

HUB PRIVATE CLIENT

FLOODS RISING

Protecting high-value homes from flood-related losses



In 2024, devastating floods in Toronto and across 55 communities in Quebec shined the spotlight on a rapidly escalating concern. Severe flooding events outside of high-risk coastal and low-lying areas have become a recurring event. Whether created by the remnant moisture from named storms or the severe convective storms known as atmospheric rivers, major floods in recent years have decimated communities from the Maritime Provinces to British Columbia. Despite the growing risk, many Canadians have still not added overland water coverage to their Home Owners insurance policy.

WHO IS COVERED, AND HOW

Standard homeowner policies in Canada typically do not cover damage or loss from flooding events. Those who wish to be covered are required to add separate coverages for two types of potential flood damage: sewer backup, which also covers broken pipes and other sources of internal flooding, and overland coverage, which covers flooding from storms and other external events. While the majority of Canadian homeowners add sewer backup coverage to their homeowners policies, only 13% include overland flooding coverage.²

THE STATUS OF CANADIAN NATIONAL FLOOD INSURANCE

In 2024, the Canadian federal government approved funding for a national flood insurance program, primarily intended to offer coverage to 1.5 million homeowners considered at risk of flooding.³ Federal officials are currently in the process of negotiations with provincial governments and private insurance carriers with hopes of launching the program by the end of 2026. The Federal program is not expected to offer coverage at levels that would be close to adequate for owners of high-value homes and will not be available to those who reside outside of officially designated flood-risk zones.

ENHANCING RESILIENCY FOR HIGH-VALUE HOMEOWNERS

While flood insurance provides a substantial level of protection should flood damage occur, there are also measures that high value homeowners can take to prevent damage in the first place. For owners of high-value homes, particularly those in high-risk areas, several of these measures may be required to secure flood coverage.

- **Install back water valves**, which prevent sewage from entering homes through sinks and toilets if flood waters cause the sewer system to overflow.
- **Add a sump pump** to expel water from ground water seepage. Sump pumps should be connected to an emergency power system as flood events often create power outages.
- **Have sandbags and inflatable barriers on hand** to slow flooding should water levels reach door levels.
- **Renovate with flood resistant materials**, which will reduce the damage a flood may cause.
- **Relocate electrical panels above 100-year flood levels** to prevent a possible cause of fires.
- **Regrade surrounding property** to divert flowing water away from the home's foundation.
- **Install a water monitoring device**, which can detect leaks, rising water levels or changes in humidity and send real-time alerts to help prevent or minimize damage.

EXPERT GUIDANCE IN A COMPLEX MARKET

Protecting high-value homes from flood risk is fundamentally different than coverages for other risks.

Your HUB Private Client Risk Advisor is available to answer questions, address concerns and explore both Federal and private insurance options and determine the optimal approach to protecting your family, your home and your possessions.

To begin that conversation, contact your [Private Client Risk Advisor](#).



FLOOD LOSSES

Floods have averaged nearly \$800 million in annual insured losses over the past decade, Canada's largest and most common source of damage due to natural causes.¹



HAS YOUR HOME BECOME MORE VULNERABLE?

Flood risk zones are expanding across the country. See your home's risk profile [here](#).

¹ [https://www.valuepenguin.com/flood-insurance-policies-study#:~:text=An%20average%20of%20only%203.3,%25\)%20and%20Wyoming%20\(61.6%25](https://www.valuepenguin.com/flood-insurance-policies-study#:~:text=An%20average%20of%20only%203.3,%25)%20and%20Wyoming%20(61.6%25)

² National Flood Insurance Plan. Available at: <https://www.iii.org/article/spotlight-on-flood-insurance>

³ [https://www.valuepenguin.com/flood-insurance-policies-study#:~:text=An%20average%20of%20only%203.3,%25\)%20and%20Wyoming%20\(61.6%25](https://www.valuepenguin.com/flood-insurance-policies-study#:~:text=An%20average%20of%20only%203.3,%25)%20and%20Wyoming%20(61.6%25)

⁴ <https://www.valuepenguin.com/flood-insurance-policies-study#policies>

⁵ Source: Milliman. chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://edge.sitecorecloud.io/millimaninc5660-milliman6442-prod27d5-0001/media/Milliman/importedfiles/uploadedFiles/insight/2017/private-flood-insurance-cheaper-nfip.pdf

ABOUT PRIVATE CLIENT

Liability exposures are evolving—and so are the stakes. HUB Private Client helps affluent individuals and families safeguard their wealth with tailored excess liability solutions and expert risk guidance. Whether it's a serious auto accident, an injury on your property, or a lawsuit tied to travel, staff or social media, our Private Client Risk Advisors help ensure you're protected well beyond the limits of standard coverage. We assess your full risk profile, uncover gaps, and recommend strategies that reflect the way you live today.

Connect with your HUB Private Client Risk Advisor for a personalized review and proactive risk strategies designed to protect your assets, reputation and legacy.

HubPrivateClient.com