

**GORE
MUTUAL**
INSURANCE THAT DOES GOOD.

A man and a woman are smiling and walking through a field of tall grass and small trees. The man is wearing a grey beanie, a dark vest over an orange long-sleeved shirt, and blue jeans. The woman is wearing a brown leather jacket over a beige knit turtleneck and blue jeans. She is carrying a large, light blue bucket filled with sticks and leaves. The background shows a hazy landscape under a clear sky.

Purpose Insights
Report 2024

Gore Mutual was created in 1839 by people who came together to mutually look after one another in times of adversity. Today, as a modern mutual company, that sense of care and purpose lives on. Our primary objective continues to be helping people in their time of need. Purpose for us has become much more than what we can do; we also focus on how we can inspire others across our industry to act.

In 2022, we launched the Purpose Partnership, aimed at bringing together our broker partners to build our combined capacity in sustainability and purpose through research, thought leadership and sharing best practices. For this reason, Gore Mutual has commissioned research designed to identify how to build more resilience for our customers and communities.

Our research over the past two years has looked at topics such as:

- Why is purpose valued?
- Is purpose a key driver of employee attraction, retention, and engagement?
- Can purpose help us build stronger client relationships?
- Can purpose become a strong differentiator in the market?
- How are homeowners feeling about the impact of climate change?
- How are brokers helping homeowners become more resilient?

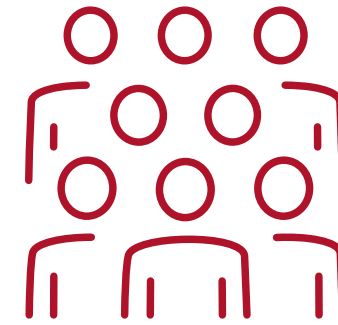
What we have learned is that investing in purpose will position insurers and brokers for the future by helping us build stronger relationships and brand reputation, fortifying consumer attraction and loyalty, and attracting and retaining talent.

We share the results of our research through our Purpose Insights Reports. The first report was released in the fall of 2023 and is available for download at goremutual.ca/purpose.

This is our 2024 Purpose Insights Report. Our hope is that these insights and analytics will help your organization leverage purpose for the benefit of communities and help add value to your businesses.

If you have any questions regarding our research, feel free to reach out to Gaby Polanco Sorto, VP, Head of Purpose and Sustainability at Gore Mutual: gsorto@goremutual.ca.

Key research headlines



In Canada, 2024 has been a year of significant catastrophe activity. This has impacted homeowners and communities across the country and has highlighted the importance of investing

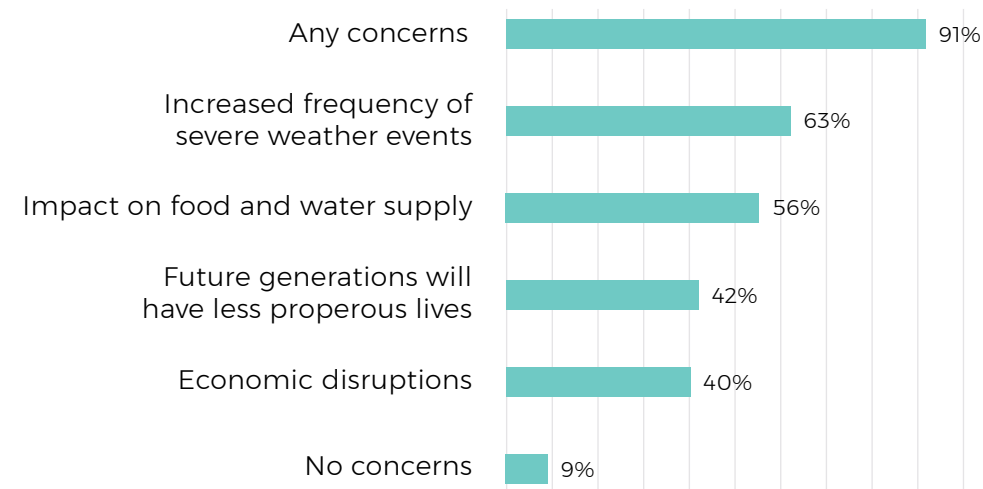
in resilience. The focus of our research in 2024 has been on the impact climate change is having on homeowners, who they trust to get information on building resilience and protecting their homes, and how comfortable are brokers in having those critical conversations with their customers.



What are homeowners most concerned about when it comes to climate change?

