



Elevated Climate Risk and the Insurance Sector

ADVANCING NATURAL INFRASTRUCTURE IN CANADA

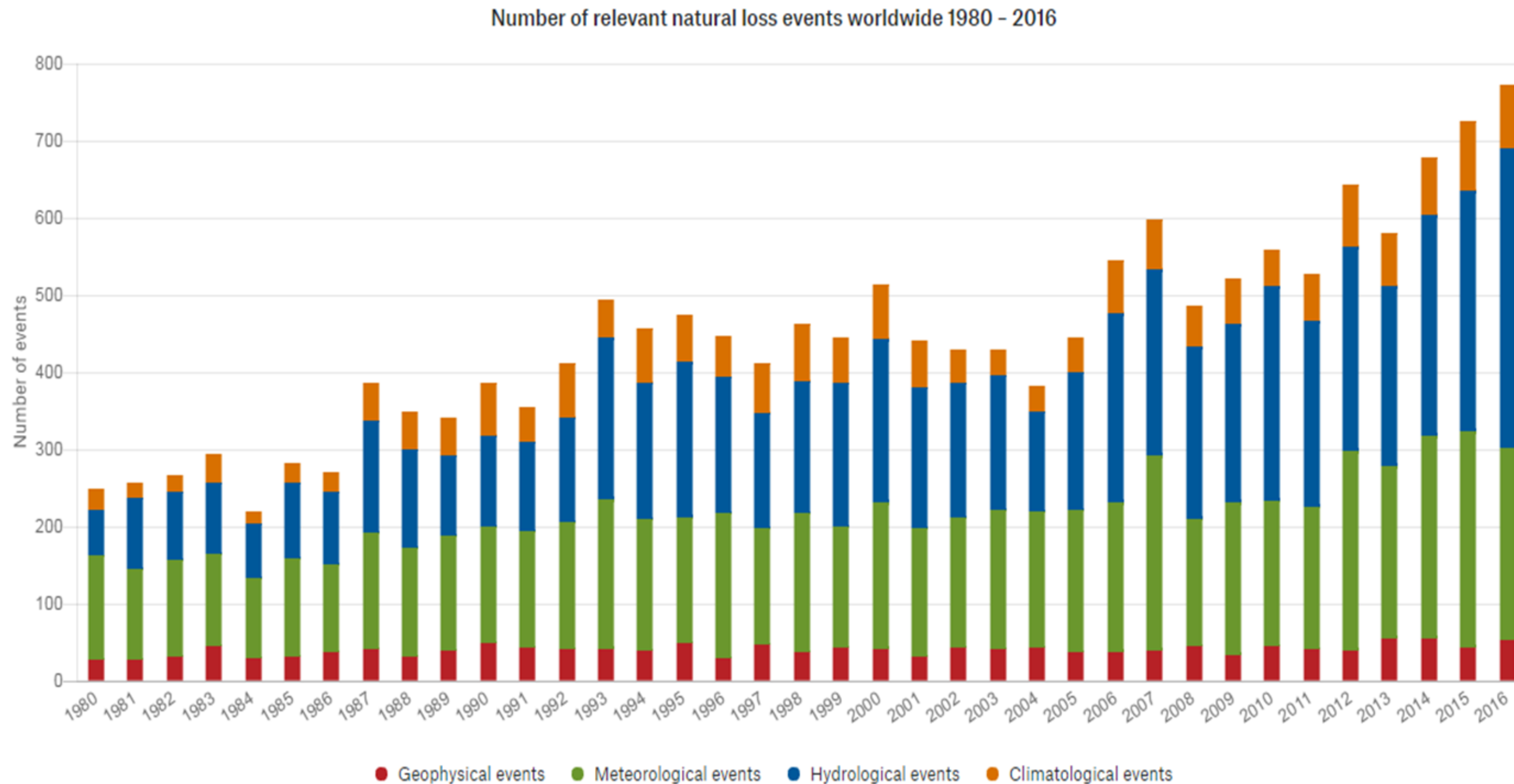
