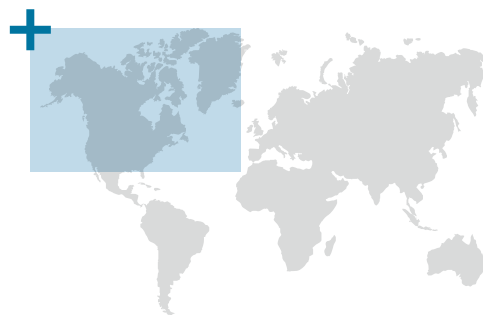


# IN FOCUS: PARTNERSHIPS BETWEEN PUBLIC AND PRIVATE SECTOR



## SUBJECT

Sustainable insurance solutions for agricultural and climate risk requires a joint effort of both the public and the private sector: the partners need to cooperate and commit to facilitating a development process.

Private insurance companies design appropriate insurance products, establish administrative processes and carry the risk. They invest financial and human resources, and commit themselves to the agricultural and climate risk insurance markets. Government support that goes beyond creating an enabling regulatory environment can be critical to the sustainability of such systems.

This support can take different forms, including premium subsidies, tax exemption or acting as a reinsurer of last resort. The public sector can also foster market development and bear part of the high start-up costs by investing in data market infrastructure and weather stations, product design and rating as well as awareness creation, education and training. Donors and development agencies can provide additional assistance during this initial investment phase.

## CHALLENGES IN CANADA

Canadians are unaware of their risk for flooding, and do not typically take action to protect themselves through personal preparedness, insurance, or support for proactive flood risk management.

Flood risk is managed by many jurisdictional actors in Canada – federal, provincial and municipal governments, and watershed management authorities. Additionally, government and the insurance industry have varying views of flood risk, and residents are unsure of what their risk is. Communicating flood risk to residents is complicated by these various sources and confusion surrounding who does what.

Partners for Action (P4A) research identified three conditions for flood insurance success in Canada: that Canadians are aware of their risk; that decision makers consider flood risk in planning and policy decisions; and that mechanisms exist for risk transfer following personal risk reduction. These conditions have been supported by all levels of government (federal, provincial, municipal, and indigenous), business, and the non-governmental sector, particularly support towards raising awareness amongst homeowners.





P4A is working with these stakeholders on a national flood risk awareness program, to better understand why Canadians are unaware of their flood risk, and do not actively participate in actions to reduce their risk, such as personal protection, insurance, or support of flood risk management policies.

Reducing the financial burden of flood recovery is of critical importance to federal, provincial, and municipal governments, which support a combination of personal protection at the property level, and overland flood insurance. Helping residents understand risk and appropriate options to reduce risk would lead to transfer of risk to individuals and the insurance industry.

## SOLUTION

### Bringing stakeholders together

P4A brings together various actors to better understand how to effectively communicate flood risk to residents, and support their decisions on how to best reduce risks to their property. Government, insurers, relief agencies, and non-governmental organizations are coming together to research effective communication, and develop messages that will be pilot-tested in flood-risk areas, evaluated for effectiveness, and rolled out nationally. This is working to overcome the challenge of jurisdictional confusion, and developing consistent, scientifically accurate messaging throughout the country. P4A's work is also bridging relationships, building trust, and ensuring effective flood risk management in Canada moving forward.

## Dissemination of Knowledge

- P4A is working to understand barriers to personal flood preparedness, tactics to message flood risk to residents, and appropriate language to drive personal action and behavioural change.
- Results and tools will be shared with P4A's national stakeholders through reports, workshops and webinars, and case studies that P4A will highlight and learn from in moving forward.
- P4A will work with insurers and governments to communicate flood risk through mapping.

## LESSONS LEARNED

- There are many competing objectives and agendas between insurers, governments and others which have historically prevented collaboration on consumer engagement towards a flood insurance market in Canada. P4A works with stakeholders to gain trust and overcome hesitancy to share data and information and collaborate on common goals.
- Canadians do not tend to believe they are at risk for flood. Residents need concise, relevant information on flood risk before they will act to reduce that risk.
- Each community and individual residents have their own beliefs and understanding of risk and their ability to act. Communications must understand and address these differences.
- All partners need to co-develop public materials to reduce confusion and strengthen public messages. Materials must be created in English and French.
- P4A continues to push our partners to overcome these barriers to good working relationships and accomplish our common goal of a risk-aware Canada where residents and decision-makers have the tools they need to reduce their flood risk.

### Name of programme:

Partners for Action (P4A) – an applied research network advancing flood resiliency in Canada in the face of a changing climate and extreme weather.

### Duration:

Since 2014

### Programme area

Canada

### Name of component activity:

Risk communication program to facilitate understanding and acting on flood risk in Canada

### Cooperation:

Canadian Red Cross, Natural Resources Canada, Province of Alberta, Canadian Real Estate Association, Public Safety Canada, the Co-operators Group Ltd., Farm Mutual Re, The University of Waterloo.

### Target group:

Canadian homeowners and school children in flood-risk areas

### Documentation:

<https://uwaterloo.ca/partners-for-action>

### Contact person

**Shawna Peddle**, Director, Partners for Action  
E shawna.peddle@uwaterloo.ca

### DISCLAIMER

This publication has been prepared by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and the Munich Climate Insurance Initiative (MCI) in the frame of the project "Promoting Integrated Mechanisms for Climate Risk Management and Transfer" funded by the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB). The information in this publication is solely based on the project documentation provided by the project implementer(s).