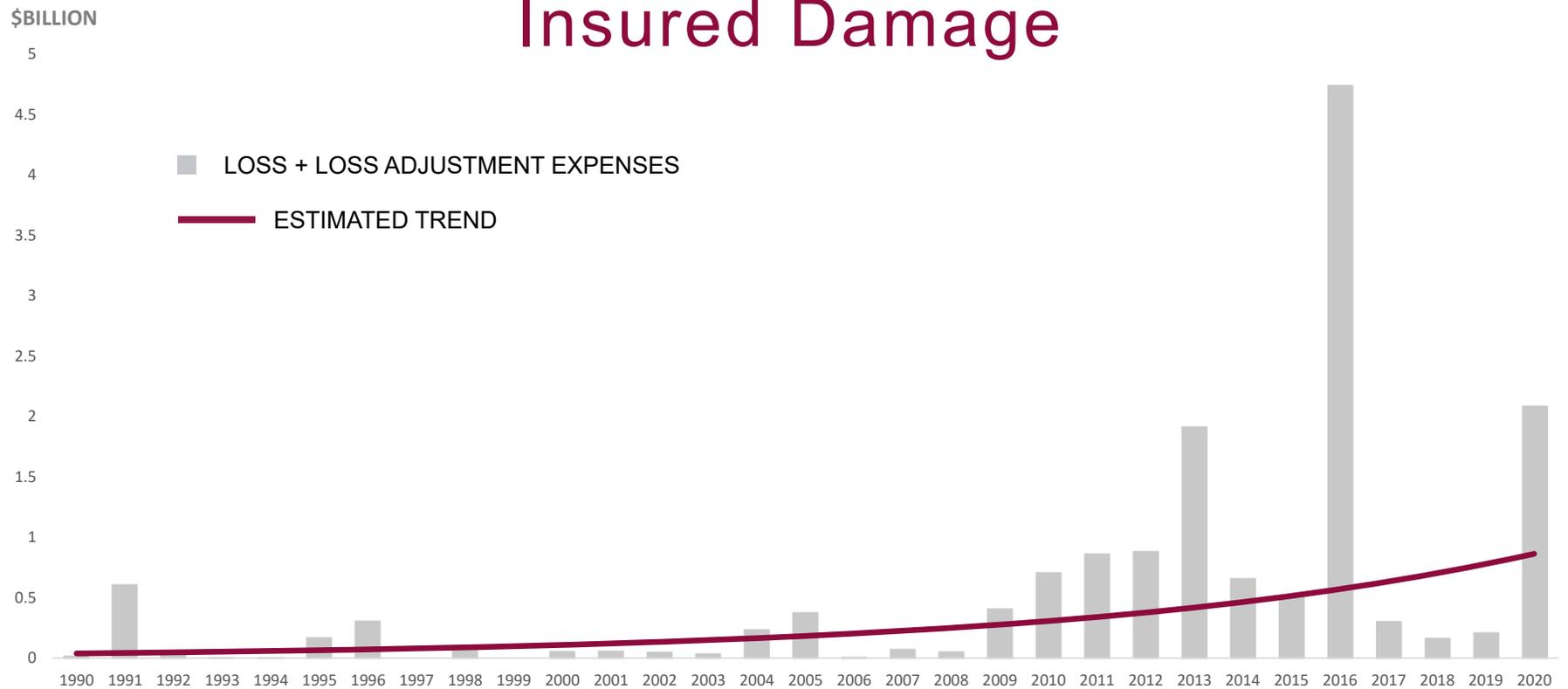
# Costs of Catastrophic Losses have Risen Steadily: Canada