Winnipeg, Manitoba

NOVEMBER 14, 2018



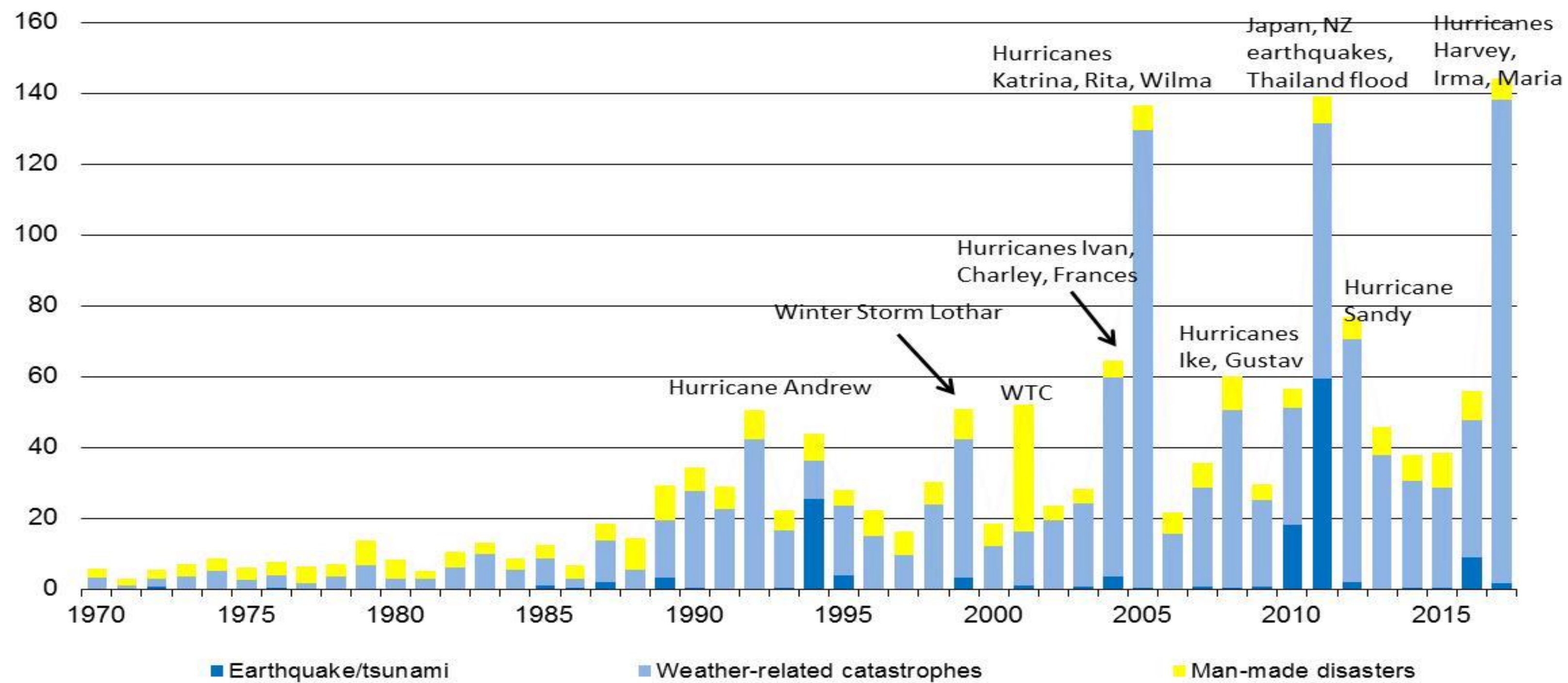


Catastrophic Events Globally



