Institute for Catastrophic Loss Reduction
Building resilient communities

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Basement Flood Incentive Programs: How to Increase Participation

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Outline

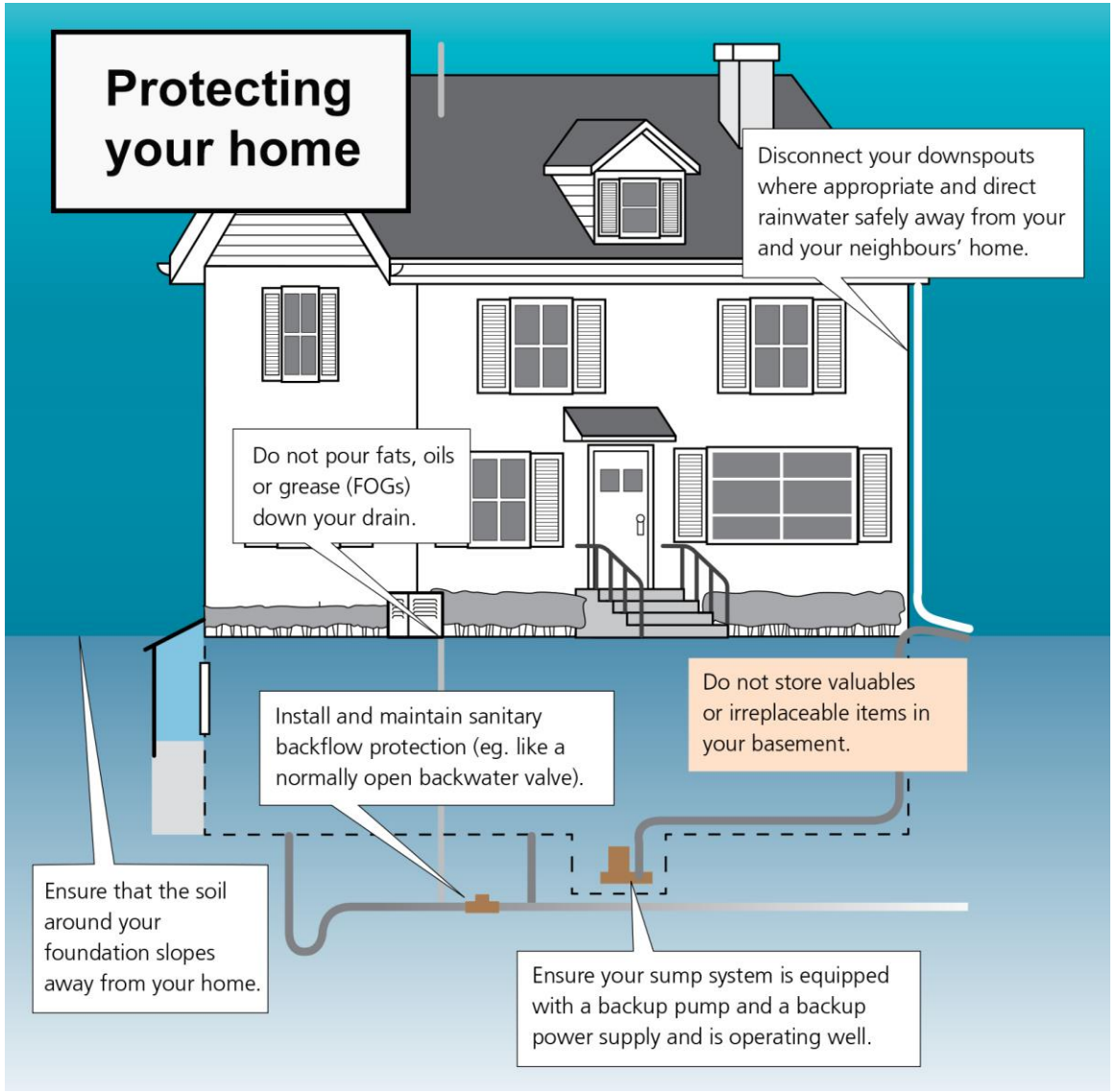
1. Background on basement flooding in Canada
2. Why these programs exist
3. Overview of all available programs
4. A key challenge most programs are facing
5. Barriers of participation
6. Program components
7. Improvements
8. Success

