



Consumer

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B.C. couple says home warranty insurance offers little protection



By Anne Drewa Consumer reporter / Anchor
Global News

WATCH: Every new home built in British Columbia must come with home warranty insurance, but some homeowners say the coverage isn't protecting them. Anne Drewa investigates.

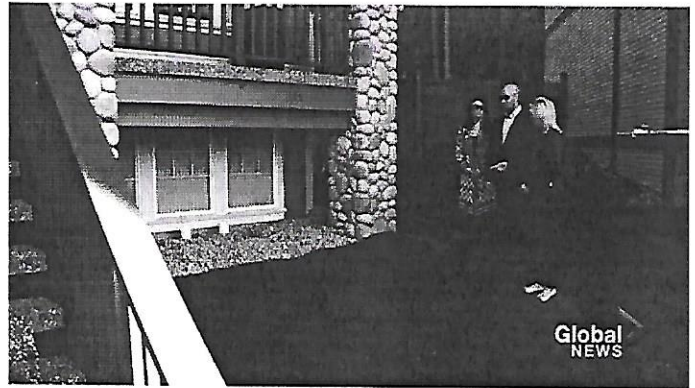


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A Coquitlam couple says B.C.'s home warranty insurance has failed them and there needs to be more government oversight.

In March 2013, Tina and Ben Wilson moved into a newly constructed home on Coquitlam's Burke Mountain. Now, almost three years later, they are still fighting with the insurance provider handling their new home warranty claim.

"You buy your dream home and it turns into a nightmare," says Tina.

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The home came with home warranty insurance. By law, all residential builders in B.C. must have third-party home warranty insurance on new homes before getting a building permit. The Wilsons say soon after they moved in, they noticed a number of deficiencies including electrical issues, drainage problems with water settling against the house and mold in the basement suite. They decided to file a new home warranty claim.

"We let them know in August about the mold in the basement suite and by November we knew we were in for a fight," says Tina.

The Wilsons say the insurer, Aviva Insurance Company of Canada represented by National Home Warranty Group, sent a third-party investigator to look into the mold problem. Initially, the couple says they were told nothing was wrong.

"The builder, the insurer, and the third party all came in and said the ventilation system was working fine and installed to code," says Tina. "When we pushed back and hired engineers and hired environmental specialists, they found that not only was it not functioning at all, but it wasn't installed to code."

The insurance company eventually accepted the findings and began the remedial work. However, the Wilsons say the experience with home warranty insurance has been an uphill battle.

"If you are willing to fight. If you are persistent. If you don't go away quietly, then new home warranty eventually might do something to help you a little bit," says Tina.

The Homeowner Protection Office, which is a branch of BC Housing, monitors the performance of home warranty insurance, but it has no authority to regulate warranty providers or insurance brokers. *Consumer Matters* reached out to BC Housing Minister Rich Coleman, but he declined our request for an interview. Instead, we were referred to the Homeowner Protection Office.

Vice president and registrar Wendy Acheson says, "I believe most homeowners are very satisfied with the system and when you look at the number of homes being built where we don't get any complaints [it's] enormous. The number of complaints we get is actually 0.2 per cent of the number of homes that are being built."

Acheson says there are a number of tools available to the homeowner should they run into trouble. A complaint can be made to the Financial Institutions Commission which regulates insurance providers. A homeowner can also institute mandatory mediation.

But realtor and homeowner advocate John Grasty says there's little protection for the homeowner because they are forced to use a home warranty company selected by the builder.

"In my opinion what protection that is offered is worthless," Grasty adds.

"There's not enough political will. I don't think enough consumers are speaking out. A lot of them can't be bothered. It's just too much of a huge organization to be arguing with."

Home inspector Ted Gilmour agrees. He says many of his clients are frustrated by the system.

"I think it's disingenuous of the government to insist on you buying into that system that does not protect you because you have to sue the builder to get anything done is my experience."

As for Tina and Ben, fighting with their insurance provider and the handling of their new home warranty claim has become a full-time job.

"You quickly realize going through the process, your idea of what is there is a complete misconception," says Ben. "There's no one literally there to help the homeowner."

The Homeowner Protection Office says the province plans to review new home warranty insurance regulations in 2016.

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