Insured catastrophe losses 1970 - 2017

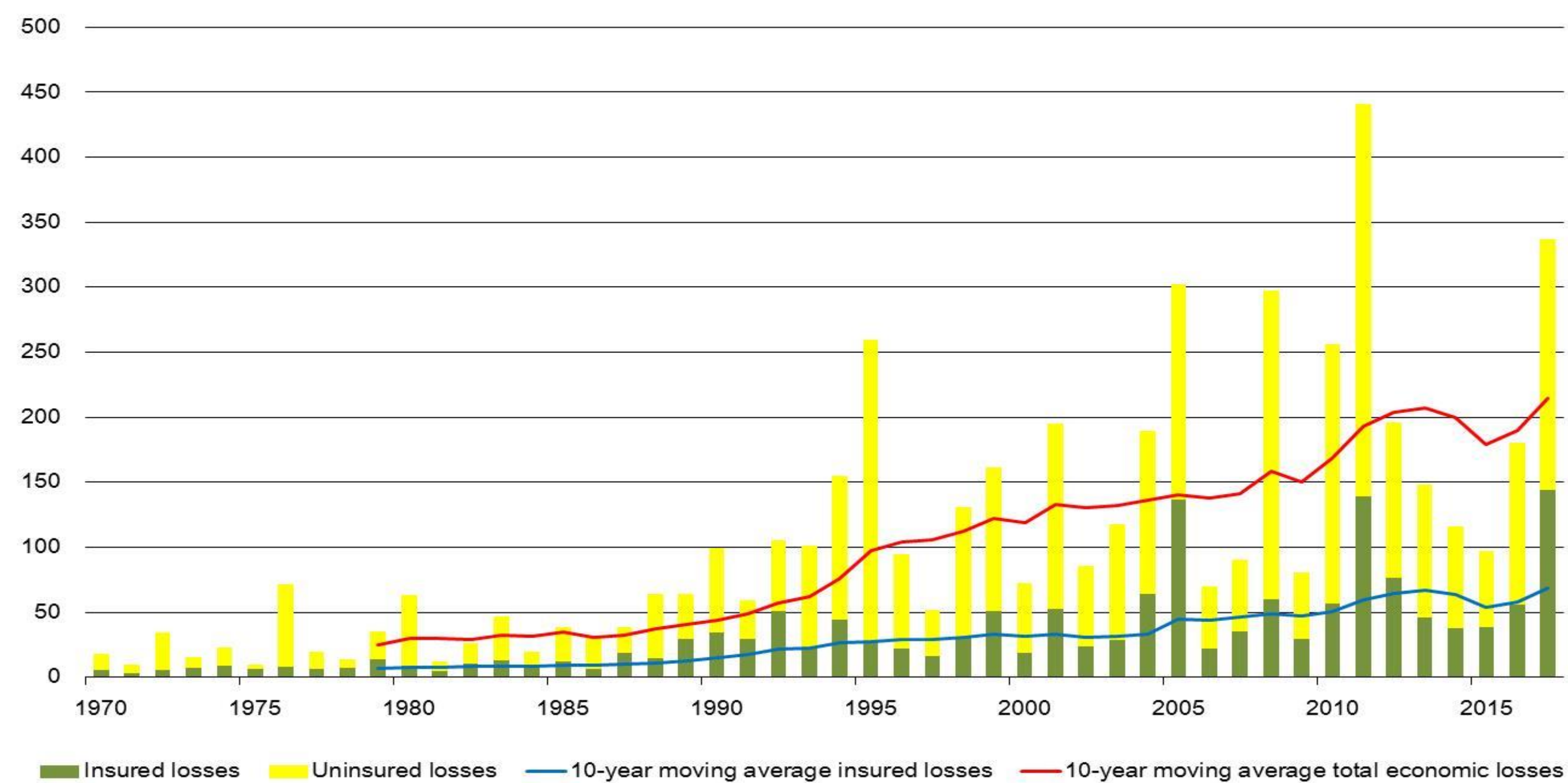
in USD billion, at 2017 prices



Source: Swiss Re Institute.