\*A catastrophic loss = 1 event costing \$25 million or more in insured damages



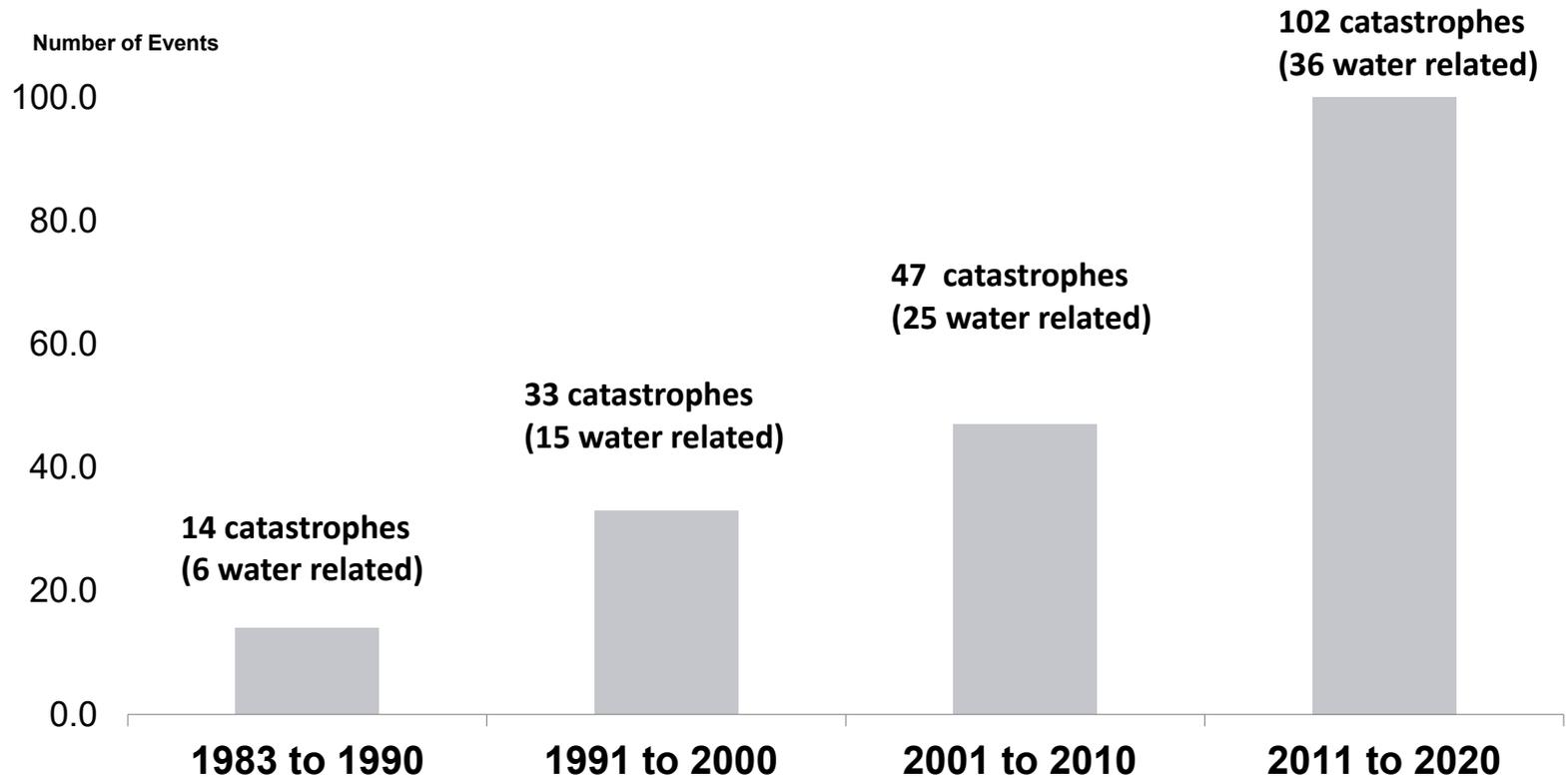
Source: IBC Facts Book, PCS, CatIQ, Swiss Re, Munich Re & Deloitte  
 Values in 2020\$ CAN, 2020 preliminary

