

For Immediate Release

BCREA REALTORS® Support BCFSAs Interim Findings On Rising Strata Insurance

Vancouver, BC – June 17, 2020. The British Columbia Real Estate Association (BCREA) welcomes the BC Financial Services Authority's (BCFSA) interim findings on the unprecedented rise in strata insurance premiums and deductions. On behalf of BC's 23,000 REALTORS® and 11 real estate boards, BCREA has also developed a series of recommendations for the provincial government to ensure strata owners can access affordable and comprehensive strata insurance.

"Realtors are concerned about the impact of rising strata insurance costs on their clients and communities, particularly as we face the new economic challenges of COVID-19", says Darlene Hyde, BCREA's Chief Executive Officer. "We look forward to a final report from BCFSA and we're here to help them in any way we can in working to resolve this critical issue."

With some 1.5 million B.C. residents living in strata units, soaring strata insurance costs have a widespread impact. As the provincial association for BC's Realtors, BCREA's recommendations aim to protect homeowners by ensuring no strata goes uninsured and that there is transparency for buyers and sellers when it comes to understanding a strata's coverage.

BCREA's recommendations to the BC Government include immediate and long term measures.

Immediate:

1. Amend the Form B Information Certificate to require proof of insurance, including premiums, deductibles, coverage and expiry date.
2. Work with the insurance sector to put measures into place that assure all strata corporations are able to obtain insurance coverage, for as long as the difficult market conditions last.
3. Engage with insurers so they continue to provide coverage to strata corporations.
4. Amend the *Strata Property Act* to require a strata corporation to inform owners and tenants of any material change in insurance coverage, including an increase in any deductible, as soon as feasible.

5. Require insurers to provide strata corporations with notices 60 days before their policies expire or will be cancelled.

Long term:

1. Encourage the provincial insurance regulator, the BC Financial Services Authority, to make public the data and information it is gathering from insurance companies to better understand the current climate of expensive strata insurance.
2. Encourage the BC Financial Services Authority to foster a robust, economically viable market that attracts insurance providers.
3. Develop mandatory education for strata council members.
4. Either create a new organization – modelled on the Condominium Authority of Ontario – to enforce the *Strata Property Act*, including providing mandatory training and creating best practices for strata councils, or assign this role to the Ministry of Municipal Affairs and Housing.

Impact of Rising Strata Insurance in BC

For several months, many BC strata corporations have faced significant cost increases when renewing their insurance. Some buildings have struggled to find insurers willing to renew their coverage at all. This alarming situation creates uncertainty and risk that could have serious impacts on the housing market and the economy.

Strata units are widely considered to be affordable. For buildings impacted by high insurance costs, the best case sees affordability undermined as costs are passed along to owners through higher monthly fees. Individual owners responsible for damage beyond their units may also face insurance deductibles so large it could bankrupt them.

In the worst case, a building that is unable to obtain insurance no longer complies with the *Strata Property Act* and individual units in the building cannot be bought or sold.

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For more information:

April van Ert

Communications Manager

avanert@bcrea.bc.ca

604.742.2797

About BCREA

BCREA is the professional association for about 23,000 REALTORS® in BC, focusing on provincial issues that impact real estate. Working with the province's 11 real estate boards, BCREA provides continuing professional

education, advocacy, economic research and standard forms to help REALTORS® provide value for their clients.

To demonstrate the profession's commitment to improving Quality of Life in BC communities, BCREA supports policies that help ensure economic vitality, providing housing opportunities, preserve the environment, protect property owners and build better communities with good schools and safe neighbourhoods.