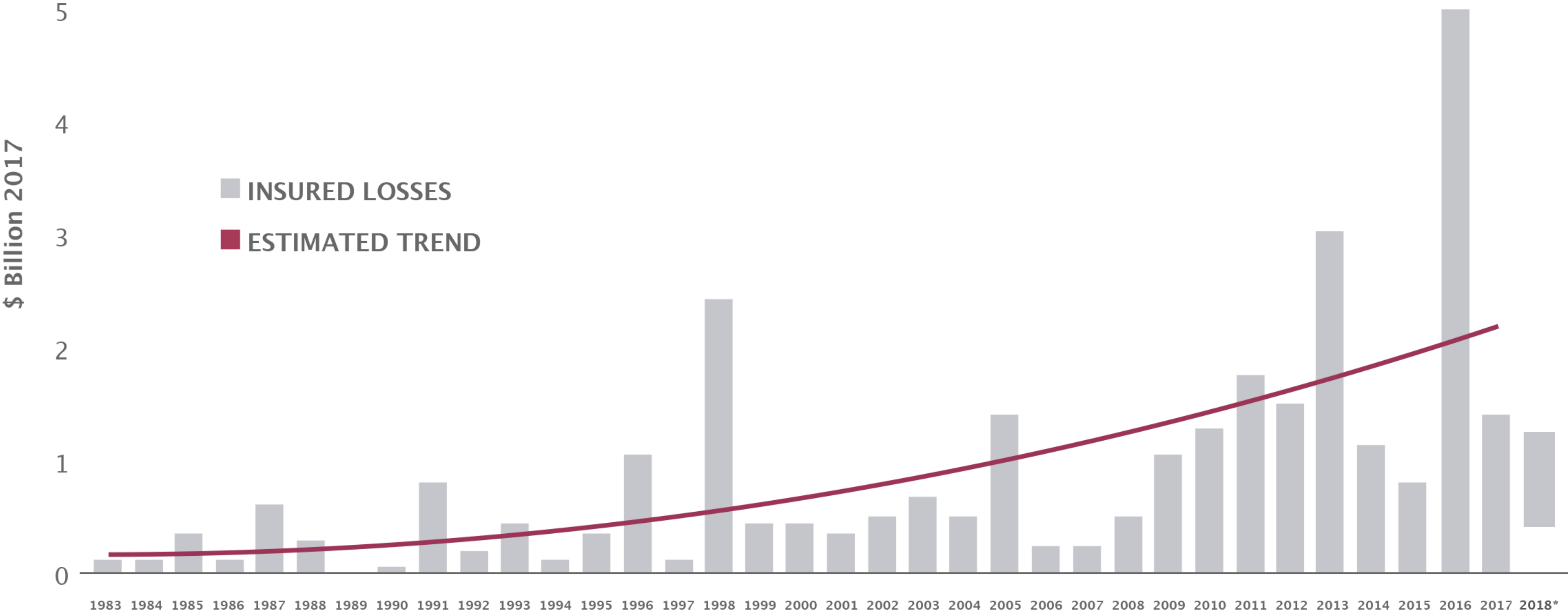
Insured vs uninsured losses 1970 - 2017

in USD billion, at 2017 prices



Economic losses = insured + uninsured losses
Source: Swiss Re Institute.

Catastrophic Losses in Canada



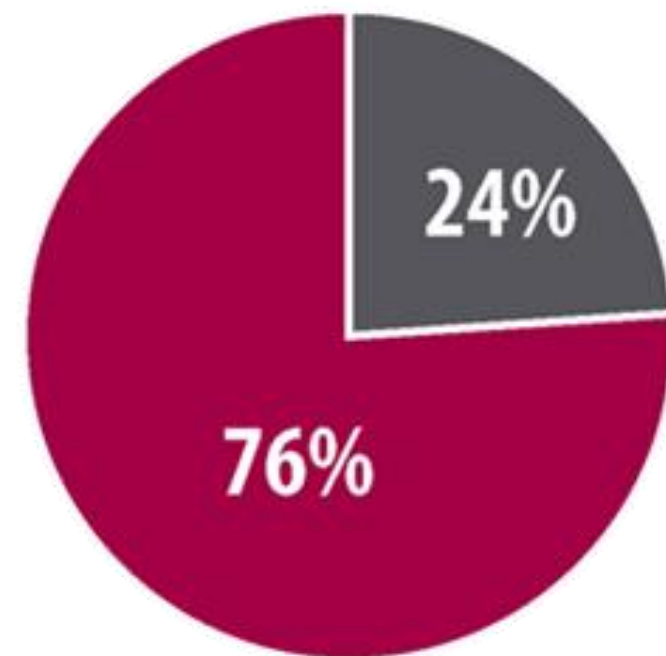
Values in 2017 prices, and include loss adjustment expenses.

Source: CatIQ, PCS, IBC Facts Book. *2018 January to End of September Preliminary