# Costs of Catastrophic Losses in Alberta Insured Damage



Source: IBC Facts Book, PCS, CatIQ, Swiss Re, Munich Re & Deloitte  
Values in 2020\$ CAN, 2020 preliminary

# Frequency of Catastrophic Losses have Increased: Canada



Source: 1983 to 2007: IBC, PCS Canada, Swiss Re and Deloitte  
Source 2008 -2020: CatIQ  
Events included when 2008 \$ 25 million limit adjusted by GDP, Population  
Perils: Flood, Water, Rain, Storm, Snow, Ice, Hail, Wind, Tornado, Hurricane



# Canada's Costliest Insured Wildfire

**2016 Northern Alberta Fires**

**Affected:** Regional Municipality of Wood Buffalo

**Insured damage: \$3.8 Billion**

**Note:** This was the costliest insured damage event in Canadian history.



# Canada's Costliest Insured Overland Flood Event

## 2013 Southern Alberta Floods

**Affected:** Calgary, High River and surrounding area

**Insured damage:** **\$1.6 Billion**

**Note:** This was the third costliest insured damage event in Canadian history.



## Canada's Costliest Insured Hailstorm

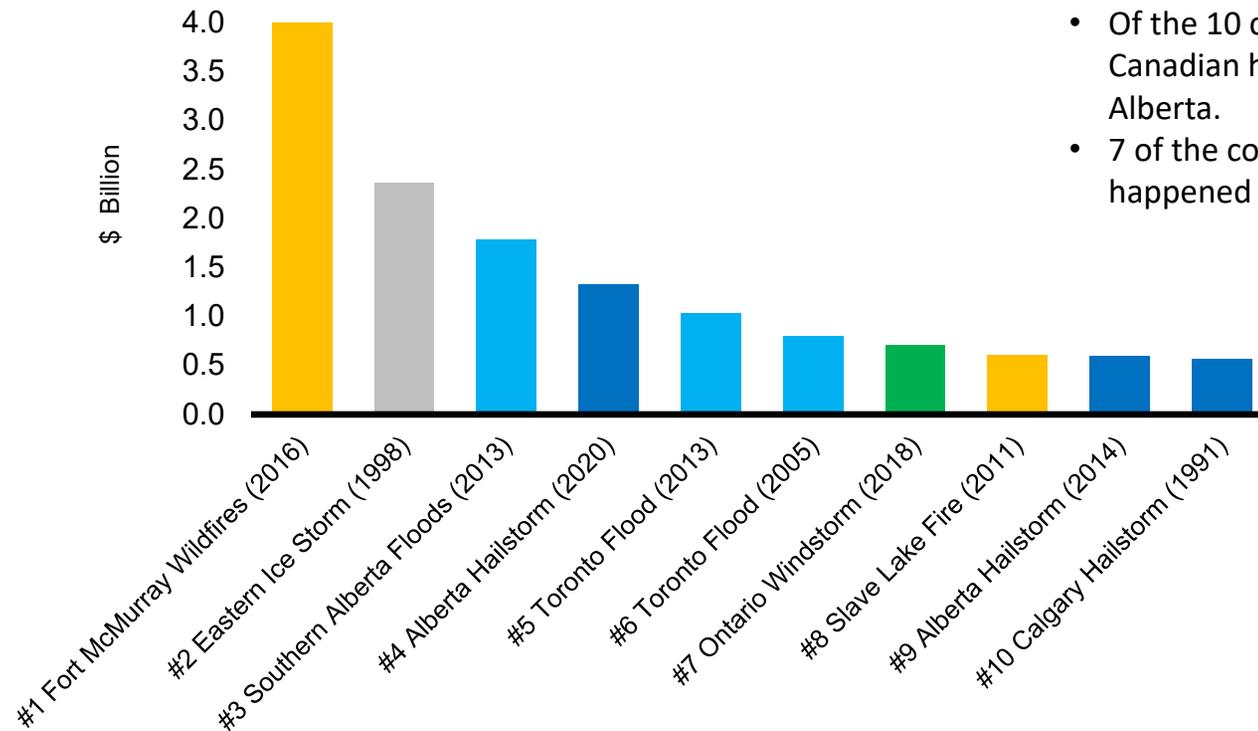
**2020 Southern and Central Alberta Hailstorm**

