



## Insurance Headaches and the Happy Homeowner



**O**btaining homeowner insurance used to be one of the last and easiest tasks involved in purchasing a home. Unfortunately, this routine is becoming less common given the current state of the insurance market.

Following years of flat or reduced premiums and excessive competition for market share, insurance rates are going up and some types of coverage are hard to get. Unresolved issues with building standards are also a contributing factor.

The Insurance Brokers Association of BC confirms its members are affected by the ups and downs of the broader North American insurance market. However, they are not faced with the magnitude of problems that are currently overwhelming other jurisdictions in Canada or the United States.

Insurers south of the border are confronting significant challenges due to a combination of increased competition, unforeseeable disasters and questionable building practices in some regions of the country.

Claims by homeowners in California and Florida have increased substantially because many new homes, while built to withstand extreme heat humidity, fail to defend against increased moisture generated by air conditioners and other systems. Coupled with questionable building techniques, this excess moisture brings about premature erosion of materials, such as wood and stucco.

The situation is worse in Texas, where toxic mould in homes has led to severe health problems and, in some cases, enormous law suits. Settling these claims and unprecedented legal judgments has cost insurers dearly. This has led

them to review their policies and introduce sweeping changes that result in increases to the most common homeowner insurance products.

While these problems have not hit as hard in Canada, their effects are being felt. This is because many Canadian insurers are reinsured by bigger American companies that have applied across-the-board policy changes.

REALTORS in Nova Scotia, for example, continue to report the difficulties some clients have in obtaining homeowner insurance due to worries over aluminum wiring, properties located far from fire services and homes with prior water damage that resulted in an insurance claim.

“We need clarity from the insurance industry,” remarks Arnold Jones, executive officer of the Nova Scotia Association of REALTORS. “We need to understand where these decisions are coming from, how they’re being applied and what alternatives homeowners have.”

In British Columbia, sweeping changes to homeowner insurance policies have not taken place, and there are few reported cases of homeowner hardship where insurance is concerned. However, REALTORS can help protect homebuyers

by using the Subject to Fire/Property Insurance Clause recently developed by the Real Estate Council of British Columbia.

“This offer is subject to the Buyer obtaining approval for fire/property insurance, satisfactory to the Buyer, on the property located at \_\_\_\_\_ by \_\_\_\_\_, 20\_\_\_. This condition is for the sole benefit of the Buyer.”

You can comment on this issue by e-mailing Steve Olmstead, Manager of Government Relations at [solmstead@bcrea.bc.ca](mailto:solmstead@bcrea.bc.ca).

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## LONG-RANGE PLAN PRINCIPLES

- Building membership relations
- Responding to communication needs
- Provincial leadership status as an advocate for the profession
- Excellence in education services
- Enhanced service options for member boards
- Non-dues revenue development
- Equitable fee structure

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# President's Report



President David Herman

## Front and Centre

I begin my term as BCREA president by thanking Past President Dennis Wilson and the entire 2002-03 Board of Directors. Through their leadership and vision, the Association is in a position to further the principles set out in the 2002-05 Long-Range Plan.

As we enter a new strategic planning cycle, I restate my commitment to the process. Planning is perpetual because situations, stakeholders and issues change.

In 2002, we developed foundation principles on which to build. In 2003, the Board of Directors will assess what has changed, and then amend the Long-Range Plan based on those discussions.

Clearly, the majority of the themes of the original plan are relevant and will remain. I believe it is important for BCREA to continue to focus on its strengths in communications, member services, education and government relations.

I am particularly interested in building public awareness that the real estate profession plays a significant role in the provincial economy. We have begun this work, and government is starting to recognize our contributions. The next steps will involve communicating the impact of our profession to the public and the business community.

At the same time, I think it is equally important for us to take pride in our profession. As individual REALTORS, we help people realize the dream of home ownership. We also contribute to our communities as volunteers. And as a group we are the bright spot in the BC economy, contributing over \$19 billion last year. Professional pride will go a long way to ensuring real estate is publicly recognized for its achievements and contributions.

I believe BCREA has an obligation to put our vocation front and centre on the public stage, and you have my promise that I will work with you toward that goal.

David Herman  
President

## Meet Your Directors:

### Vice President Gordon Maroney

#### Vital statistics:

**Company:** Re/Max Performance Realty

**Home board:** Fraser Valley Real Estate Board

**Licensed since:** 1985

**Volunteer since:** 1991

**BCREA Director since:** 2001

**BCREA committee experience:** Audit Committee, Financial Review Task

Force, Voting Structure Task Force and 2003-04 Chair of the Education Committee

*"I'm looking forward to the challenge of playing a more active role at BCREA as vice president. It's going to be an exciting year."*



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## REALTOR Value Improved in 2002

In 2001, members voted for a \$30 annual fee to finance CREA's national advertising campaign for a three-year period.

At the conclusion of the 2002 ad campaign, CREA conducted a national consumer survey to determine the impact of the primary television message. The results of the 2002 survey of English-speaking respondents indicate that:

- 12 per cent think they will soon be able to shop for a home on the internet without the help of a REALTOR. When CREA started the campaign, this was 17 per cent.
- 89 per cent said they were familiar with the terms MLS® or Multiple Listing Service®, compared to 78 per cent when the campaign started.
- 24 per cent said they had heard of mls.ca or MLS® online. When the campaign began, that awareness was only eight per cent.
- 12 per cent said they were planning to try buying or selling a home without using a REALTOR. When the campaign started, 26 per cent responded yes.