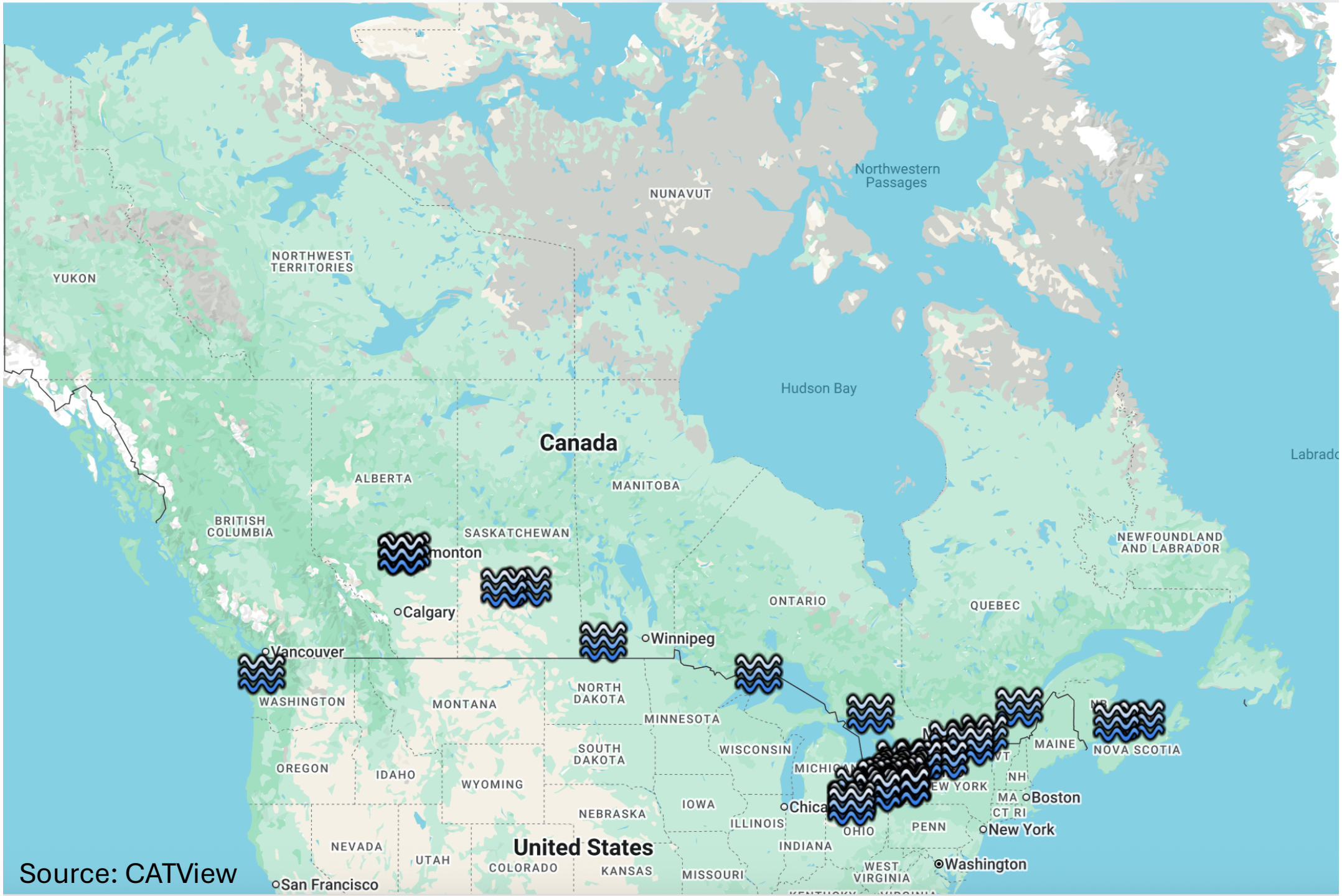
The Growing Issue

- Increased severe rain events
- Basement flooding is increasing resulting in increased claims
- Infrastructure that is not designed to be able to withstand the changing climate
- Older homes are more at risk
- Significant impacts to homeowners and municipalities

Why these programs exist

- Individual action is required not just infrastructure improvements
- Reduce stormwater flows from private property into public infrastructure
- Reduce pressure on systems and improve community resilience