**Affected:** Calgary, Airdrie and surrounding area

**Insured damage: \$1.3 Billion**

**Note:** This event was the fourth costliest insured damage event in Canadian history.

# Top 10 Most Expensive Natural Disasters in Canada



- Of the 10 costliest natural disasters in Canadian history, 6 have occurred in Alberta.
- 7 of the costliest disasters in history have happened since 2010

Loss & Loss Adjustment Expenses  
Source: IBC Facts Book, PCS, CatIQ, Swiss Re, Munich Re & Deloitte  
Values in 2020 \$ CAN



## 2021 to Date

Windstorms in Western Canada have already caused **\$134 Million** in insured damage.

A January 12-14 storm brought intense winds across British Columbia, Alberta, and Saskatchewan

Snow squalls west of Calgary and impacting Edmonton on January 19-20 came with wind gusts measuring in at 193 km/h.



## What to Expect in 2021

Alberta has been a hot spot for a growing number of severe weather events.

Our province has seen extreme fire, hail, wind and flood events. We could experience any of these in 2021.

Albertans need to prepare for tomorrow's potential severe weather events, today.

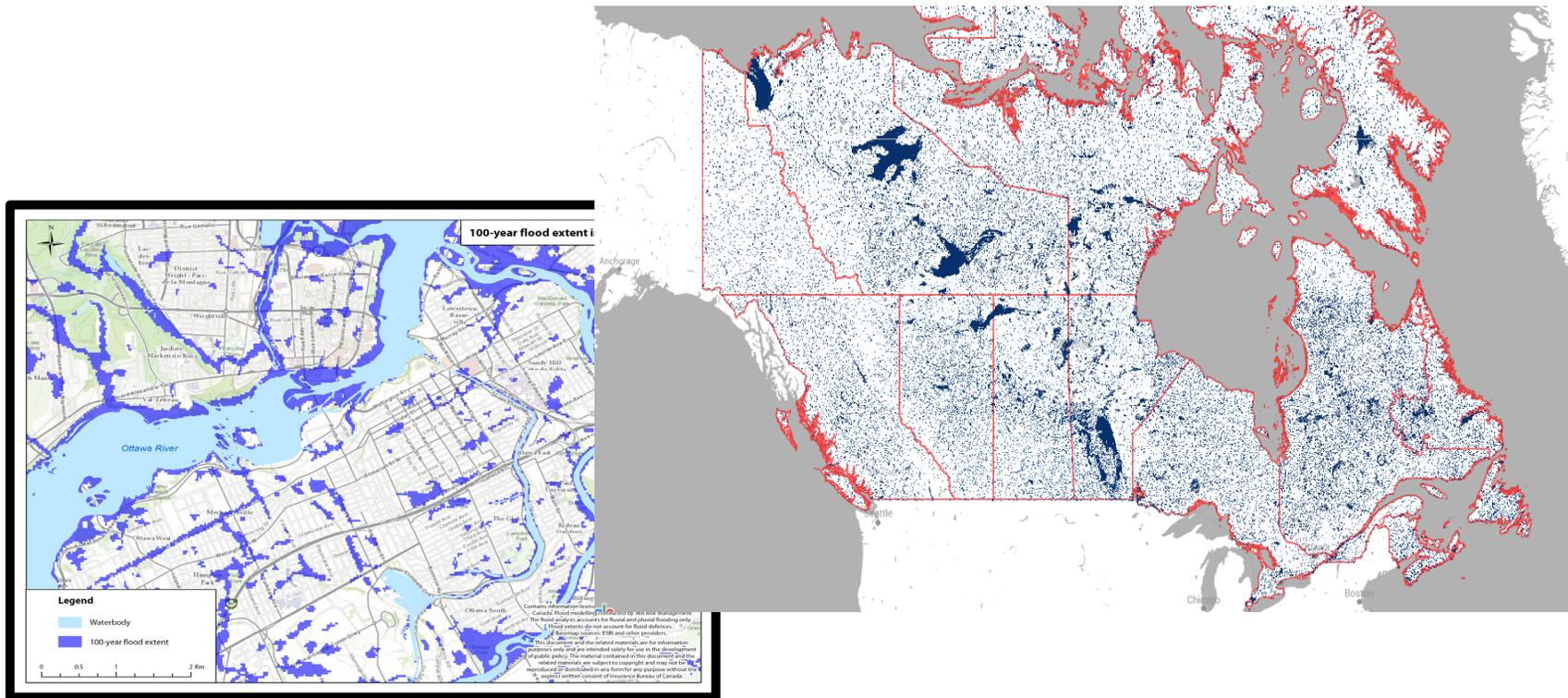
# Factors Affecting Insurance: Flooding



Severe weather and flooding are of particular concern to many areas across the country.

Organizations including [climatedata.ca](http://climatedata.ca) employ models indicating precipitation is on the rise in many regions of Canada.