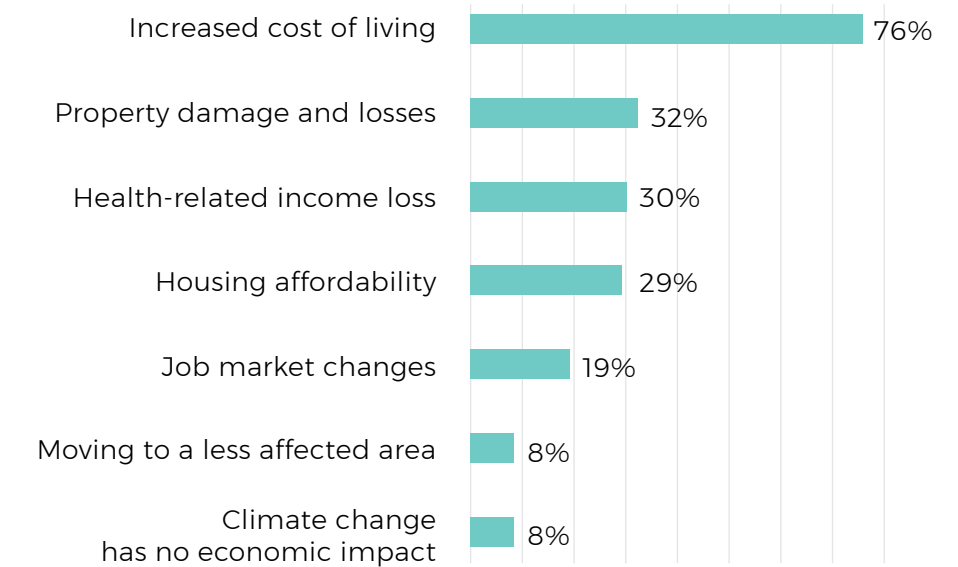
Overall, most consumers are concerned about climate change, with top concerns being increased frequency of severe weather events and the impact this has on food and water supply.

Homeowners' climate change concerns



Overall, most consumers are concerned about the economic impact of climate change, with increased cost of living ranking as the highest (76%) economic impact of concern.

Any economic impact

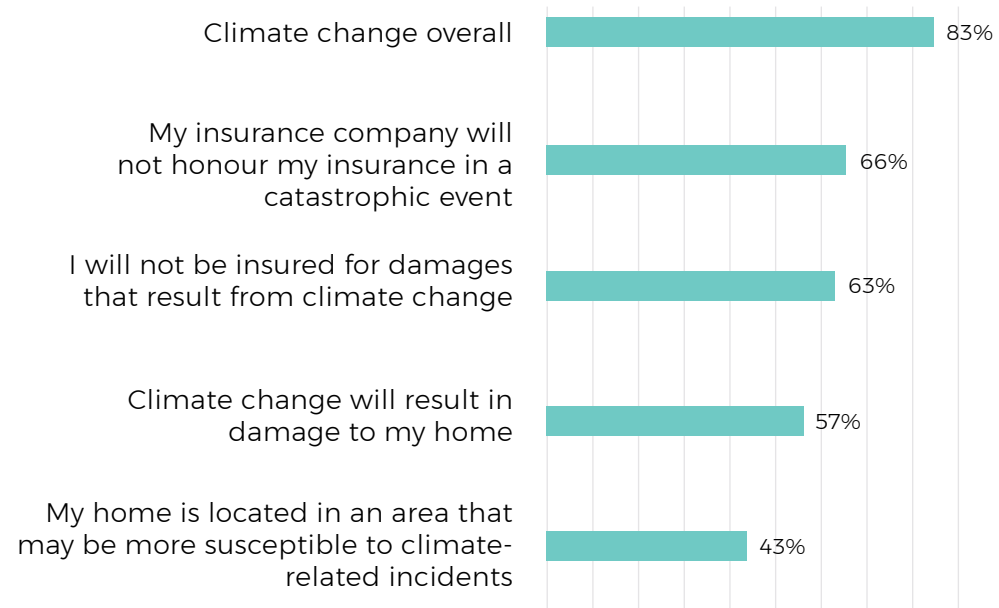


Overall, most consumers are very or somewhat concerned about climate change overall, with two-thirds of consumers concerned that their insurance company will not honour their insurance in the event of a large climate change-related weather event.

Almost two-thirds of consumers are concerned that they will not be insured for damages that result from climate change. This could mean that some of the major concerns that consumers have is related to not knowing or understanding what their insurance policy covers, and whether they have enough insurance coverage.

