

# Market Watch

S&P/TSX	S&P 500	DOW	NASDAQ	DOLLAR	OIL per barrel	Nat. Gas/mmBTU	GOLD
20,990.22 +71.82	4,783.83 +3.59	37,592.98 +118.04	14,972.76 +2.58	74.70¢/US +0.12¢	US\$72.68 +\$0.66	US\$3.31 +\$0.22	US\$2,051.60 +\$32.40

## Severe weather events threaten to drive insurance premiums higher: experts

The Canadian Press

The escalating risk of severe weather events is one of several factors putting pressure on insurance companies and potentially increasing premiums for consumers, experts say.

Extreme weather losses, inflation and reinsurance costs

have all helped drive insurance premiums higher in recent years, said Craig Stewart, the Insurance Bureau of Canada's vice-president of climate change and federal issues.

Severe weather caused more than \$3.1 billion in insured damage in 2023, the bureau said,

making it the fourth-worst year on record for insured losses.

"This grim statistic highlights the financial costs of a changing climate to insurers, governments and taxpayers," the bureau said in a release.

The Okanagan and Shuswap-area wildfires in B.C. cost \$720 million in insured damage, the bureau said, while severe summer storms in Ontario and spring ice storms in Ontario and Quebec cost a combined \$670 million.

Rising building costs for materials and labour have also contributed to higher premiums over time, Stewart said.

"As we build more and more homes to address the affordability crisis, ironically, what we're seeing is that materials and labour costs are going up," he said — "because of inflation, but also because of increased demand."

Globally, 2023 was the hottest year on record, according to European climate agency Copernicus.

Extreme weather events like wildfires and storm surge flooding tend to result in a higher volume of insurance claims, Ratehub.ca vice-president of insurance Matt Hands said in a statement.

"Climate change, along with the natural disasters, such as wildfires and flooding, continue to hit the insurance industry hard," he said. "The insurance providers will need to balance these losses on their books, potentially leading to a rise in premiums for everyone."

Canada is warming faster than the rest of the world and its insured losses are also growing faster than the rest of the world, said Nadja Dreff, senior vice-president and head of Canadian

insurance at Morningstar DBRS.

Despite this, the underwriting profitability of Canadian insurers has held up pretty well in recent years, she said, "especially if you compare it to some of the global reinsurance players who have been absorbing the brunt of these extreme weather losses."

But alongside severe weather losses and mounting costs to rebuild, there's a third major factor influencing premiums: reinsurance, which is essentially insurance for insurers.

Canada is a higher-risk area for reinsurers than many other parts of the world, Stewart said.

For some regions, particularly Alberta and B.C., "reinsurers have raised their premiums for insurers operating in those areas," he said.

"Insurers have absorbed part of that cost. But they also have passed on those increased costs to home insurance policies."

In response to a "drastic rise" in reinsurance prices in 2023, insurers raised their thresholds for reinsurance to rein in costs, Dreff said.

"It may differ company to company, but in general, what we've seen is that insurers have been buying less reinsurance," Dreff said. "In other words, reinsurance kicks in at higher levels of claims."

That means the insurers would have to absorb more of their claims — a trade-off with potential consequences that depend on how the year goes, she said.

According to a Morningstar DBRS outlook report published in December, premiums rose in 2022 and 2023 in the low-single digits.

Dreff expects premiums will

continue to be pushed higher this year.

However, higher interest rates have improved investment outcomes, helping partially mitigate higher costs that might otherwise be passed on to consumers, she said.

Insurance costs are just one piece of a larger puzzle: the rising cost of living that Canadians have been grappling with for several years.

Climate risk, population growth and macroeconomic conditions support premium rate increases, but "they may prove to be more and more difficult to execute over time," according to the Morningstar DBRS report.

"After years of rapidly increasing prices on a range of goods and services, consumers are finding it more difficult to absorb additional costs, including that of insurance, amid their growing concerns related to the cost of living."

No one event drives up premiums, said Stewart, noting that a survey of insurers after the summer fires found no change in availability or affordability of wildfire insurance coverage. Instead, insurance pricing is driven by trends over time, he said.

Fire insurance is a core part of home coverage and highly unlikely to become unavailable, he said.

But escalating losses and revised risk modelling mean that many Canadians can't access flood insurance, the bureau said in its report.

The government has committed to a national flood insurance program, but progress on that has stalled, said Stewart.

"We are urging the federal government to put that program in place as soon as possible."

## PUBLIC NOTICES



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### DEVELOPMENT PERMITS APPROVED JANUARY 5 TO JANUARY 11, 2024 PLANNING & DEVELOPMENT SERVICES



Scan code to view all development notices online (updated every Friday).



#### RESIDENTIAL

1315 7 AVENUE NE (Lot 10, Block 6, Plan 5785JK) PLDP20230942. Garage.

#### COMMERCIAL/INDUSTRIAL/INSTITUTIONAL

537 4 STREET SE (Lot 5, Block 32, Plan 36556) PLDP20230930. Change Of Use (Retail & Consumer Services).

#### HOME BUSINESS

15 HUNT CRESCENT NE (Lot 51, Block 14, Plan 0012635) PLDP20230917. Home Business Minor. General Contractor/Project Manager.

32 NORTHLANDS LANE NE (Block 71, Plan 0612912) PLDP20230936. Home Business Minor. Home Inspection.

53 3 STREET NW (Lot 27, Block 10, Plan 726M) PLDP20230945. Home Business Minor. General Contractor/Project Manager.

