

# Changes to the Disaster Recovery Program

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## Overview

The Disaster Recovery Program (DRP) is a last resort to help Albertans recover from uninsurable loss and damages resulting from a disaster. You must access your own insurance options and any other available sources of assistance first. DRP assistance is not a guarantee.

When insurance is readily and reasonably available at the time of a disaster event, costs associated with insurable loss and damage are not eligible for DRP assistance.

## Changes to the program

Effective 2021, the Government of Alberta set homeowner-funding limits within the DRP and implemented cost-sharing mechanisms between the government and applicants of the program.

## Why changes were made

The cost and frequency of disasters in Alberta are increasing and the province needed a more sustainable approach to disaster recovery. By implementing a stronger framework for dealing with emergencies and disasters, these changes help ensure the DRP is there for Albertans when they need it in the future.

## Homeowner-funding limits

A homeowner-funding limit of up to \$500,000 per application for eligible costs has been implemented. Financial assistance is limited to one time per property, regardless of transfer of ownership.

Establishing a homeowner-funding limit helps government reinforce the intent of the DRP, which is to contribute to a ready and resilient Alberta as a payer of last resort.

Qualifying tenant applications remain eligible to

apply for assistance for contents in future DRPs, regardless of whether assistance has been previously accessed.

Homeowners may choose to opt out of receiving DRP assistance, so their property may be eligible to apply for future DRP assistance.

## Limits to properties

- Limits to assistance are applied to the property address only, not the applicant.
- A new owner of a property is not able to access assistance for their property if assistance has been provided for that address at any time forward from 2021.
- Applicants are required to sign a consent statement on their Statement of Loss and Damage application allowing their address to be posted publicly.
- At any time prior to acceptance of a payment, an applicant can withdraw, and the one-time assistance rule does not apply.
- Once an applicant deposits a DRP cheque into their financial institution, including electronic transfers, the file is closed – the one-time assistance rule applies, and the physical property address is posted online.

## Prospective homebuyers and developers

- If a homeowner applicant accesses funding through a DRP for a disaster that occurs in 2021 onward, the property address for which assistance is provided will be posted on Alberta.ca along with an indication that the address (legal land description) is not eligible for future DRP funding.
- If the same physical address that previously received DRP assistance is impacted by future disasters, applicants at that damaged property may apply for evacuation and displacement assistance.

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For more information: <https://www.alberta.ca/disaster-recovery-programs.aspx>

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## 90:10 cost sharing

Cost-sharing mechanisms for local authority (municipalities, Metis Settlements, and Irrigation Districts) and private-sector applicants are based on a 90:10 formula, where 90 per cent of eligible disaster costs are covered by the province and 10 per cent are covered by the applicant.

For example, if eligible costs are evaluated at \$30,000, an applicant receives \$27,000 in assistance. The 10 per cent (or \$3,000) in this example is deducted from the eligible costs before the DRP payment is issued. There are no upfront or out of pocket costs to an applicant.

### Applying limits and cost-sharing mechanisms

The Alberta Emergency Management Agency (AEMA) first applies the cost-sharing formula on the applicant's eligible DRP claim. After the cost-sharing has been applied, the new eligible amount is subject to the \$500,000 application limit.

## What can you do as a community?

The AEMA encourages all communities to:

- purchase adequate insurance
- have reserve funds
- invest in mitigation and infrastructure maintenance
- restrict property development in high-risk areas

## Living in high-risk areas

Albertans living in high-risk areas may encounter a natural disaster of one kind or another at some point in the future. While DRPs may assist, Albertans living in high-risk areas are encouraged to consider mitigating the risks to their property.

## Purchasing insurance

It is important for Albertans and communities to educate themselves about their disaster risks and ensure they are adequately insured.

### Insurable Perils

A peril is 'insurable' if insurance was widely available from several insurers and reasonably priced comparably to the level of risk.

If an applicant does not have insurance in place for an insurable peril, they are not eligible for DRP assistance. All components of loss and damage due to insurable perils are not considered DRP eligible.

### Overland flooding

Financial assistance for disaster recovery continues to be available to eligible applicants to help cover costs related to uninsurable loss and damages. Albertans are advised to check with several insurance companies to compare policy coverage and premiums when purchasing overland flood insurance, to determine whether this coverage is readily and reasonably available to them.

Homeowners living in high-risk areas who are not able to access overland flood insurance are subject to the cost-sharing and one time limit.

## Federal government disaster assistance

Since 2015, the federal government has significantly reduced the availability of federal support through the Disaster Financial Assistance Arrangements. This has increased the provincial liability for DRP costs. In addition to this, the federal government does not reimburse for repeat assistance in flood-prone areas.

## First Nations

The federal government continues to fund all eligible disaster related costs on First Nations lands.

Any Indigenous person who is not living within First Nations lands is eligible to apply for assistance under the benefits and applicable limits of the Government of Alberta's DRP.

### For more information

Online: [alberta.ca/drp](https://www.alberta.ca/drp)

Call us: 1-888-671-1111

Email: [DRP.info@gov.ab.ca](mailto:DRP.info@gov.ab.ca)