



C-POLAR™

Insurance as a Lever of Change.



*How Climate Risk Is Reshaping **Insurance** Today.*



⇒ **Sterling**



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Taras is a risk management and insurance professional at MWB Global Risks, specializing in commercial property, liability, and specialty lines. He advises clients on complex and emerging risks—including climate-driven exposures and workforce health.

Today's Speaker

- Insurance as a lever of climate resilience
- Coverage gaps & emerging risk models
- Protecting the indoor workplace

Climate Volatility & The Insurance Reckoning

The New Normal in Risk

Canada's 2023 wildfire season was the most destructive

The 2024 Jasper wildfire alone caused nearly \$900 million in insured damage.

What was once an underwriter's consideration for high-risk areas now demands attention coast to coast.

\$1B+ P&C insured losses from Canada's 2023 wildfire season

CIA has released new guidance to help P&C insurers assess, price, and underwrite wildfire risk in Canada.

232,000+

Canadians Evacuated (2023 wildfire season)

18.5M

Hectares Burned during Canada's 2023 Wildfire Season

Insurers Feel It First

The industry is absorbing escalating climate costs

\$108B

Insured natural catastrophe losses globally in 2023

3-5X

Higher wildfire claim frequency since 2000

+40%

Commercial property premiums in high-risk regions

Market Withdrawal

State Farm and Allstate have exited California entirely. AIG has pulled back from high-risk coastal zones. Reinsurers are applying unprecedented rate increases - or refusing coverage altogether.

Where insurers withdraw, coverage gaps emerge - and policyholders bear the cost.

The Canadian P&C Inflection Point

Canada faces availability and affordability challenges similar to California if wildfire risk continues to rise unchecked. The CIA has released new guidance for P&C insurers on wildfire risk assessment and pricing. Insurers are actively examining mitigation incentives and a more comprehensive wildfire insurance framework.

10X

More particulate matter in
wildfire smoke vs urban pollution

Source: EPA / Stanford Wildfire Research

Smoke Is a Growing Public Health Crisis

Wildfire smoke is no longer a regional problem.

In June 2023, smoke from Canadian wildfires spread across eastern North America, causing some of the worst air quality conditions ever recorded in cities such as New York and affecting millions of people hundreds of kilometres from any active fire

Smoke travels hundreds to thousands of kilometers.
Risk is no longer tied to proximity to forests.

The Office Is Not a Safe Haven

Indoor PM2.5 can reach

70%

of outdoor concentrations during wildfire events without enhanced filtration.

HVAC Failure

Many conventional HVAC systems provide limited protection against fine particulate matter unless enhanced filtration measures are implemented.

Worker Health Risk

Prolonged indoor exposure triggers respiratory and cardiac events within days

Building & Occupancy Risk

Older buildings with outdated HVAC face highest infiltration risk. High-traffic businesses — banks, grocers, schools — are especially exposed due to constant door cycling

The Human Cost of Smoke Exposure

Wildfire smoke is a multi-system health threat and a workforce productivity crisis

Health Impact

Respiratory and cardiovascular effects

Workforce Impact

Absenteeism and reduced productivity

Economic Impact

Billions in annual health-related costs

Insurance Impact

Workers' comp, disability, liability and business interruption

The Coverage Gaps

P&C policies may not always cover smoke damage — and the gaps are material and growing

Business Interruption Gap

Standard BI policies require a direct physical damage trigger. Smoke events — even those forcing operational shutdowns in agriculture or hospitality may fail this test. Coverage may not respond.

Parametric insurance can provide predefined payouts when AQI or PM2.5 thresholds are exceeded, regardless of physical property damage.

Smoke Damage Ambiguity

Smoke-related damage frequently emerges long after the fire itself is extinguished

Thousands of homes that remained structurally intact still generated smoke contamination claims.

The Standards Gap

NFPA standards address fire smoke from within buildings. ASHRAE Guideline 44 — the standard for external wildfire smoke infiltration — was only published in December 2024. Widespread adoption across building design, operations, and risk management needs to continue.

A fully NFPA-compliant building can still provide almost no protection against wildfire smoke infiltration.

Insurer Incentives & The Mitigation Credit Framework

How P&C insurers can drive resilience through underwriting — and what has to change

Premium Credits

for ASHRAE 44-compliant building upgrades

Loss Control

requirements tied to smoke infiltration risk

FAIR Plan

model under discussion for Canadian markets

Why Mitigation Credits Work

Insurers can incentivize policyholders to adopt fire and smoke mitigation measures — Filter upgrades, air sealing, ASHRAE 44 certification — by tying those investments to premium reductions and improved coverage terms. The Canada Air Quality Health Index is already embedded in HDI's underwriting for Special Event and Event Cancellation lines — a model to build on.

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THE ASK

Four Key Takeaways

CARRIERS

Adopt IAQ premium credit frameworks in Canadian provincial P&C markets. Incentivize policyholders to invest in resilient HVAC, Filter upgrades, and ASHRAE 44-compliant buildings. Connect mitigation to measurable underwriting benefits.

REGULATORS

Climate risk is increasingly being measured and disclosed in boardrooms and annual reports. We now need mechanisms that translate that same risk-awareness into action at the building level, where investments in resilience can materially reduce losses and improve public health outcomes.

STANDARDS BODIES & BUILDING INDUSTRY

Adopt ASHRAE Guideline 44 as the Canadian baseline for smoke-ready buildings — the inspection certificate can be used by brokers and insurers

PUBLIC HEALTH & RESEARCH

Close the actuarial data loop — connect claims outcomes to building characteristics and IAQ investments. Support FireSmart and community-level resilience programs.

About Sterling

Founded in 2014, Sterling is Canada's fastest growing, employee benefits platform. Sterling delivers employee benefits and group retirement solutions to over **3,500** businesses in all Provinces across the country.



1

Better Products

Access to our unique and robust suite of products & suppliers ensures that carriers are competitive in their premium calculations.

2

Better Technology

Confidence that the decisions you make are consistently grounded in millions of data points taken from within the Canadian market.

3

Better Service

Reassurance that our advisors & service teams are dedicated to helping you thrive and grow while providing unwavering, people-first support.

Global Risks — Insurance Expertise Above and Beyond



Wilson M. Beck Global Risks is committed to delivering **client centric insurance and risk management services**



MWB Global Risks has INTERNATIONAL team of industry experts who excel in **servicing complex risks and global accounts.**



MWB Global Risks **upholds the relationship and trust** that our clients have built with us over the years.



We remain **independent** to provide a true option in the marketplace, one that still has family values, cares about its employees and community.

We are a team of **experienced insurance and risk management advisors** who offer **expert advice** to our clients. Our team consists of professional members with more than 20 years' experience each, specializing in addressing international risks and successfully coordinating global client programs.



Thank you

Clean air is
everyone's business.