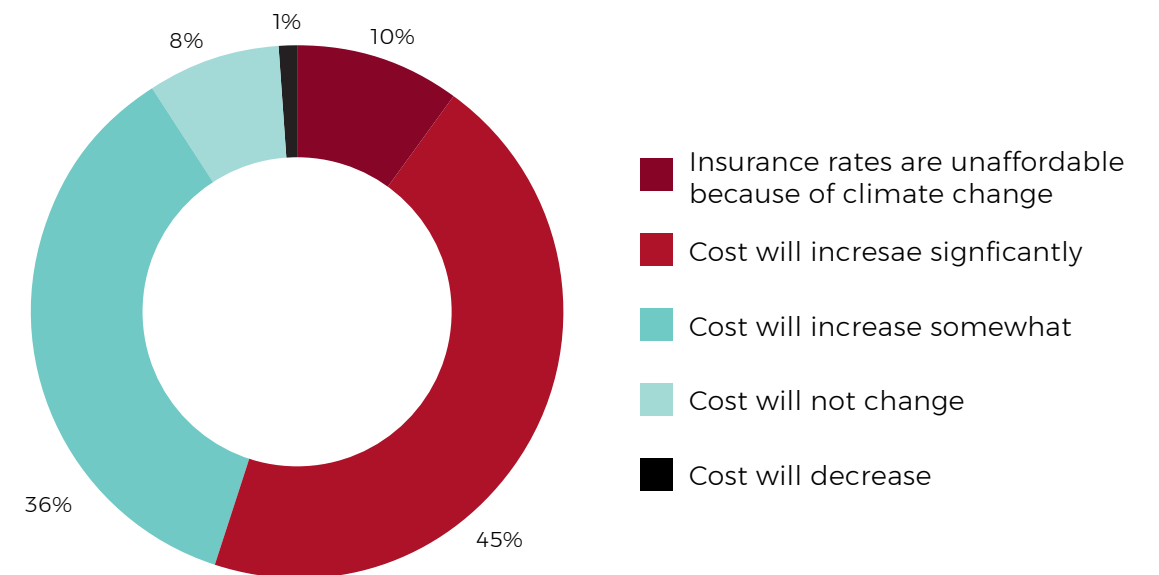


Homeowners' concerns



Most consumers with home insurance believe climate change will increase their insurance rates at least somewhat, including 45% who believe their rates will increase significantly.

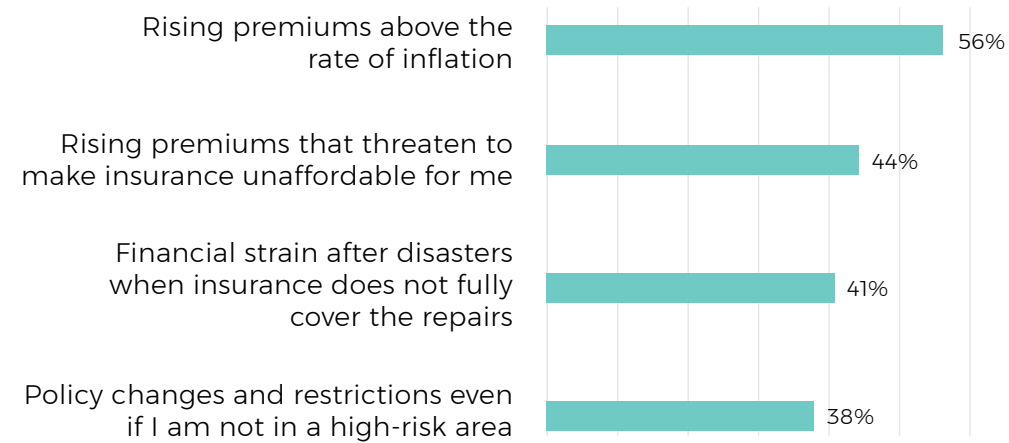
Home insurance cost concerns



Most consumers with home insurance are concerned that climate change will impact their home insurance. Their top concerns include:

- Rising premiums above the rate of inflation
- Rising premiums that threaten to make insurance unaffordable for me
- Financial strain after disasters when insurance does not fully cover the repairs
- Policy changes and restrictions even if I am not in a high-risk area

Top concerns about home insurance



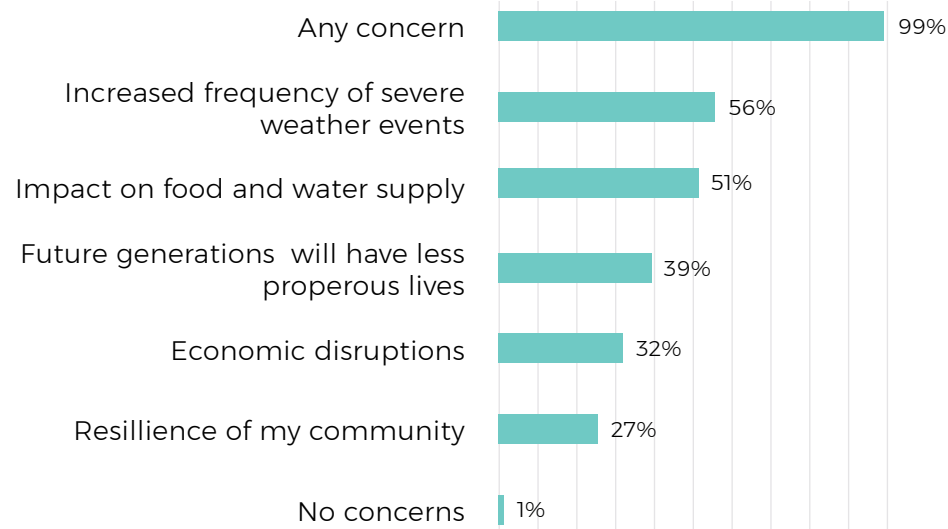
Overall, most consumers say they were influenced by an external source of influence, with their insurance company being identified among the top five sources.