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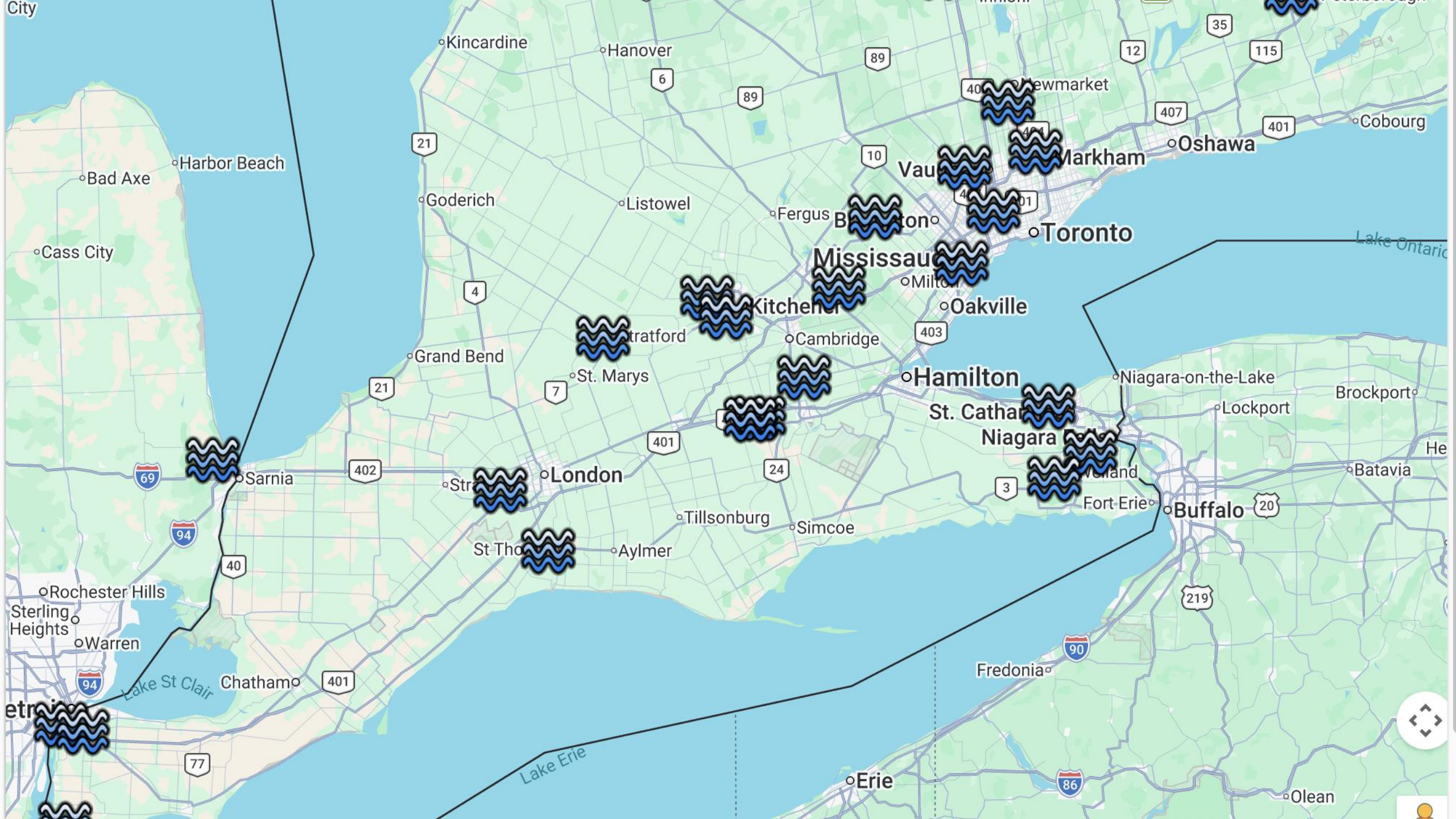
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Source: ICLR

Key Challenge

- Participation is often low
- Uptake increases **after a localized flood event**
- Programs are reactive, not proactive

Barriers to Participation

1. **Awareness**
   - Many homeowners do not know these programs exist
   - Low understanding of the hazard, risk, and responsibility
2. **Cost**
   - Upfront cost remains a barrier
   - Prefer to spend money on other renovation
3. **Complexity**
   - Applications are time-consuming and confusing
   - Coordinating between different groups
4. **Trust and Risk Perception**
   - “it won’t happen to me”
   - Unsure about who to trust
   - Concerns about program stability

Program Components

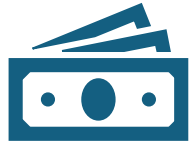
- Scope and coverage
- Incentive amount
- Accessibility
- Governance
- Education
- Local regulation alignment

Improvements

Behavioural insights

Awareness

Simplicity



Financial incentives

Behavioural Insights

- Make risk personal
- Create urgency
- Use social norms
- Act at the right time
- Designing programs around human behaviour

Increase Awareness

- Raising awareness and educate
- Better understand the hazard, risks, mitigation measures, and incentive programs
- Partner with insurers, contractors, realtors, community groups
- Use multiple channels: social media, mailers, utility bills

Simplify the Process

- Reduce application steps
- Provide pre-approved contactors
- Offer clear, step-by-step guidance and support
- Accelerating the subsidy process
- Home assessment
- The easier it is, the more people participate

Improve Financial Incentives

- Cost remains a major barrier
- Rebates require upfront costs
- Opportunities
  - Increase rebate amounts
  - Provide upfront funding
  - Combine rebates and loans
  - Combine costs with property taxes

Outcomes

- Homeowner
  - Higher participation
  - Greater awareness
- System
  - Reduced claims and losses
  - Less pressure on infrastructure
- Community
  - Increased community resilience
  - More proactive behaviour
- Regular program review

Key Takeaways

- Basement flood risk is growing
- Programs work, but need better design
- Focus on:
  - Awareness
  - Simplicity
  - Financial support
  - Behaviour insights
- Municipalities cannot do this alone – collaboration is essential

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Thank you

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