

Changes to Manitoba's Disaster Financial Assistance Program For Individual, Homeowner and Tenant Claims

Overview

Manitoba is changing its Disaster Financial Assistance (DFA) program to help people, organizations and communities build back better. Manitoba's new DFA program recognizes that fixing the same flooded basements or washed-out roads over and over isn't effective or sustainable. It's smarter to invest in risk mitigation and improvements that prevent future damage. The new DFA program also recognizes that disasters not only affect infrastructure, but people and communities as well. Greater financial and mental health supports will now be available to support a more holistic recovery.

Manitobans will see an increase in financial and adjacent support through the DFA program. Complex ownership requirements was removed and eligibility has been expanded, meaning that more Manitoba farms, businesses, and non-profit organizations will qualify for assistance. Assistance is increasing, and the process is being streamlined to deliver programming and assistance more quickly.

Canada's new Disaster Financial Assistance Arrangements (DFAA) were only recently finalized and represent a foundational shift in disaster recovery. Manitoba is ready to deliver a DFA program under the new DFAA and is continuing work to develop agreements, policies, and tools for new programming.

Manitoba is choosing to leverage Canada's new Disaster Financial Assistance Arrangements to expand recovery supports and build back better following a disaster. Manitoba will see a substantial increase in disaster-related costs resulting from the expansion of program services, along with changes to the federal cost-sharing formula which downloads a great share of recovery costs to Manitoba. Climate change is also expected to increase the frequency of events and program costs, but ideally, these costs will decrease over time due to investments in mitigation.

The new program helps individuals, organizations and local authorities understand and plan for the increased risks we face due to climate change. The new DFA requires that we invest in disaster risk reduction when rebuilding in high-risk areas and we account for high-risk in the development planning process. Manitoba EMO will also help Manitobans understand how simple mitigation strategies can reduce risk, including protecting personal financial risk through appropriate insurance coverage.

About Manitoba's Disaster Financial Assistance (DFA) Program

Manitoba's DFA Program will continue to provide assistance to help Manitobans recover after an acute natural disaster. Assistance is provided to local authorities, residents and organizations for uninsurable losses to essential property and for disaster-related response. Manitoba's DFA is a program of last resort and is meant to re-establish a basic standard of living and function. DFA is not a substitute for private insurance and does not compensate applicants for lost revenue, inconvenience, non-essential items/damages, injuries, or lost wages.

Not all natural disasters will result in a DFA program being established. DFA programs may be established when three criteria are met:

- The disaster is a result of a natural hazard with a clear start and end date that occurs in a specific geographic area;
- Damages are widespread and essential assets and/or essential services are damaged in the geographic area.
- Damages result in a significant financial burden to Manitobans.

DFA remains a post-disaster program. Expenses are only eligible if adequate insurance is not available.

Changes to Federal Disaster Assistance

Canada has issued a new DFAA that sets the rules for providing disaster assistance to provinces and territories. These new rules took effect on April 1, 2025.

The rising frequency, impacts, and costs related to disasters drove Canada to initiate a review of the DFAA. The previous program would only pay to rebuild to pre-disaster conditions. Canada recognized the need to build back better and invest in disaster risk reduction.

Provinces and territories set their own rules for financial assistance, and Manitoba has historically aligned its DFA program with Canada's DFAA. This enables Manitoba to maximize cost-sharing with Canada for disasters.

Manitoba is choosing to leverage Canada's new DFAA to expand recovery supports and build back better following a disaster despite increased costs.

How the New DFA Supports People Impacted by Disasters

More Support

Manitobans will see an increase in support through the DFA. The maximum amount of assistance for residential claimants is increasing to \$3 million in eligible costs from a maximum of \$300,000.

In general, eligibility of expenses is limited to uninsurable losses for basic and essential needs. Assistance is capped at the assessed value of land or structures or the lesser of the cost to restore function or replace an asset.

Manitobans are expected to share in the cost of their recovery. A 20% deductible on private claims was maintained, with a new minimum deductible of \$2,500 to ensure that assistance is focused on those who cannot recover without government assistance.