Top five trusted sources

1. Federal government
2. Insurance companies
3. Weather services
4. Local emergency services
5. Provincial government

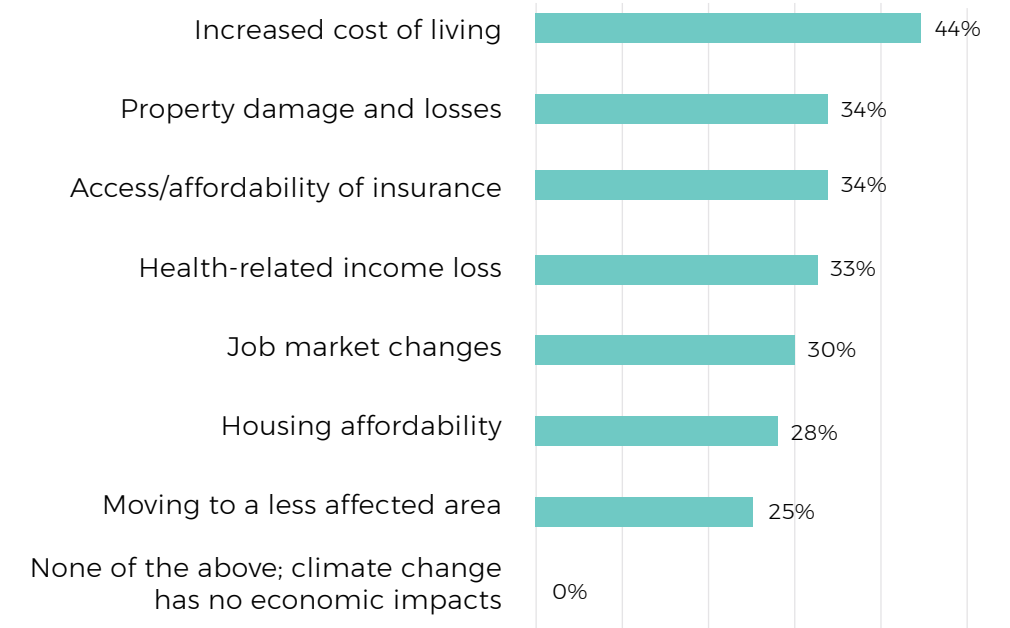
Brokers are also concerned about the impact that climate change is having in our communities.

Broker climate change concerns



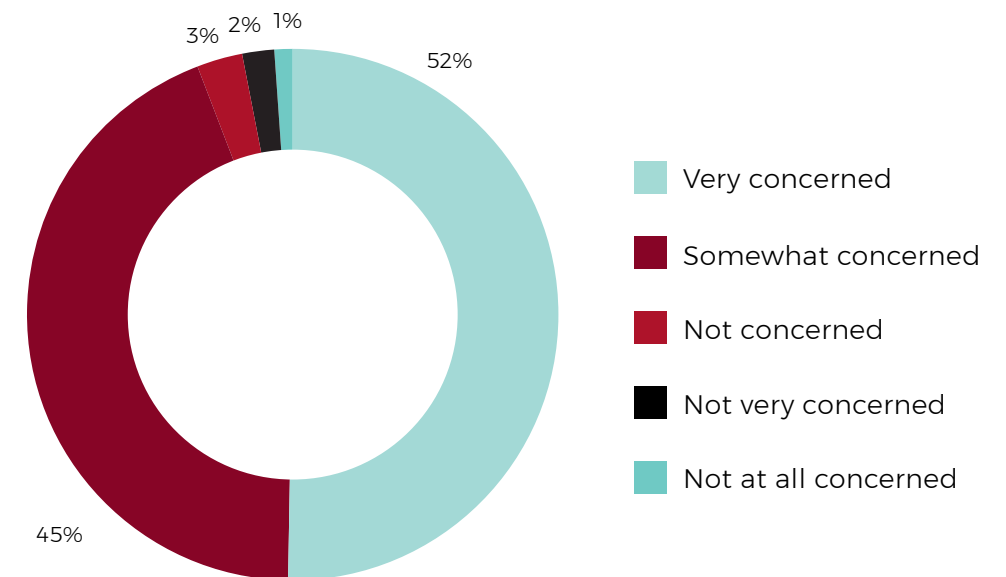
Brokers believe that the following economic impacts of climate change will have the greatest impact on their customers.

Any economic impact



Overall, almost all brokers surveyed think their clients/customers are concerned with the impact of climate change on their insurance rates, including 52% who think they are very concerned.