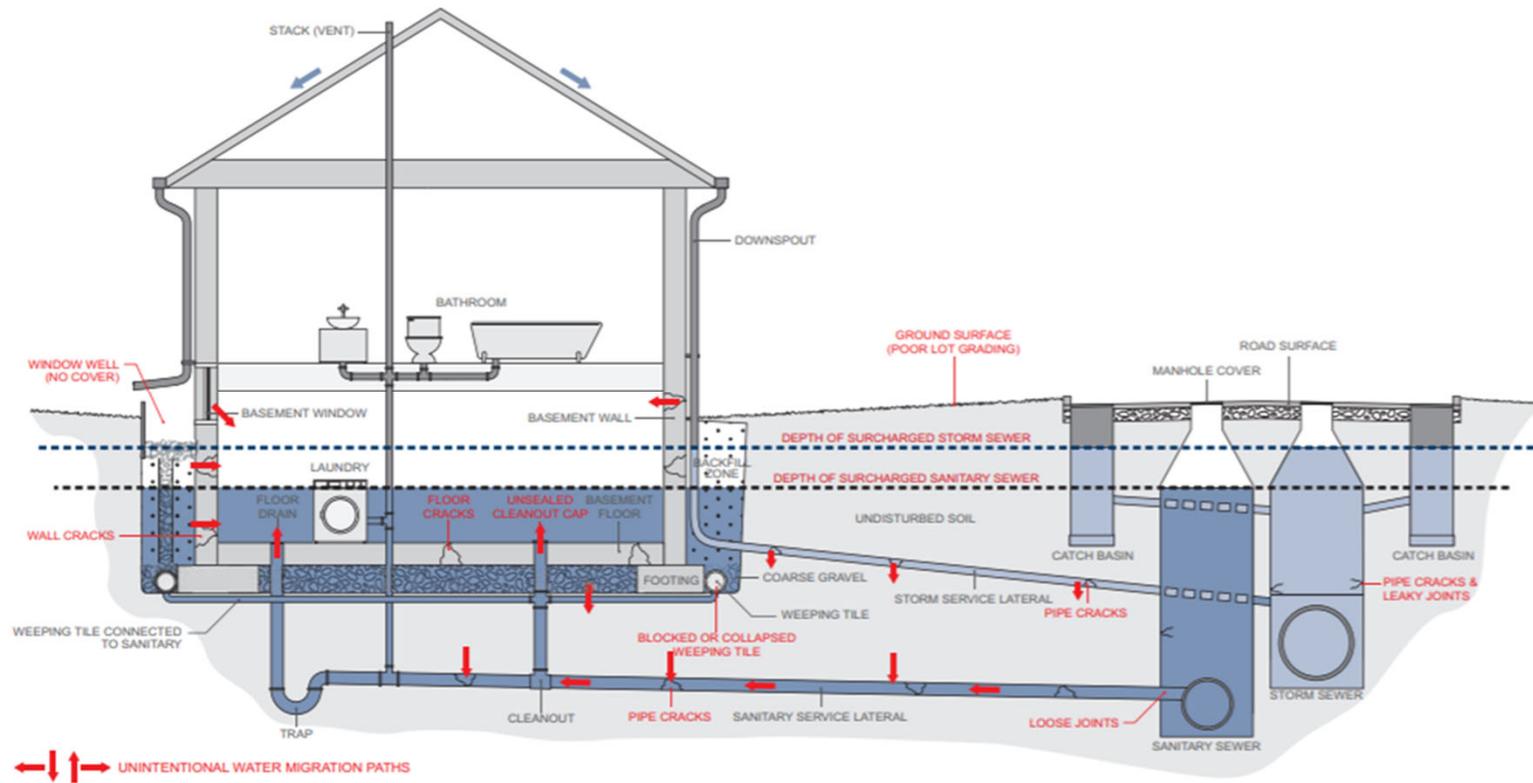
# Assessing Risk: Flood Mapping

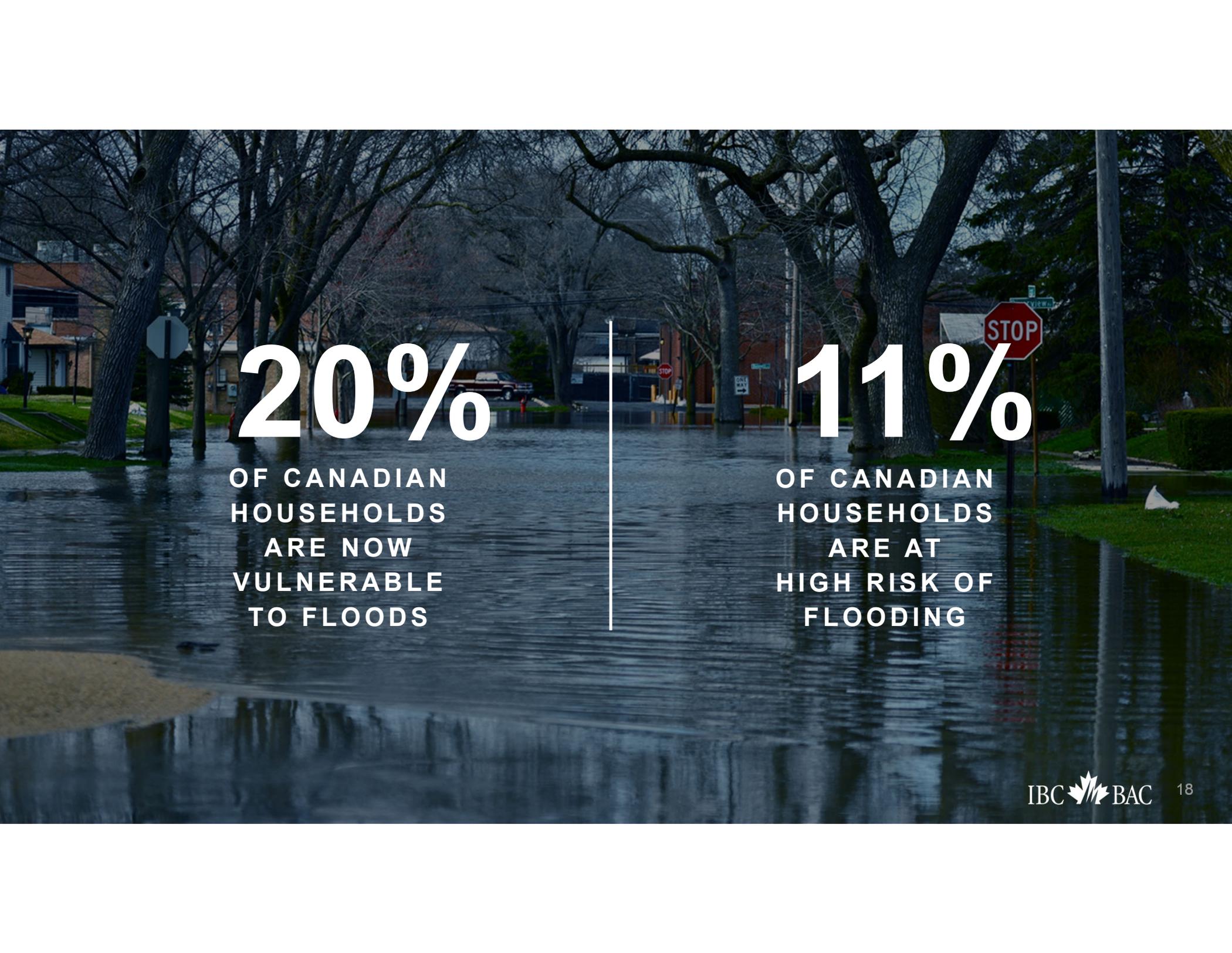


# Water Risks to Homes



# Flooding: Anatomy of a Sewer Back-Up





**20%**

**OF CANADIAN  
HOUSEHOLDS  
ARE NOW  
VULNERABLE  
TO FLOODS**

**11%**

**OF CANADIAN  
HOUSEHOLDS  
ARE AT  
HIGH RISK OF  
FLOODING**

# Residential Flood Insurance

In 2015, in response to the Calgary floods, the insurance industry started offering overland flood insurance for residences.

Flood insurance is becoming more common. IBC's flood survey determined:

- An estimated **13 insurers** are now in the market.
- Among survey participants: **4% of Alberta's properties are not eligible for flood coverage.** (Compared to **7%** in Canada)
- Percentage of residential policyholders with flood coverage in Alberta is **52%**



The insurance industry has put resources into research and making recommendations for ways to manage flood risk.

Improving Flood Risk Evaluation  
through Cross-Sector Sharing of  
Richer Data



IBC BAC

IMPACT CENTRE



UNIVERSITY OF WATERLOO

Combatting Canada's  
Rising Flood Costs:

Natural infrastructure is an underutilized option

September 2018

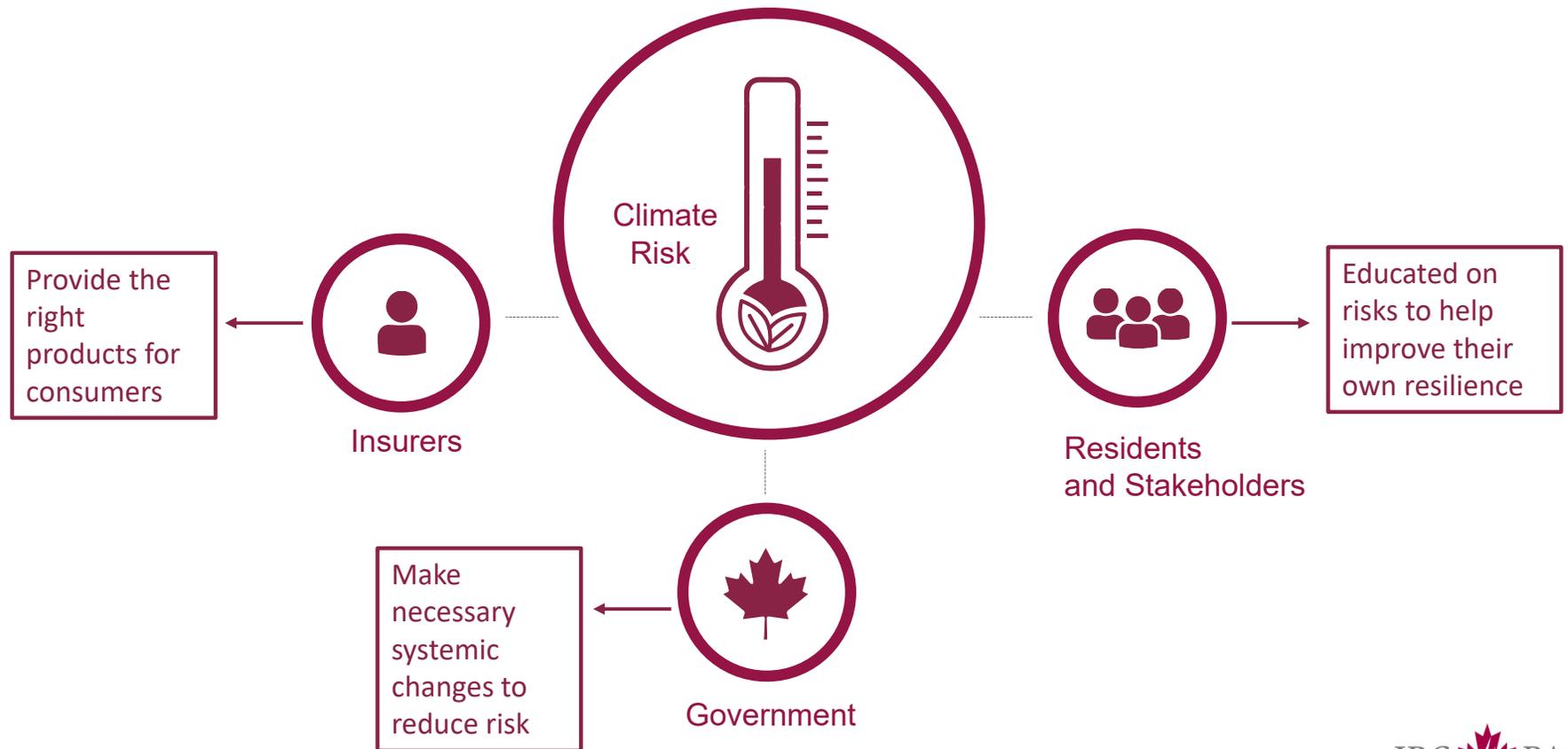
IBC BAC | Insurance Bureau of Canada  
Bureau d'assurance du Canada

Options for Managing Flood  
Costs of Canada's Highest Risk  
Residential Properties

A Report of the National Working Group on Financial Risk of Flooding

June 2019

# Collaborative Approach



# National Action Plan on Flood

Our National Action Plan on Flood focuses on:

**1**

## Education

Invest in launching a robust consumer flood portal based on accurate flood mapping and reliable information.

**2**

## Relocation and Protection

Move homes away from areas that repeatedly flood. Develop affordable insurance protection for properties in high-risk flood zones.

**3**

## Amended Land-Use Rules

Going forward, no home built on a flood plain should be eligible for disaster assistance or affordable insurance, and provincial and municipal governments should adopt improved building codes and standards.

# Recommendations

In line with the action plan, IBC has requested that government:

- 1** Improve access to updated flood maps
- 2** Infrastructure investment and mitigation to increase resiliency
- 3** Consider relocation/strategic retreat/buyouts as an appropriate response
- 4** Support the creation of a high-risk pool to provide insurance coverage for high risk properties

# IBC's Consumer Information Centre

People who have questions about insurance can contact our Consumer Information Centre

**Consumer Information  
Centre**  
Toll-free: 1-844-2ask-IBC  
1-844-227-5422

ibc.ca  
askibcwest@ibc.ca  
@IBC\_West



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# Thank You