The continuation of the campaign each year is subject to the Board of Directors' approval. At their December 2002 meeting, they voted to continue the campaign in 2003.

For the complete results of the 2002 campaign, visit CREA's REALTOR Link™ homepage under Advertising Campaign.

## Your New Board of Directors



*Dennis Wilson passes the gavel to David Herman*

The 2003-04 BCREA Board of Directors took office on May 1.

David Herman was acclaimed 2003-04 president at a Board of Directors' meeting held April 9, 2003 in Victoria. A volunteer to organized real estate since 1995, and a former president of the Fraser Valley Real Estate Board, David joined the BCREA Board of Directors in 2000. He has been a licensed REALTOR for 23 years and currently works with Re/Max 2000 in Surrey.

Gordon Maroney, of Re/Max Performance Realty in Delta, was elected vice president. Joining David and Gordon as officers of the Association are Past President Dennis Wilson and Executive Officer Robert Laing.

New directors include Scott Veitch,

past president of the Kootenay Real Estate Board, Gary McInnis of the Victoria Real Estate Board, Georges Pahud and Stephanie Corcoran, past president, of the Real Estate Board of Greater Vancouver, and Patti Flostrand, past president of the Fraser Valley Real Estate Board.

Returning for another term as directors are: Dave Barclay, Carolyn Boles, John Tillie, Don Pearce and Kelly Lerigny.

Thank you to our out-going directors, Don Selby, Andrew Peck, Marie Blender and Dick Coates for their selfless contributions this past year, to Past President Dennis Wilson for his leadership and to Liz Tutt for her unwavering commitment.

## Gerry Thiessen Elected CREA VP



Congratulations to BC REALTORS Dan Bennett and Cal Lindberg. They were elected Directors-at-Large on the first ballot at

CREA's Annual General Meeting, March 29 in Ottawa, along with Samir Bachir and Alan Tennant. The Board of Directors then elected former BCREA President Gerry Thiessen as Vice President and Samir Bachir as President-Elect. Richard Wood of Ontario is the 2003-04 CREA president.

Liz Tutt, 2002-03 BCREA past president was acclaimed BC and Yukon regional director, taking over from Dan Bennett. She will continue her

government relations work by joining CREA's Federal Affairs Committee.

Bennett will chair the 2004 Leadership Conference Task Force and is a member of the Code of Ethics Task Force, along with BCREA Past President Dennis Wilson. Gerry Thiessen will join the Competition Research and Strategy Task Force and Cal Lindberg will chair the Audit Committee.

## Affinity Programs Save You Money

BCREA is pleased to continue offering you deals on products and services that help you in your business and save you money.



Bell Mobility's exclusive REALTOR cellular package gives you 450 minutes per month, free evenings and weekends, free call display, great long distance rates, free conference calling and 20 per cent off accessories for only \$32.50 a month.

To take advantage of these deals from Bell Mobility, go to your nearest Bell World store or call 1-866 BELLBIZ. See the Bell Mobility flyer for more details: [www.bcrea.bc.ca/bcrea/mobility.pdf](http://www.bcrea.bc.ca/bcrea/mobility.pdf).



Navigata Communications has been providing specially-priced telecommunications products to BCREA members since 1995. Navigata specializes in data, Internet and voice business solutions, including 5.5 cents per minute long distance and toll-free calling, with no monthly minimum spending requirements or hidden fees (new customers must sign a minimum one-year term to be eligible for this rate). Call 1-877-477-5266 for more details.

Please send your suggestions for other products and services you would like BCREA to offer to Director of Member Services Kim Spencer at [kspencer@bcrea.bc.ca](mailto:kspencer@bcrea.bc.ca).

## News You Can Use



Where can you find the province's latest real estate news, insight on topics that affect your daily business and BCREA publications like *Legally Speaking*? Check out BCREA's REALTOR Link™ homepage.

To get there, log on to REALTOR Link™ ([www.realtorlink.ca](http://www.realtorlink.ca)). Click the Provinces menu at the top of the screen and select

British Columbia from the drop-down list.

The latest news is at the top of the page under the heading News and Announcements. By scrolling down the page, you will see additional information from BCREA's main service areas: member services, education, government relations and communications.

Contact your local real estate board for REALTOR Link™ log in information.

## Foundation Funds Update

Thank you to The Real Estate Foundation of

British Columbia for providing a grant to update *Property and Other Disclosures: What a REALTOR Needs to Know*. This cpe seminar

describes the wide range of disclosure requirements REALTORS encounter, which helps you protect yourself and your clients.



## cpe Seminar Schedule

Help position yourself for success – enroll in a cpe seminar today!

Date	Title	Instructor	Location
May 22	Know Your Product	Will Graham	OMREB – Kelowna
May 26	Applied Ethics in Real Estate	Kim Spencer	REBGV – Vancouver
May 29	Business Ethics: Practices and Procedures	Dennis Wilson	OMREB – Kelowna
May 30	Project Marketing for the Leading Edge Professional	Peter Dupuis	FVREB – Surrey
June 5	Buyer Agency	Jim McCaughan	VIREB – Campbell River
June 6	Buyer Agency	Jim McCaughan	VIREB – Parksville
June 19	Advanced Strata Property Law for REALTORS	Mike Mangan	FVREB – Surrey
June 20	Advanced Strata Property Law for REALTORS	Mike Mangan	VREB – Victoria
June 24	Advanced Strata Property Law for REALTORS	Mike Mangan	VREB – Salt Spring Island
June 26	Advanced Strata Property Law for REALTORS	Mike Mangan	SOREB – Penticton