Brokers' concerns



Overall, almost all brokers surveyed are concerned about climate change's impact on their business.

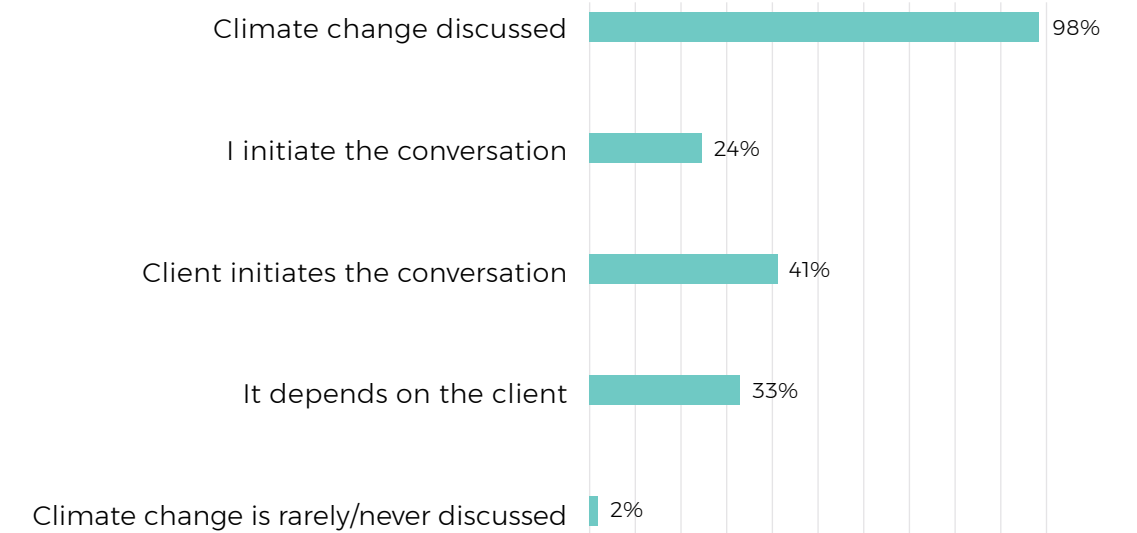
Top six broker concerns about climate change

1. Increased claims and workload
2. New products to learn and sell
3. Rising premiums will lead to fewer clients
4. Inability to provide my customers with the insurance they need
5. Mental health of my staff/teams
6. Increased regulatory and compliance (paperwork)



Almost all brokers surveyed say they discuss climate change perils with their clients. The brokers surveyed are more likely to say that clients initiate conversation about climate change perils than that they do so themselves (41% vs. 24%).

Broker conversations with homeowners



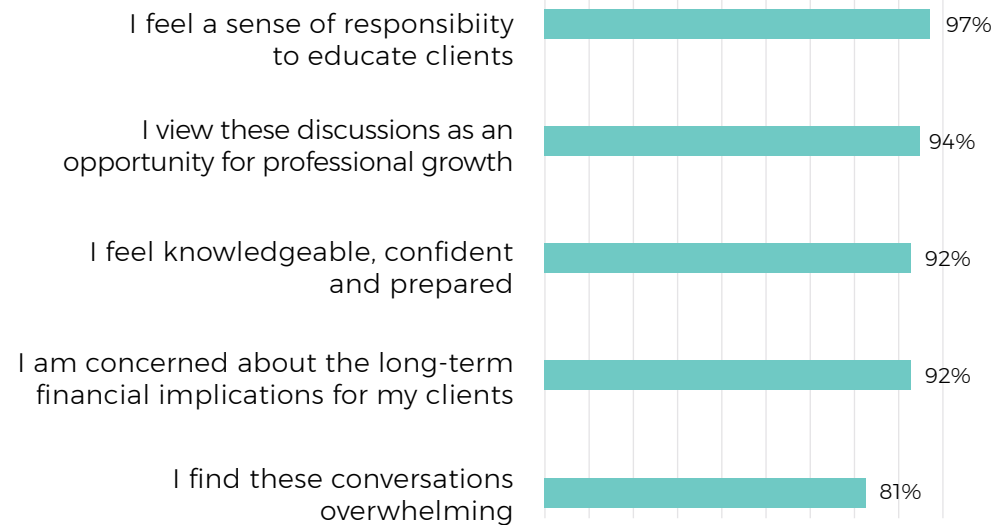
Brokers surveyed agree that having conversations with clients about the insurance risks posed by climate change is both necessary and beneficial.

- 97% agree that they feel a sense of responsibility to educate clients.
- 94% agree that they view these discussions as an opportunity for professional growth.