Expanded Eligibility for Informal Tenants, Students and Temporary Workers

The previous DFA program limited eligibility to homeowners, formal tenants, and their children. The new program recognizes that Manitobans often share their homes with extended family, friends, or informal tenants. It also provides a pathway for students, temporary workers, and people in informal living arrangements to receive assistance for personal belongings damaged by a disaster. Manitoba will be implementing these supports incrementally as we develop agreements, policies, and tools for new programming.

Targeted Supports for Vulnerable People

Under the new DFAA, eligibility has expanded to allow governments and non-profit organizations to provide targeted and temporary support to individuals, households, or populations who are more likely to experience disproportionately negative recovery outcomes. This includes unhoused and precariously housed people. These supports are available for up to three years after a disaster and can include transition planning and case management. Manitoba will be implementing these supports incrementally as we develop agreements, policies, and tools for new programming.

Temporary Housing Support Extended

The new program recognizes that it can take more than a year to rebuild a home after a disaster. Temporary housing supports can now be provided for up to three years for people who cannot reoccupy their homes as a result of damage after a disaster. Manitoba will provide more information on temporary housing supports as we develop agreements, policies, and tools for new programming.

Build Back Better

The new DFA program allows homeowners¹ to build back better, unlike the previous program which would only cover the cost of repairs to pre-disaster conditions. All damaged assets can receive the equivalent of 15% of the cost of standard replacement value – which is the cost to repair the asset to pre-disaster conditions – to undertake disaster-resilient enhancements. These enhancements must align with published disaster resilience guidelines. Manitoba EMO is developing a Manitoba-based Disaster Resilience Enhancement Guide that outlines eligible activities. Upgrades to meet existing building codes and standards will continue to be considered a standard recovery cost.

Faster Payments, More Claim Processing Supports

Manitoba EMO is using this opportunity to improve the DFA program and recovery outcomes for Manitobans. A dedicated liaison will be available to help residential claimants navigate the DFA process. We will be able to process some payments more quickly by switching to a proof of loss standard for certain eligible costs, rather than waiting for paid invoices to be submitted. Assets with major structural damage will continue to be paid based on incurred costs. We are also exploring other ways to reduce paperwork requirements.

Holistic Recovery Supports

The new program recognizes that Manitobans need more than just financial support to recover after a disaster. All private claimants will have access to mental health and financial counseling services. Manitoba will be implementing these supports incrementally as we develop agreements, policies, and tools for new programming.

Changes for High-Risk Areas

While the build-back better funding is a welcome carrot, it also comes with a stick. Canada does not want to keep paying to repair the same damaged assets over and over again. Canada's new DFAA program is expanding the areas that are identified as high-risk and enhancing the standards for mitigation requirements.

Existing homes, businesses, and public infrastructure in designated high-risk areas that experience **major** damage must be adequately mitigated to retain eligibility for future DFA programs. If the property owner chooses not to mitigate after accepting DFA, that property will be barred from future DFA programs even if the ownership changes. This 'one-and-done' rule does not apply to assets that obtain DFA support for damage that does not reach the 'major' threshold.

¹ Repairs to rental homes and apartments would be processed under a landlord's DFA business claim.

New construction² in high-risk areas must be adequately mitigated to qualify for future disaster financial assistance. The rule applies to both private structures like homes or businesses and infrastructure assets like dikes and culverts. Assets that are in high-risk areas and require additional mitigation work will be identified in the inspection process. Claimants can use their build-back-better amounts toward mitigation.

Adequate mitigation means the asset is not expected to suffer major damage³ resulting from the identified hazard. It can be achieved through site-specific measures or community-level protections like ring dikes but must be mitigated to a 1:200 flood protection level. About 85% of municipalities in Manitoba's known high-risk areas already have residential and commercial development plans that require development to a 1:200 flood protection level.

These changes may have significant impacts on provincial and municipal infrastructure assets across the province. Land use plans, building codes, standards, and guidelines will need to be updated to reflect high-risk flood protection requirements.

² New construction applies to assets which received approval or a permit after April 1, 2025 for a new build or a structural renovation.

³ Major damage means significant impact to the safety, structural integrity or critical function of an asset such that the asset is unable to function as intended and requires significant repairs or total reconstruction.