Rising Disaster Financial Assistance Costs

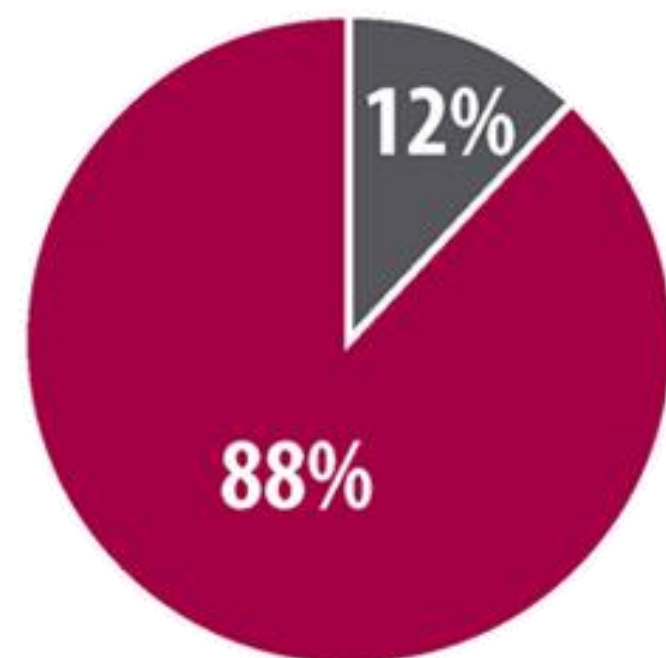
FEDERAL DFAA SPENDING

1970-2014



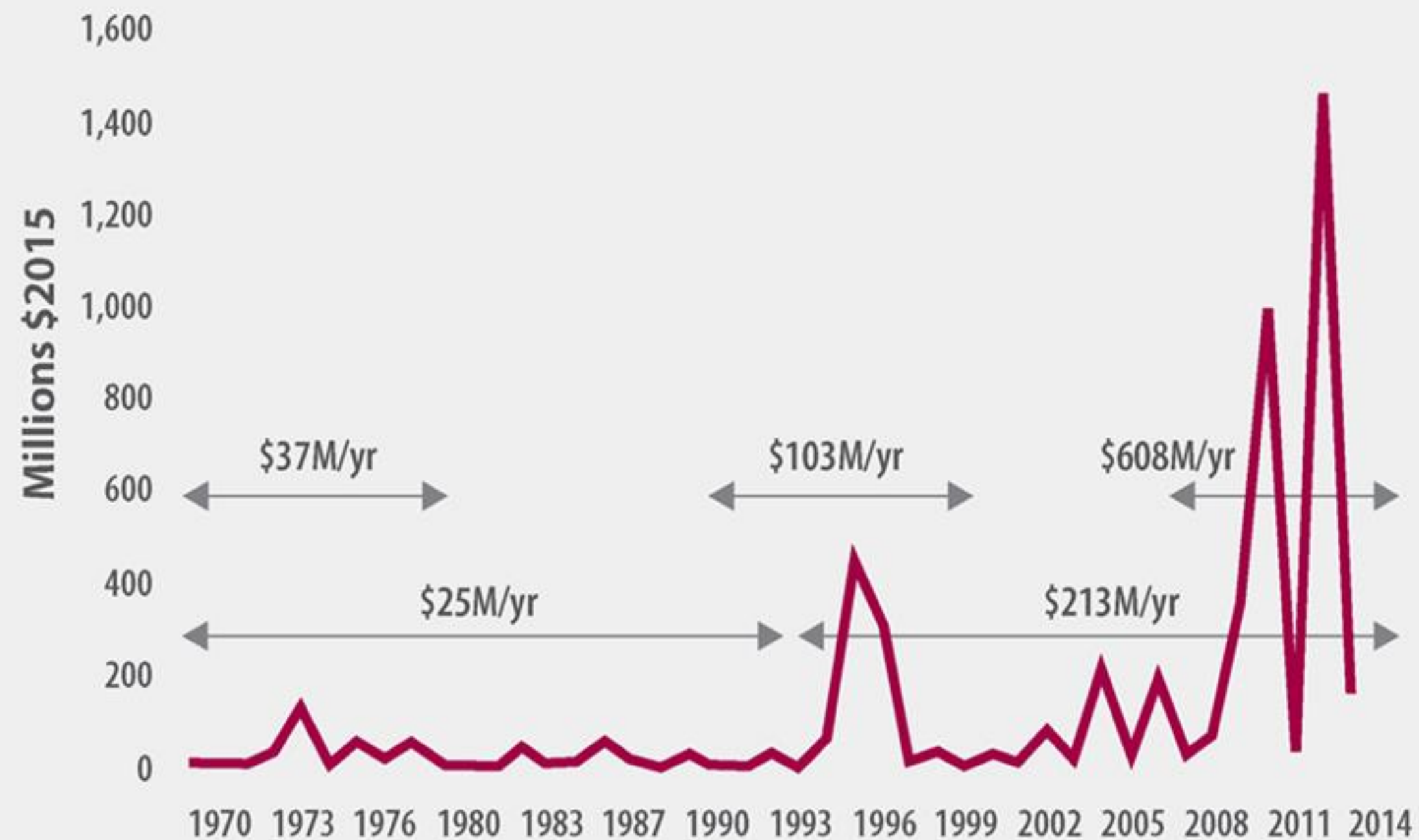
■ Other ■ Flood-related

2000-2014



■ Other ■ Flood-related

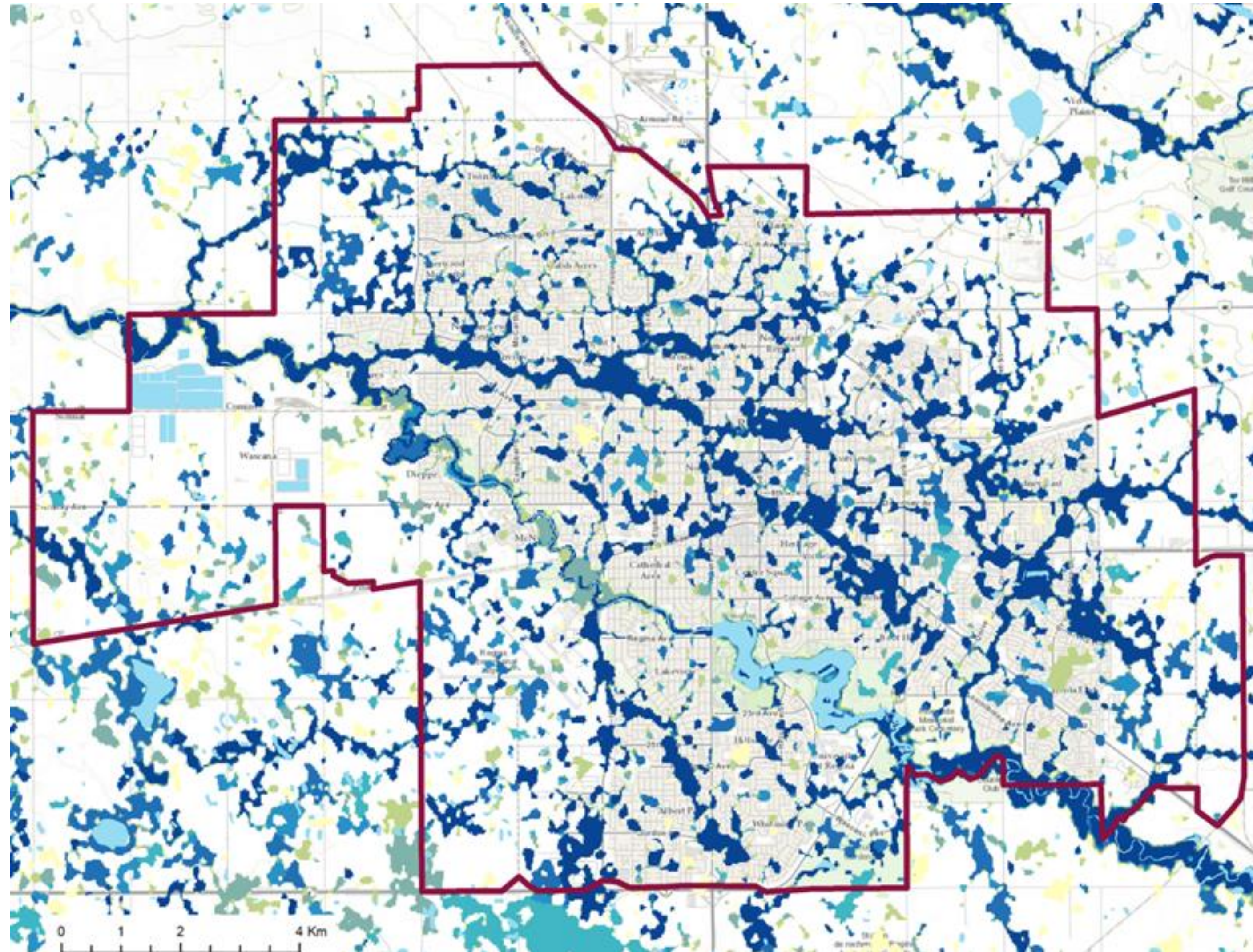
ANNUAL FEDERAL DFAA SPENDING ON FLOOD



How insurance works

- Insurance prices risk
- Insurance contracts transfer risk
- Insurance contracts reward derisking behaviour

How do we price risk?



Why Natural Infrastructure

- Investment in flood mitigation is fundamental to derisking communities (and making them insurable)
- We don't trust grey infrastructure – much of it doesn't work
- Natural infrastructure is an attractive lower cost alternative

A night photograph of the Bix Creek Suspension Bridge, illuminated by warm yellow lights. The bridge's steel structure and suspension cables are clearly visible against a dark blue sky. In the background, several multi-story buildings are lit up, and a large waterfall cascades down a rocky ledge. The overall scene is a vibrant urban nightscape.

THANK YOU