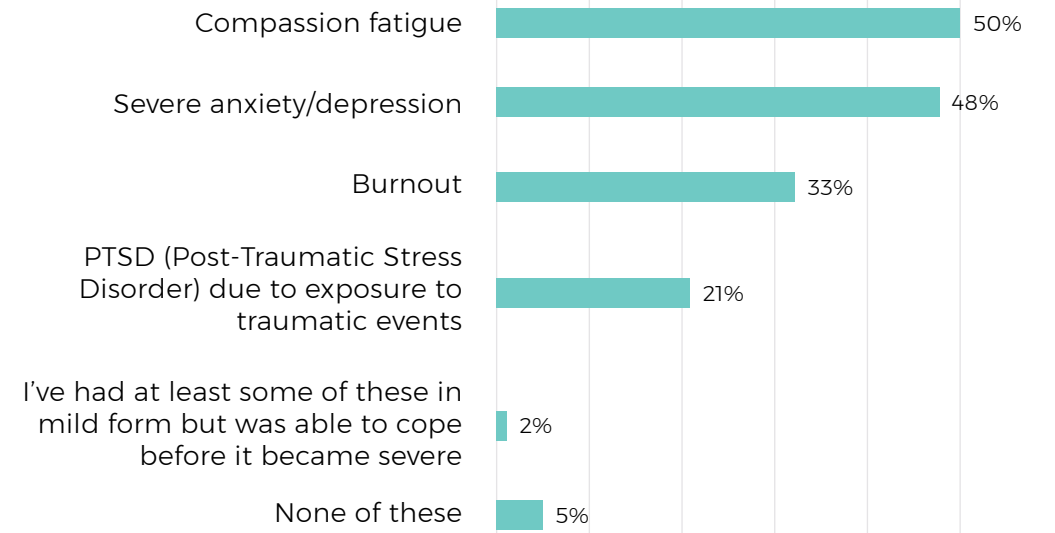
However, eight in ten brokers agree that they find these conversations overwhelming.

Broker conversations with homeowners



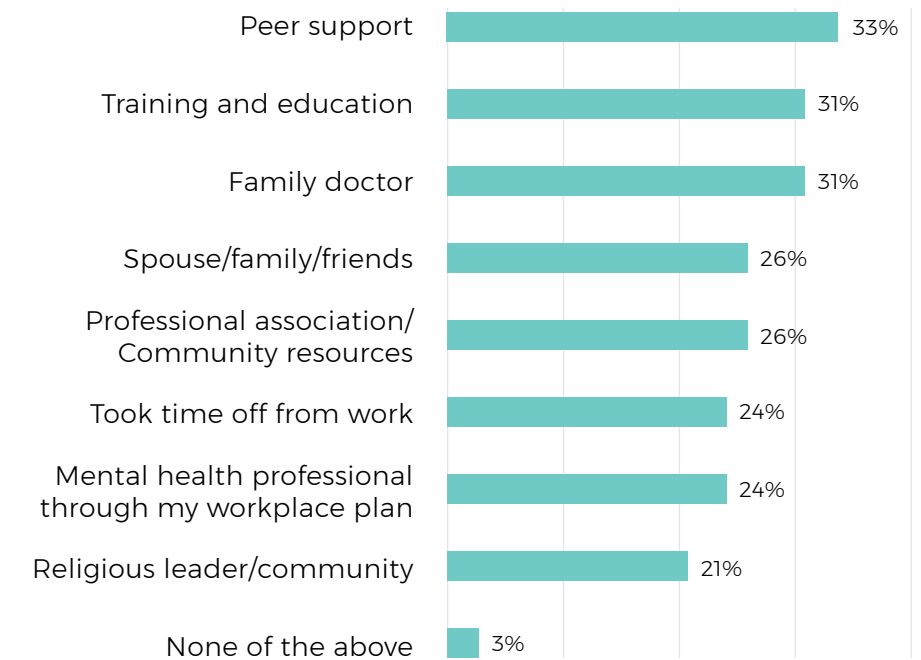
Among brokers who have supported their customers through climate change-related claims, such as wildfire, flooding, or severe storms, most have experienced mental health effects.

Broker wellbeing



As climate change-related impacts continue to increase in occurrence and severity, we need to prepare to support our front-line staff with their mental health. Among brokers who have experienced mental health effects, almost all sought help.

