



INSURANCE BROKERS ASSOCIATION OF CANADA  
ASSOCIATION DES COURTIERS D'ASSURANCES DU CANADA

**Pre-Budget Submission to the House of Commons  
Standing Committee on Finance**

**August 2019**

**Recommendation:**

**A federal budget that invests in natural disaster prevention through initiatives such as enhanced flood mapping and improved infrastructure, and includes a strategy for a jointly developed government and industry solution to respond to properties in high-risk flood zones.**

## **Background**

The Insurance Brokers Association of Canada (IBAC) is a federation of 11 provincial and regional associations representing over 38,000 property and casualty insurance brokers in Canada. Our members operate small and medium sized enterprises (SMEs) that create employment and support their local economy. They are community builders who make a difference in virtually every community across the country. Our brokers have a long history of providing customer service and independent financial advice on insurance matters, while consistently demonstrating their strong commitment to consumer protection.

IBAC welcomes the opportunity to share our priority for the 2020 Federal Budget aimed at supporting insurance brokers and Canadian consumers, while also addressing Canada's priority in mitigating climate change and a transition to a low carbon economy.

## **Recommendation**

Over the last number of years, an increasing number of catastrophic natural disasters such as floods, earthquakes and forest fires have had a significant impact on Canadians. These impacts range from flooded basements and damaged roofs that need to be repaired or replaced, to entire homes lost. These events also take a toll on the financial system by devastating small businesses, or even entire regional economies for significant periods of time (such as the Fort McMurray forest fire in 2016, for example).

Today, the reality is such that no community is immune from natural disasters. What used to be a once-in-a-generation flood is now seen in communities across the country every spring. Certain regions of the country are vulnerable to earthquakes, and could experience a major seismic event in the foreseeable future. The impact of these events will only continue to increase without significant action by governments, stakeholders and businesses alike.

Insurance brokers are on the front lines in the aftermath of these events, providing critical services and support to individuals and businesses affected, and helping them regain productivity. The industry has taken steps to do its share in helping protect Canadians through measures such as IBAC's recently launched public awareness initiative, "The Big If", which aims to inform Canadians on the risks of overland flooding and earthquakes, and how they can protect their financial well-being.

Mitigating the damages from natural disasters requires a whole-of-society approach. Governments, stakeholders, and individual Canadians must be involved in a coordinated strategy – particularly when it comes to properties in high-risk flood zones. Municipal governments and city planners, provincial governments, the federal government, and insurance industry representatives all have an important role to play in protecting our communities.

### **IBAC makes the following recommendation:**

**A federal budget that invests in natural disaster prevention through initiatives such as enhanced flood mapping and improved infrastructure, and includes a strategy for a jointly developed government and industry solution to respond to properties in high-risk flood zones.**

IBAC appreciates the focus of the federal government on climate change, and thanks the Finance Committee for considering these proposals. We look forward to continuing our work with Parliament, and would be happy to provide greater detail on our proposed recommendation.