

 CONSUMER PROTECTION BC	Policy on Home Inspector Insurance Requirements	Version: OP.2016.Version 1 Approved: August 15, 2016 Approved by: S. Noorani
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1.0 Purpose

This policy sets out of the insurance requirements that a home inspector must satisfy as a condition of licensing by Consumer Protection BC. This policy will be enforceable as of October 31, 2016.

2.0 Definitions

“**Act**” means the *Business Practices and Consumer Protection Act*.

“**approved**” means reviewed and formally approved by Consumer Protection BC.

“**Director**” means the individual or administrative authority designated as director under section 157 of the *Business Practices and Consumer Protection Act*.

“**HILR**” means the *Home Inspector Licensing Regulation*.

“**home inspection**” means an opinion as to the condition of a residential dwelling or property based on a visual examination of readily accessible features and components of the dwelling or property.

“**home inspector**” means a person who engages in the business or occupation of home inspection.

“**licence**” means a licence, as defined in section 1 of the Act, to engage in a designated activity referred to under section 2 of the *Home Inspector Licensing Regulation*.

3.0 Policy Statement

The business or occupation of home inspector has been designated by the *Home Inspector Licensing Regulation* (“*Regulation*”) as requiring a licence. As such, all home inspectors conducting business in BC are required to be licensed with Consumer Protection BC.

Under the amended *Regulation*, that comes into force September 1, 2016, Consumer Protection BC may require that a licensee obtain and maintain errors and omissions insurance and comprehensive general liability insurance as a condition of licensing. Consumer Protection BC will impose this licensing condition and, has developed this policy to clarify the nature and scope of the insurance requirements licensed home inspectors must meet.

To qualify for a home inspector licence under the *Regulation*, all licensees must demonstrate that they have obtained and maintain both professional (E&O) and comprehensive general liability (CGL) insurance that meets all of the following requirements:

- The E&O and CGL insurance must each have a minimum of \$1 million occurrence/limit/aggregate coverage.
- The named insured must be the individual licensee (home inspector), not the business name.
- The minimum of \$1 million limit/aggregate coverage must be assigned to, and reserved solely for, the individual licensee.
- Water ingress must not be excluded.
- The insurance must be issued by an authorized insurance company regulated by the Financial Institutions Commission of BC under the *Financial Institutions Act* (A list of authorized insurance companies can be found at: http://www.fic.gov.bc.ca/web_listings/AuthorizedInsuranceCompanies.aspx) or be regulated by the Office of the Superintendent of Financial Institutions (A list of Federally Regulated Financial Institutions can be found at: <http://www.osfi-bsif.gc.ca/Eng/wt-ow/Pages/wwr-er.aspx>)
- The full amount of insurance coverage (subject to the home inspector's deductible) must be underwritten by an authorized insurance company.
- The rights to any and all benefits under the policy must be non-discretionary.
- Claims must be adjudicated by the insurance company (or by an authorized agent of the insurance company) and be non-discretionary.

4.0 Rationale

This policy is intended to provide direction to home inspectors in British Columbia on the insurance coverage that they must obtain as a condition of a license issued by Consumer Protection BC.

This policy should be read in conjunction with the *Regulation* as of September 1, 2016.

5.0 Authority

Business Practices and Consumer Protection Act and *Home Inspector Licensing Regulation*

The *Business Practices and Consumer Protection Act* and Section 7.1(b) of the amended *Home Inspector Licensing Regulation* allows the director to impose, as a condition on a licence, that a licence applicant obtain and maintain errors and omissions insurance and comprehensive general liability insurance in approved amounts.

6.0 References

Business Practices and Consumer Protection Act
[Home Inspector Licensing Regulation \(as amended\)](#), effective September 1, 2016)