Sources of support



Winds of change: Building resilient communities together

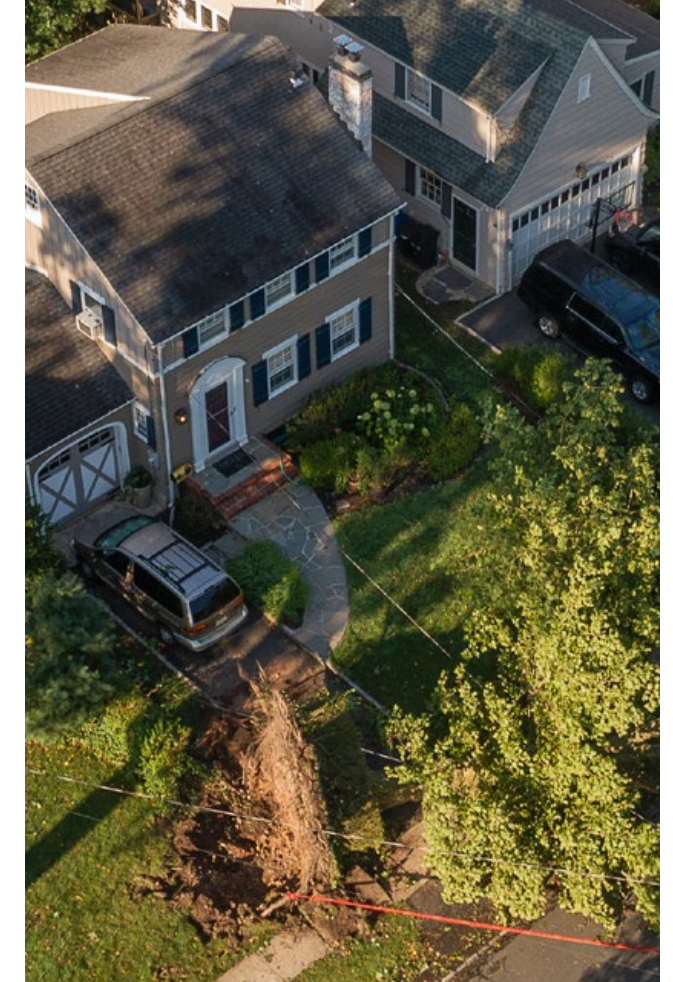
By Andy Taylor



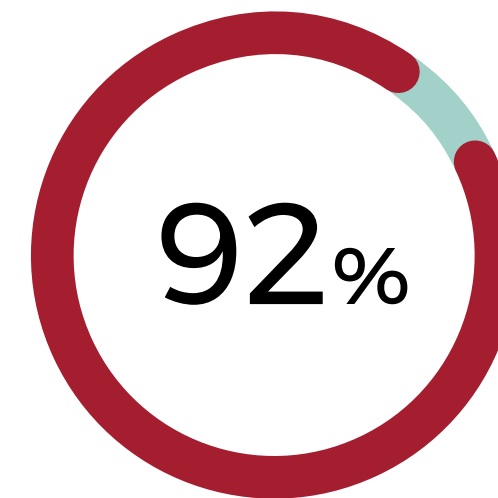
An increase in the frequency and severity of natural disasters and extreme climate events is costing insurers and homeowners in Canada billions of dollars. Data shows that loss and damage from extreme climate events have been doubling in Canada every five to ten years for the past four decades.

In early 2024, Gore Mutual and RKI Insights surveyed Canadian homeowners and consumers to understand attitudes and behaviours related to climate change and insurance coverage.

The survey confirmed that homeowners are concerned about climate change and its impact on their properties and finances. It also underscored that consumers realize they must make changes to protect their homes, and they trust insurers to help them make informed decisions on how best to do that.



Canadians fear what is ahead



Canadians are concerned about the economic impact of climate change

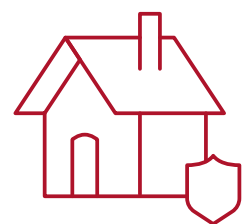
Canadians, already feeling financial stress, also fear that they won't be able to afford insurance and may not be covered for damage to their property.

66% My insurance company will not honour my insurance in the event of a large climate change-related weather event

63% I will not be insured for damages that result from climate change

57% Climate change will result in damage to my home

43% My home is located in an area that may be more susceptible to climate-related incidents



Among those with home insurance, 91% believe climate change will increase their insurance rates at least somewhat, including 55% who feel their rates will increase significantly.

Their top three concerns are:

- 1 Premiums will rise above the rate of inflation (56%).
- 2 Rising premiums will make insurance unaffordable to me (44%).
- 3 Financial strain after disasters when insurance does not fully cover the repair (41%).



Insurers are trusted advisors

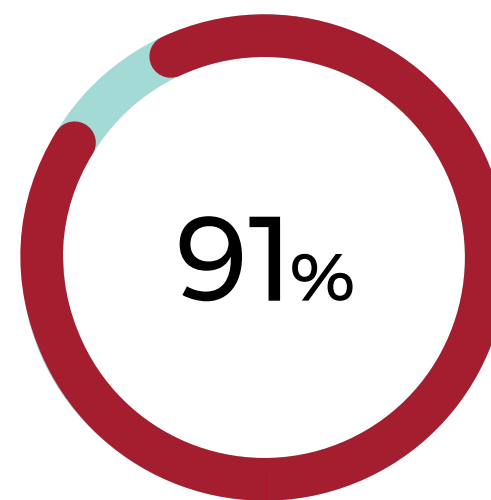
92% Consumers who say insurance providers should help prepare homeowners for climate change.