962 ROSS STREET SE (Lot 17, Block B, Plan 49455) PLDP20230947. Home Business Minor. Painting and Sandblasting.

145 8 STREET NE (Lot 6, Block 4, Plan 4440AH) PLDP20240001. Home Business Minor. Online Sales (Crafts).

431 20 STREET NE (Lot 21, Block 4, Plan 7410135) PLDP20240007. Home Business Minor. Interior Decorator/Consultant.

A person claiming to be affected by a decision of the Development Officer or the Municipal Planning Commission may appeal to the Medicine Hat Subdivision and Development Appeal Board by completing and submitting to the City Clerk Department, the required Notice of Appeal form within twenty one (21) days of this publication. Notice of Appeal forms are available from the City Clerk Department, Third Floor, City Hall or on the City's website at [www.medicinehat.ca](http://www.medicinehat.ca).

All Development Permits listed are subject to conditions. Further information on any Development Permit may be obtained from the Planning & Development Services Department, Second Floor, City Hall during normal business hours (Telephone 403.529.8374).

#### REAL CHRISTMAS TREE RECYCLING

Recycle your real Christmas Tree anytime between December 27, 2023 – January 31, 2024 by dropping it off at one of the following convenient drop off locations:

- 20 Northlands Way NE – Northlands Co-op Recycling Depot
- 240 Kipling Street SE - Kipling Street Recycling Depot
- 3292 Dunmore Rd SE - Southwest corner of the Medicine Hat Mall parking lot

Prior to drop off, please remove all plastic bags, stands, tinsel and decorations.

Please note that artificial trees cannot be recycled in this program nor in the blue recycling cart program. Artificial trees that can no longer be used or donated should be discarded in the garbage. Refer to [www.medicinehat.ca/recycle](http://www.medicinehat.ca/recycle) for more information.

Alternatively, you can take your real Christmas Tree to the Compost Facility, or your artificial tree to the Landfill; both located within the Waste Management Facility.

The Waste Management Facility hours of operation are as follows:

- Monday through Saturday  
o 8:00 a.m. to 5:00 p.m.
- Closed on Sundays and all Statutory Holidays

Download the Recycle Coach App, refer to [www.medicinehat.ca/landfill](http://www.medicinehat.ca/landfill), or contact Environmental Utilities at 403-529-8176 for more information.

#### PROTECT WATER LINES FROM FREEZING

The following actions should be considered to protect your water lines during the cold weather months:

- Repair broken windows and ensure windows/vents are closed during the winter.
- Insulate water pipes in unheated areas, including crawl spaces.
- For sinks located against a non-insulated outside wall:
  - Open the vanity door to allow warm air to reach the water pipes.
  - A light bulb placed near the water pipe may generate enough heat to keep the water flowing.
  - Heat tape wrapped around the pipe may keep the pipe from freezing.
- Residents of mobile homes should check the condition of the heat tape on their water service and water meter.
- Protect an unheated indoor water meter with an insulated box and water pipes should be wrapped in insulation using heat tape.
- Outside water faucets and underground sprinkler systems should have the water supply shut off inside the house at the isolation valve for the faucet/hose bib.
- Sprinkler lines and faucets should be drained/blown out.
- A thin stream of cold-water (as thick as a pen) running continuously from at least one faucet will help prevent a frozen water service.
- If you plan to be away from home over the winter period, close the main water isolation valve located next to the water meter in your home.
  - You should leave the heat on in your home and have someone check inside your water home daily while you're away.

A frozen water service or a burst water pipe is an inconvenience and expense that most people would like to avoid. Please take all possible precautions to prevent this happening in your home or business.

For more information, refer to [www.medicinehat.ca/frozenwaterlines](http://www.medicinehat.ca/frozenwaterlines) or contact Environmental Utilities at 403-529-8176.

[www.medicinehat.ca](http://www.medicinehat.ca)

## Trans Mountain urges speed on variance decision from regulator

The Canadian Press

The Canada Energy Regulator said it will issue its decision "in due course" after hearing arguments Friday from the company building the Trans Mountain pipeline expansion on its request for a pipeline variance.

At an oral hearing in Calgary, the Crown corporation behind the project urged the regulator to make a decision quickly on whether or not the company will be allowed to change the size, thickness and coating of a 2.3-kilometre stretch of pipe between the communities of Hope and Chilliwack, B.C.

Lawyer Sander Duncanson, who represented Trans Mountain Corp. at the hearing, said that for each week the project's completion is delayed, the pipeline company expects to lose \$50 million in lost oil shipping revenue.

"The commission must be mindful that every day counts now," Duncanson said.

"An extra week of deliberations, or a condition that requires an extra week or two before Trans Mountain can start up the expansion,

may not seem like a big deal. But it will have real, material impacts."

Trans Mountain Corp. is racing against the clock to complete the expansion project, which will boost the capacity of Canada's only oil pipeline to the West Coast to 890,000 barrels per day from 300,000 bpd currently.

The project's completion had originally been expected in the first quarter of this year, but Trans Mountain Corp. has run into difficulties drilling through hard rock in B.C.

Its initial request to use a different size of pipe for the location in question was denied by the regulator due to concerns around pipeline quality and integrity.

But Trans Mountain Corp. then asked the regulator to reconsider, saying in December that the project could face a worst-case scenario of a two-year delay in completion if it is not allowed to alter its construction plans.

On Friday, the company argued it can address all of the regulator's concerns around the sourcing and integrity of the alternate pipe size, and urged the regulator to avoid imposing conditions that would result in a "material" delay to the project.

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