To: Climate Risk / Catastrophe Risk Policy Team
Insurance Bureau of Canada (IBC)

Dear Sir or Madam,

I am a homeowner in the Beaverbrook community of Kanata North, Ottawa, and President of the Kanata Beaverbrook Community Association. I am writing to seek clarification on how the property insurance industry evaluates flood risk when an existing stormwater management system is removed for an extended period during redevelopment

The planned redevelopment of the Kanata North Golf Course (see attached materials) will dismantle the existing drainage and infiltration system integral to the golf course lands, which currently serves as a major stormwater buffer for surrounding neighbourhoods, including Kanata Lakes and Beaverbrook. The Beaverbrook community sits several metres lower than the golf course lands, which raises concern that a severe rainfall event during redevelopment could materially increase flood risk for a large number of nearby homes.

While the final redevelopment plan is expected to include a new stormwater management system, subject to City approval, there may be a multi-year construction period, potentially five years or longer, during which the existing buffering capacity is removed before the replacement system becomes fully operational.

Ottawa has previously experienced significant flooding events when stormwater systems were overwhelmed — for example, the 2009 Glen Cairn (Kanata South) flooding that affected roughly 1,200 homes (CBC Report)

I would be grateful for any general guidance the Insurance Bureau of Canada can provide regarding how the insurance industry typically evaluates situations where major land-use changes temporarily alter watershed drainage behaviour.

> **The IBC replied: In general, insurers are unlikely to identify or act on localized changes to stormwater capacity—such as the temporary removal of permeable land—unless the issue becomes widely known or is associated with a major loss event. Flood risk perception tends to shift reactively, not proactively, particularly when underlying data is uncertain or difficult to validate.**

In particular, I would appreciate clarification on the following questions:

1. Do insurance catastrophe models consider the removal of large permeable landscapes, such as golf courses or other open lands, when evaluating flood risk for surrounding properties?
   The IBC replied: Flood models are updated infrequently (typically every 3–5 years) and rely on simplified or incomplete data, particularly regarding stormwater systems. As a result, they are highly unlikely to capture localized changes such as the removal of permeable land (e.g., golf courses) on their own.

2. How do insurers typically assess flood risk when stormwater storage capacity is temporarily removed during construction before replacement infrastructure becomes operational?

The IBC replied: Most insurers do not systematically account for temporary reductions in stormwater capacity during construction. Data on these systems is limited and dynamic, making it difficult to incorporate into underwriting or modelling.

3. Can temporary watershed changes during multi-year redevelopment projects influence flood-risk classifications used by insurers?
   The IBC replied: Temporary watershed changes are unlikely to influence flood risk classifications unless an insurer becomes explicitly aware of the issue and conducts a manual assessment, which is uncommon for small or localized areas.

4. When insurers assess flood risk, are municipal planning approvals or mitigation conditions typically taken into account, or are underwriting decisions based primarily on physical watershed characteristics and flood modelling?
   The IBC replied: Flood risk is primarily assessed using catastrophe models and historical claims data. Municipal planning decisions or mitigation conditions are generally not directly incorporated into underwriting unless they materially affect modelled risk.

5. Has the insurance industry provided guidance to Canadian municipalities regarding the importance of considering property insurability when approving redevelopment that alters stormwater systems?
   The IBC replied: There is some direct engagement from the insurance industry with municipalities on incorporating insurability into land-use or stormwater planning decisions. Here is an example. https://www.intactcentreclimateadaptation.ca/municipal-flood-risk-check-up/

Publicly available information suggests that, where flood risk is perceived to increase, homeowners may face some combination of materially higher premiums, reduced availability of flood coverage, or substantially higher deductibles. Any general guidance you can provide on how the industry views such risks would be very helpful.

Thank you for your time and consideration.

Neil Thomson
President
Kanata Beaverbrook Community Association