#2 Ranking of insurance providers among influencers who are trusted to help consumers make home safeguarding decisions.
**Government ranked number one.*

76% Respondents who say that climate change played at least some role, a key deciding factor, or was the only reason in the decision to make changes to their home.

Just over 40% of homeowners with insurance say they recall seeing a communication from their insurance company in the last twelve months about ways to protect their home from climate-related issues.

Among them, 86% say they found the communication to be somewhat, very, or extremely useful.



Almost all respondents believe there are important benefits to providing government-backed, affordable insurance to those at risk of severe weather events, similar to the recently announced National Flood Insurance Program.

The top three benefits of affordable insurance identified by consumers for those at risk of severe weather events are:

- 1 Financial protection for those who need it
- 2 Economic stability for all Canadians
- 3 Supports for communities where these houses exist

Taking the lead: Building resilience and trust through critical conversations

By Kate Hogan



At a time when there is mounting evidence to show that, in general across all industries, consumer trust is waning, Gore Mutual's research reveals that homeowners feel much differently about the brokers they work with. Brokers are highly trusted, and they, in turn, are heavily invested in the welfare of homeowners.

In the summer of 2024, Gore Mutual and RKI Insights surveyed more than 200 brokers and 1000 homeowners from across Canada, including customers and brokers not affiliated with Gore Mutual, to understand the broker's role in preparing customers for increasingly severe weather events due to climate change and customers' willingness to receive and act on this information.

Overwhelmingly, homeowners feel brokers are knowledgeable and are reassured after talking to them. However, most often, it is homeowners who initiate conversations about protecting their properties from the perils of climate change.

Brokers have a unique and powerful opportunity to take the lead in helping homeowners build resilience by initiating critical conversations about protecting themselves and their properties from damage and loss due to climate change.

Climate change is a concern for brokers and homeowners

Nearly all brokers (99%) and homeowners (91%) worry about climate change. However, brokers are slightly more concerned about its impact on homeowners (100%) than their customers (92%), and their rankings of concern about potential impacts differ.

Impact	Customers	Brokers
Premiums will rise above the rate of inflation	1	4
Rising premiums will make insurance unaffordable	2	2
Financial strain after disasters when insurance does not fully cover the repair	3	1
Property value decreases with	8	3



Brokers who believe climate change will have an economic impact on homeowners and will affect the cost of home insurance. More than half say it will increase costs significantly.



Most brokers say they are concerned about the long-term financial implications of climate change for homeowners, and 93%

who have dealt with climate change-related claims have experienced negative mental health effects, including:

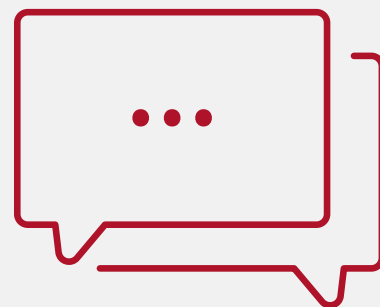
- 33% Burnout (seriously consider quitting)
- 48% Severe anxiety/depression
- 50% Compassion fatigue



Brokers can strengthen trust and resilience by initiating critical conversations

- 81% Homeowners who agree their broker is thinking about their needs.
- 76% Homeowners who feel their broker is knowledgeable about climate change.
- 90% Homeowners who feel reassured after talking to their broker.

While almost all brokers say they feel a sense of responsibility to discuss climate change with homeowners, and most feel knowledgeable, confident, and prepared to have the conversation, only 24% say they initiated the discussion when it came up. More than half of homeowners (58%) say they started the conversation.



Our research shows that brokers have an opportunity to strengthen relationships by initiating critical conversations with homeowners. They trust their brokers to make recommendations that will help them mitigate the risk of significant property loss and damage and increase the value of their homes.



Kate Hogan
Vice President, Marketing, Communications and Distribution

Only 37% of homeowners say their home is completely or highly resilient to damage. Brokers say that when they suggest home renovations to prevent loss, just over a quarter of homeowners appreciate the information. Nearly 40% of homeowners believe renovations will increase property value, and just over one third understand it is an investment that will lead to long-term savings. Others express concern about the cost (35%), felt property value would decrease (28%) or were skeptical about the need (26%).



Three quarters of homeowners say renovations to prevent loss increased the value of their homes by as much as 10%.



Built on a foundation of financial strength for more than 185 years, Gore Mutual Insurance Company is one of Canada's first property and casualty insurers. With offices in Cambridge, Toronto and Vancouver — a Canadian mutual company, offering competitive insurance products through trusted broker partners. Every decision and investment made is anchored in the long-term benefits to customers, members and communities. Insurance that does good – this is our purpose.

Grounded in our purpose and guided by our core values, at Gore Mutual, we believe that being good and doing good by our employees, customers and broker partners will benefit not only them, but also us— which in turn allows us to spread good in our communities and reward the good we see in others. This is what is driving our work to become a purpose-driven, digitally led national insurer.