

Mr. Chair.

SAFE AND INSPIRING NEIGHBOURHOODS

I'm Bob Hawkesworth. I'm a resident of Huntington Hills in Ward 4.

Thank you for the opportunity to present to you today.

Like others appearing before Council Committees this month, I'm here to encourage you to get on with making Calgary climate resilient. I commend Council for adopting this strategy. Now, the trick is to make sure it has adequate resources so you get the job done.

Here's a question you may be asking yourselves: The Climate Resilience Strategy is a "nice to have". But, can we afford it?

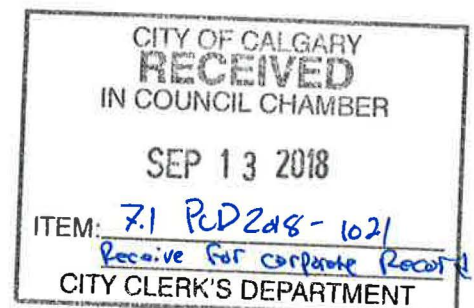
In the two page summary document for Emergency Management in front of you today, it says:

"From 2010 to 2016, total public and private loss from Calgary disasters was greater than \$3.3 billion."

Is \$3.3B in losses over 6 years an issue you need to address? I would hope so. As a point of comparison, we're having a referendum in November on a question of similar magnitude.

The Service Plan Preview also says that the CEMA Budget of \$5M is 1% of Calgary's annual disaster losses. Both these references would indicate that annual disaster losses are in the range of \$500M/year.

My insurance renewal notice this year confirms these statements. 8 out of the 12 most expensive catastrophic loss events in Canadian insurance history happened in Alberta.



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8 out of 12
Canadian
catastrophic events
happened in
Alberta

Source:

the co-operators

The Service Plan Preview for today prompted me to look at my municipal property tax bills and my insurance premiums since 2011. Let me share with you what I discovered.

Assessing the impact of severe storm events in Calgary from 2010 - 2016
A Case Study

BOB'S PLACE

HOME INSURANCE PREMIUMS

vs

MUNICIPAL PROPERTY TAX

<u>Year</u>	<u>Description</u>	<u>Limit</u>	<u>Premium</u>	<u>Assessed Value</u>	<u>Amount</u>
2011	Dwelling insured, including Comprehensive Water coverage *	\$ 256,600	\$ 725	\$ 346,000	\$ 1,109
	* Deductible of \$500/claim for no additional premium				
2018	Dwelling insured for \$309,100 * including Comprehensive Water coverage †	\$ 309,100	\$ 1,356	\$ 403,000	\$ 1,572
	* Deductible of \$800/claim				
	† Deductible of \$1000/claim or 2% of total loss for \$303 premium				
Increase 2011 - 2018			\$ 631 87% increase	\$ 463 42% increase	

If I'm typical, in the 7 years since 2011, my insurance premiums have gone up by 87%.

On my insurance bill, the risks of climate disruption are real and are growing. I now pay almost as much to insure my home as I pay in the municipal portion of property taxes to the City.

The City of Calgary Climate Resilience Strategy is essential. It is not a "nice to have".

What should you take from this?

Here's my list, based on the things you can control:

1. Take climate risks seriously. How high can this trend go before there is a consumer backlash or before insurers become more pro-active in calling public authorities to account?
2. Take action. Invest in the priorities identified in the Climate Resilience Strategy.
3. Time is of the essence. Don't delay. The longer protective action is delayed, the longer is our community exposed to risks.
4. Don't put development in harms way. Your Planning Department let you down big time when they agreed to the rezoning of the Highland Park Golf Course before the storm water drainage study was available. That was an expensive mistake. If you learn not to do it again, then it will have been a valuable lesson instead. Water Resources are your friends when it comes to development approvals, not your nemesis.
5. You have a report on what constitutes best practices. And you have the Report from the Expert Management Panel on River Flood Mitigation. Adopt those practices.



What can we do about the couple billion or so people who are also chiefly responsible for the hot house gases that are disrupting our climate and increasing the risks to our collective wellbeing?

6. I recommend following the great commandment. "Do unto others as you would have them do unto you".

If we don't want their hot house gases harming us, then let's first do what we can to make sure our hot house gases aren't harming them.

This is where the mitigation measures in the Climate Resilience Strategy are so foundational. We can only influence others to take action if we're taking it ourselves.

Thank you.

