



May 14, 2020

390598

Val van den Broek, Mayor
City of Langley
mayor@langleycity.ca

Dear Mayor van den Broek:

I have been forwarded a copy of your letter dated April 9, 2020, addressed to the Honourable John Horgan, Premier, and the Honourable Selina Robinson, Minister of Municipal Affairs and Housing, regarding the cost of strata property insurance. As this issue falls within my portfolio, I am pleased to respond.

The provincial government shares your concerns about the increased cost of strata property insurance. The cost of strata insurance across Canada and around the world has increased and, in some cases, has become less available. This increase is due to a number of global factors, including climate change and the increase and severity of weather-related disasters, as well as other issues, such as aging buildings, increasing claims and the withdrawal of a major insurer from the market.

The Ministry of Finance is working with the regulator of insurers in the province, the BC Financial Services Authority, alongside the Ministry of Municipal Affairs and Housing to understand what is driving the increased costs and what options are available to bring costs down. Government is also engaging with strata associations, such as the Condominium Home Owners Association and the Vancouver Island Strata Owners Association, as well as insurance sector associations, such as the Insurance Brokers Association of BC and the Insurance Bureau of Canada. While we are considering all options to address this issue, the insurance market is complex, and government must be cautious to ensure that any intervention in the market does not create unintentional consequences.

.../2

The Insurance Bureau of Canada (IBC) provides additional information on strata insurance issue at: <http://www.ibc.ca/bc/insurance-101/condo-action-plan/condo-strata-corporations>. Members of strata corporations who have concerns about insurance can also call IBC's Consumer Information Centre at 1-844-2ask-IBC (1-844-227-5422) or email their insurance questions to riskmanager@ibc.ca.

Further information on insurance for strata corporations and insurance for strata owners and renters can be found online at:
<https://www2.gov.bc.ca/gov/content/housing-tenancy/strata-housing/operating-a-strata/finances-and-insurance/insurance>.

Thank you again for taking the time to write.

Sincerely,



Carole James
Minister and Deputy Premier

cc: Honourable John Horgan, Premier