

Regional Municipality of Wood Buffalo

National Flood Insurance Strategy and Community Resiliency Advocacy

WHEREAS the Government of Canada has created a National Task Force on Flood Insurance and Relocation, including representation from the federal, provincial, and territorial governments and the insurance industry; and

WHEREAS Indigenous Services Canada will work with First Nations partners on a dedicated Steering Committee on First Nations Home Flood Insurance Needs to examine the unique context on reserves; and

WHEREAS the Task Force will look at options to protect homeowners who are at high risk of flooding and do not have adequate insurance protection and examine the viability of a low-cost national flood insurance program, among other goals; and

WHEREAS flooding is the most common and costly natural disaster in Canada, causing over \$1B in direct damage to residential property and impacting thousands of Canadians every year; and

WHEREAS according to the Insurance Bureau of Canada, only 39 percent of residential property owners had access in 2019 to overland flood insurance with these property owners in high-risk flood areas being increasingly unable to access flood insurance, affordable or otherwise;

THEREFORE, BE IT RESOLVED that the Federation of Canadian Municipalities (FCM) advocate for the Government of Alberta to participate in and contribute to the work of the National Task Force on Flood Insurance and Relocation, with the goal of developing a national high-risk residential flood insurance program and to secure sustainable, long-term funding for provinces, Indigenous communities and municipalities for flood mitigation programs, projects and initiatives that increase overall community resiliency.

Background

Government of Canada Creates Task Force on Flood Insurance and Relocation From: Public Safety Canada news release (November 23, 2020)

“The cost of climate change is undeniable. Flooding continues to be the most frequent and costly natural disaster in Canada. Water damage goes beyond the destruction of property; it also places an emotional toll on individuals as their homes are destroyed and families are displaced. Each year, too many Canadians, including Indigenous communities, are exposed to the worst effects of climate change. To help people get ready for climate risks and realities, the Government of Canada is taking action to create a more resilient and sustainable approach to floods in Canada.

Today, the Minister of Public Safety and Emergency Preparedness, the Honourable Bill Blair, and the Minister of Families, Children and Social Development, the Honourable Ahmed Hussen, announced the creation of an interdisciplinary Task Force on Flood Insurance and Relocation. As a first step in creating a National High Risk Residential Flood Insurance Program, the Task Force will look at options to protect homeowners who are at high risk of flooding and don't have adequate insurance protection, and examine the viability of a low-cost national flood insurance program. The Task Force will also consider options for potential relocation for residents of areas at the highest risk of recurrent flooding.

The Task Force will be composed of representatives from federal, provincial and territorial governments and the insurance industry. At the same time, Indigenous Services Canada will work with First Nations partners on a dedicated Steering Committee on First Nations Home Flood Insurance Needs to examine the unique context on reserves.

The Government of Canada is also committed to ensuring that broad Indigenous perspectives are included in flood risk management in Canada. The Task Force and Steering Committee will share information with one another, and work closely together to engage with various partners, including with First Nations off-reserve, Inuit, and Métis communities and organizations. Both entities will begin their work by January 2021 and will report on their findings by Spring 2022.

We will continue to help people whose jobs and livelihoods are affected when disasters strike and help people and communities deal with the realities of increased climate related risks and disasters and ultimately, increase the country's resiliency to natural disasters. To further support communities in effectively managing, mitigating, preparing, and responding to all sorts of hazardous events, including flooding, Public Safety Canada will also be undertaking a review of the Disaster Financial Assistance arrangements, in order to assess and improve the sustainability of this program.

Further, as committed in the July 2020 Economic Update, the National Disaster Mitigation Program will be extended through to 2022, to cost-share flood mitigation projects with

provinces and territories. A call for proposals will soon be launched to continue this important work.”

Quick facts

Flooding is the most common and costly occurring natural hazard in Canada, causing over \$1 billion in direct damage to households, property and infrastructure and affecting thousands of Canadians each year.

As announced in the Speech from the Throne, the Government of Canada is investing in reducing the impact of climate-related disasters, like floods and wildfires, to make communities safer and more resilient.

The Task Force on Flood Insurance and Relocation is tasked with examining a national residential flood insurance program for homeowners living in areas of high-risk flooding and measures for a national action plan to assist high-risk homeowners with potential relocation to safer areas.

In the event of a large-scale natural disaster, the Government of Canada provides financial assistance for recovery to provincial and territorial governments through Disaster Financial Assistance Arrangements (DFAA). In order to assess the sustainability of the DFAA, Public Safety Canada is undertaking a review of its terms and conditions.

According to an estimate by the Insurance Bureau of Canada, approximately 39 per cent of homeowners had access in 2019 to overland flood insurance. While the availability of flood insurance in Canada has grown since the insurance industry introduced it in 2015, it is mostly homes in low and medium risk areas that have been insured against flood damages. Homeowners in high-risk flood areas cannot access flood insurance because the high costs make it challenging for the industry to offer insurance at an affordable rate for homeowners.

According to Canadian Voices on Flood Risk 2020, a report by Partners for Action, only 6% of respondents knew that they live in a designated flood risk area.