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Increase 2011 - 2018			\$ 631		\$ 463
			87% increase		42% increase

Why Alberta insurance rates keep going up

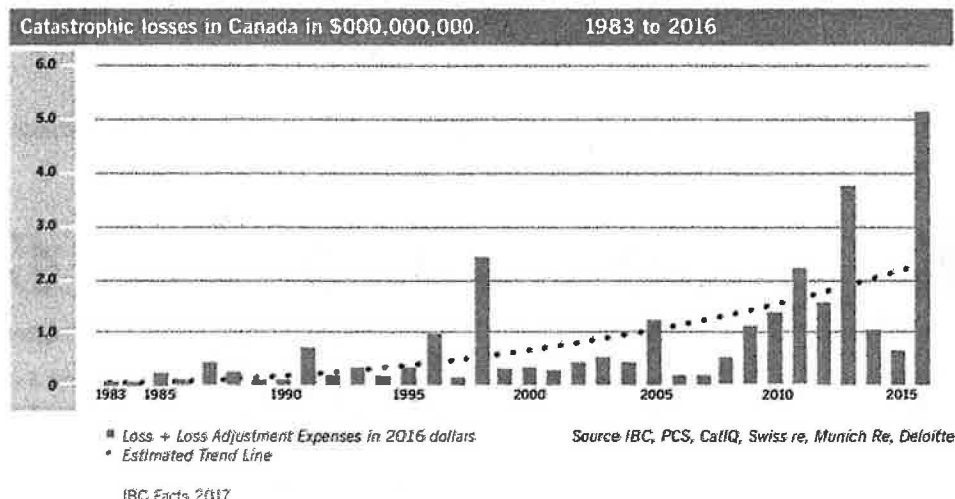


Insurance premiums are based on what we think we'll need to pay in claims. Different insurance companies may have different ways of trying to predict future claims, but ultimately more claims lead to higher rates. And that approach goes across the insurance industry.

To ensure we can continue to provide security for our Alberta clients, we're applying rate increases. We know this isn't welcome news, and we want to share with you why we're doing this and what you can do.

Weather is changing

Every year the Insurance Bureau of Canada (IBC) publishes information about issues and trends in the Canadian insurance industry as a whole in its "Facts" book. In the IBC's Facts 2017, which you can find online at www.ibc.ca/ns/resources/industry-resources/insurance-fact-book, the IBC states "In Canada and around the world, climate change is not a future threat but a present danger." As part of increasingly severe weather events, we're seeing a trend of increasing catastrophic losses across Canada, as shown in the chart.



Alberta faces especially high risks

In recent years, Alberta has been hit by record levels of catastrophic loss events, in large part due to weather-related disasters. If you look at the 12 most expensive catastrophic loss events in Canadian insurance history, eight of them happened in Alberta.¹ In the past five years alone, the Alberta portion of all catastrophic losses in Canada has been three to five times more than its share of the national population.²

Unfortunately, this trend is expected to continue. Rate increases in response to this trend will likely be industry-wide, and not unique to The Co-operators.



¹ Source: www.ambest.com/conferences/canadapcpresentation.pdf

² Source: 2017 IBC Facts and Statistics Canada

MKT621 (11/17)

Home Auto Life Investments Group Business Farm Travel

 **the co-operators**
A Better Place For You

We're working for change

In the past decade, insured losses from natural disasters have more than doubled. At The Co-operators, we believe that as insurers, we share the responsibility to educate, prepare and equip Canadians to adapt to climate change.

Until 2015, Canada was the only G7 nation without residential insurance protection for overland flooding. We were the first insurer to offer flood insurance in Alberta and to make it available to all homeowners, even those in high risk flood zones. We started with Alberta because we saw that's where the greatest need was.

We've also partnered with FireSmart Canada to develop a new resource to help residents make their homes more resilient to wildfire. The FireSmart Home Development Guide is now available to all Canadians, and will become part of the FireSmart Home Partners Program. The guide outlines specific measures homeowners can take to reduce the risk of damage from wildfire by considering details like roofing material and design, siding and vents, gutters and eaves, and decks, fencing and landscaping.

Ways you can manage your costs

We're always working to ensure the rates we charge are based on the actual risks we insure. To continue to protect you from life's uncertainties, we've changed how we calculate your rates to more precisely reflect your specific property and the risks it faces.

There are some things you can do to help manage your insurance costs depending on the specific risks affecting your property.

1. **Update your information** – if you've updated your home's plumbing, wiring or roofing, it could help with your premium.
2. **Review your coverage** – schedule a complimentary Client Review. Together we can review the next steps.
3. **Adjust your deductible(s)** – it can help lower your premiums.
4. **Bundle your coverage** – consider us for all your insurance needs to maximize discounts.
5. **Talk to us about your specific risks** – we can tell you the biggest risks facing your property and help consider additional actions that can protect your home from these risks and reduce your premium.



Wind or hail risk

- > Replace older roof or siding with weather-resistant products, especially if there are signs of deterioration
- > Change the claims settlement basis to actual cash value for windstorm or hail damage
- > For metal roofing and/or siding, which dent more easily than other materials, exclude dent coverage. If you're planning to renovate, consider replacing with more resistant materials
- > Increase your deductible for windstorm or hail claims



Fire risk

- > If practical, replace wood heating (other than a fireplace) with another heat source like propane
- > Install a fire sprinkler and/or central monitored fire alarm or heat detector system



Plumbing risk

- > Replace older plumbing to prevent water damage in your home
- > Install an automatic water shut-off system and/or central monitored water sensor system
- > Increase your deductible for plumbing claims



Crime risk

- > Install a central monitored alarm system

Contact us to review your insurance needs and coverage options.

MKT621 (11/17)

Home Auto Life Investments Group Business Farm Travel

