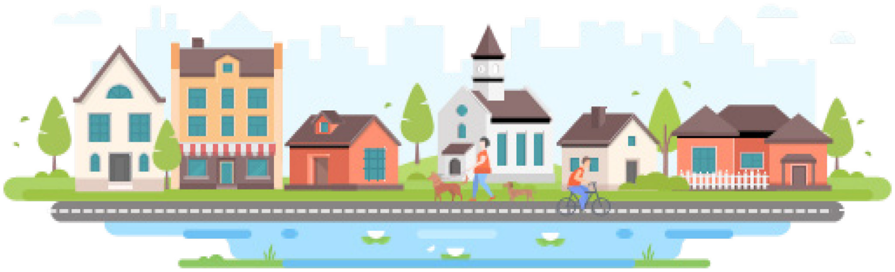
HOME INSURANCE AT A CROSSROADS:

A three-point plan to keep homeowners in Québec protected

Severe weather is causing financial turmoil and stress for homeowners in Québec. As these events grow more frequent and more destructive, pressure on households and property insurance market is building.



After devastating wildfires in California, approximately **3.6 million home insurance policies** were not renewed between 2020 and 2023.

In Québec, homeowners still benefit from healthy competition with over 100 companies selling home insurance. **But pressure is growing**:

Insurance prices risk, and as the risk facing grows, so too does the pressure on insurance premiums.

In 2024 in Québec, severe weather events caused over $2.3 billion in insured losses for personal property, with over 80,000 claims.

Québec has a rare opportunity to lead in climate resilience while preserving a healthy, and competitive home insurance market.

A THREE-POINT PLAN TO STRENGTHEN QUÉBEC'S RESILIENCE:

1. **IMPROVE HOW AND WHERE TO BUILD**

   Avoid construction in high-risk areas. Adapt building code framework and modernize land use rules. Support property owners to increase the resilience of the existing housing stock.

2. **INVEST IN RESILIENCE AND HELP COMMUNITIES MITIGATE THE RISKS**

   Strengthen prevention, planning and preparedness through better mapping.

3. **ADDRESS MARKET GAPS WHILE AVOIDING INTERVENTIONS THAT REDUCE MARKET CAPACITY**

   Maintain regulatory framework that encourage risk-based pricing and the viability of the insurance market. Support a solution related to earthquakes.

Now is the time for concerted action by policymakers at all levels **to protect the people of Québec** from the growing risks they face.

GLOBALLY, SEVERE WEATHER HAS DRIVEN INSURED LOSSES TO OVER US$100 BILLION EVERY YEAR SINCE 2020, WITH EXPECTATIONS THAT THEY WILL SURPASS US$200 BILLION IN 2026.

Natural catastrophes have significant impacts in Québec:

From 2019 to 2024, the **average cost of home insurance claims** increased by **77%**, and the total cost rose by **91%.**

Over the same period, the **average home insurance premium in Québec** increased by only 34%—at $1,103 in 2024, it remains **among the lowest in the country**.

In 2024, for **every dollar** of premium collected**, insurers paid $1.17 to Québec policyholders.**

These pressures are compounded by rising reinsurance premiums, tariffs, a shortage of skilled labour, and increased capital and compliance requirements.

RESILIENCE IS THE KEY TO MAINTAIN AFFORDABILITY

There are many policy solutions – some new, many already in the works – that will ensure a healthy and strong personal property insurance market in Québec into the future.

About Insurance Bureau of Canada in Québec

Established in 1964, Insurance Bureau of Canada (IBC) is the national trade association representing Canada's private home, auto and business insurers. **In Québec**, its member companies represent the vast majority of the property and casualty insurance market. IBC works on a number of fronts to increase public understanding of home, auto and business insurance.

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