



MPAC Insurability

REALTORS across Canada have reported problems that they have encountered by their clients in obtaining property insurance. This issue has especially arisen in Eastern Canada for a number of reasons. Currently, these reasons are tied to issues common to older housing stock such as: oil tanks; 60 amp wiring; galvanized plumbing and knob and tube/aluminum wiring.

In Alberta, they are also experiencing problems with untreated pine shake shingled roofs and situations have arisen in that province where insurance companies have been denying insurance to foreign property owners and even Canadian property owners who reside outside the country. As a result of their forest fire experience, insurance is also being denied for properties near forests or ravines.

For most of these problems there appear to be remedies with varying levels of cost. It is the intention of MREA to continue to monitor this issue, particularly if insurance issues begin to impact the ability of sales to successfully close. When you consider the vintage of a significant percentage of Manitoba housing stock, there is potential for the issue of insurability to be a serious concern in our province. In Manitoba, it appears that insurance is still available and although there may be special considerations (and increased premiums) there does not appear to be blanket refusals of coverage.

A number of these issues have migrated from the American experience where the cost of home insurance has skyrocketed to such an extent that it threatens home acquisition in some markets. Because insurance carriers cross borders, we are beginning to face the same pressures in the Canadian marketplace.

MPAC will continue to monitor this issue from a national and provincial level. These efforts will include dialogue with the insurance industry.