

## Overland Flood Insurance in Alberta

Insurance providers in Alberta have recently started to offer policies that protect homeowners from overland flooding. The Insurance Bureau of Canada has indicated that at least six insurers now offer overland flood protection to residential customers in Alberta. Further companies have indicated that they will offer policies in the near future. Property owners should check with insurance providers to determine cost and coverage details.

The Government of Alberta strongly advises all property owners to obtain adequate coverage for their property.

For further information on insurance providers in Alberta contact the Insurance Bureau of Canada at 1-844-227-5422.

### **FAQ**

#### **Will I be able to get compensation from the Alberta Disaster Recovery Program if I do not have insurance?**

The Disaster Recovery Program is a conditional grant program that provides assistance for events where insurance was not available and at a reasonable cost.

Under the Alberta Disaster Assistance Guidelines and federal Disaster Financial Assistance Arrangements, private sector applicants such as homeowners are only eligible for Disaster Recovery Program assistance if insurance is not available and at a reasonable cost.

Disaster Recovery Programs are administered under the Alberta Disaster Recovery Regulations and Disaster Assistance Guidelines.

The Disaster Assistance Guidelines (2015) - Section 3.2.2 reads as follows:

“Insurable means that insurance coverage for a specific hazard was available in the affected area at a reasonable cost prior to the event. Reasonable cost and availability will be determined by the Alberta Emergency Management Agency.”

#### **If my property is located in a higher-risk area do I need to obtain insurance?**

All property owners should obtain adequate coverage for their properties, if it is available and at a reasonable cost. Although specific guidelines are not yet available, general guidance includes the following:

‘Available’ means insurance policies are readily available to the public either through an agent, broker, or a licensed web-based service.

‘Reasonable cost’ varies by location of the property and level of risk.

As the market for overland flood insurance continues to evolve, the Disaster Recovery Program is monitoring the rates and coverage provided by insurance companies to see how this new coverage is being rolled out and the costs associated with it.

#### **If my property is considered to be located in a lower-risk area, do I still need to obtain insurance against overland flooding?**

All property owners should obtain adequate coverage for their properties. Insurance providers usually consider the level of risk when determining premiums. If you are located in a lower-risk area, your premiums will likely reflect this.

**If my insurance provider does not offer protection from overland flooding do I need to check with another provider?**

You should obtain insurance for your property if it is available. If your current provider does not offer it, ask your current provider for a referral to a provider who does offer flood insurance. Alternatively, you can contact the Insurance Bureau of Canada at 1-844-227-5422 for further information.

**The insurance I was offered is expensive; do I need to purchase it?**

Premiums will vary depending on property location, risk to the insurer, and insurance provider. You are strongly encouraged to get several quotes. Areas located in flood plains and flood fringes may reasonably expect to pay higher premiums, while properties outside of flood fringes and flood plains will likely have lower premiums.

**I believe the flood maps used by my insurance provider are inaccurate. What should I do?**

Insurance providers use different systems to calculate risk, including flood maps. There is currently no standardized flood mapping system used by insurance providers in Alberta. Property owners are advised to check with several insurance providers and compare policy coverage as well as premiums.

**There are no insurance providers in my area that offers protection from overland flooding, what should I do?**

You are strongly encouraged to check with all providers including licensed web-based providers. As overland flood insurance is new to Alberta, not all insurance companies have announced implementation of overland flood insurance.

Alternatively, you can contact the Insurance Bureau of Canada at 1-844-227-5422 for further information on insurance representatives in your area.