





Canadian insurers and municipalities sharing data could improve availability, affordability of flood insurance

August 28 2024

(a) Address insurers' flood model limitations

| Lack of flood model precision | | Lack of flood model accuracy | |
|---|---|--|--|
| Model – with coarse topography data (flood zone in blue) | Reality – actual flood conditions (flood zone in blue) | Model – omitting community- and property-level flood protections. All properties assessed as high-risk in red. | Reality – buildings in flood zone are on stilts and could be categorized as having moderate flood risk |
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(b) Provide municipalities with additional flood risk information

How data-sharing tools could improve FRM. Credit: *Regional Environmental Change* (2024). DOI: 10.1007/s10113-024-02262-z

The increasing cost of flood damage has seen property insurance become

less affordable for many Canadians. New research from the University of Waterloo shows that if insurers and local governments pooled information on investment in flood-risk management, that data could result in more affordable insurance coverage and premiums.

A team of climate researchers from Waterloo's Faculties of Environment and Arts developed a [research platform](#) that demonstrates the benefits of sharing risk data based on feedback from insurers and [local governments](#).

The [study](#), "Evaluating a public-private data-sharing platform for improving flood insurance availability and affordability in Canada," is published in *Regional Environmental Change*.

According to the Insurance Bureau of Canada, more than 10% of homeowners in Canada can't get flood insurance.

"Insurance companies use data to calculate a property's flood risk and the resulting costs, including information on the characteristics of a house or the surrounding area," said Dr. Jason Thistlethwaite, a professor in the Faculty of Environment at Waterloo and co-lead of the Climate Risk Research Group.

"But municipalities use data to identify flood-prone areas of a town or city and make decisions to prevent and mitigate flooding to neighborhoods with measures like upgrades to infrastructure. The problem is, they haven't been working together and the consumer is on the hook."

A recent study from [Statistics Canada](#) indicates that there were more than \$3 billion in claims from [extreme weather](#) last year, one of the worst years for insured losses in Canadian history.

"If we continue to ignore this gap in [insurance coverage](#), it is only going to get worse," said Dr. Daniel Henstra, a professor in the Faculty of Arts at Waterloo, and co-lead of the Climate Risk Research Group.

"Governments and insurers are missing an opportunity to make infrastructure more resilient. Data that demonstrate how investments in risk reduction lead to lower premiums even over the long term would go a long way to improving the [business case](#) for climate resilience."

More information: Andrea Minano et al, Evaluating a public–private data-sharing platform for improving flood insurance availability and affordability in Canada, *Regional Environmental Change* (2024). [DOI: 10.1007/s10113-024-02262-z](#)

Provided by University of Waterloo

Citation: Canadian insurers and municipalities sharing data could improve availability, affordability of flood insurance (2024, August 28) retrieved 1 September 2024 from <https://phys.org/news/2024-08-canadian-municipalities-availability.html>

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