

**INSURANCE COUNCIL OF BRITISH COLUMBIA**  
("Council")

**UPDATE ON THE GUIDELINES GOVERNING THE SALE  
OF HOME WARRANTY INSURANCE IN BRITISH COLUMBIA**

In 2007, Council issued Notice ICN 07-002 *Guidelines Governing the Sale of Home Warranty Insurance in British Columbia*, which set out usual practice requirements governing the sale of home warranty insurance in British Columbia. Council wishes to provide clarification on the requirements that pertain to the cancellation of home warranty insurance coverage, more commonly known in the industry as the de-enrolment of coverage.

De-enrolment of home warranty insurance is a significant step as it removes an insurer's commitment to provide coverage. Naturally, the decision to de-enrol such coverage can only be made by the insurer.

Where an insurer decides to de-enrol home warranty insurance coverage, it is Council's position that execution of the de-enrolment is the responsibility of the insurer. Should the insurer choose to delegate the administrative task of de-enrolling coverage, Council does not take issue with an insurance agent undertaking this task so long as a record exists that clearly demonstrates that the decision to de-enrol the coverage was made by the insurer prior to the de-enrolment taking effect.

As for the process of notifying applicable parties of any de-enrolment, Council does not believe it is appropriate for such notifications to take place under the name of an insurance agent.

Finally, where a clerical or administrative error results in an insurance agent mistakenly enrolling home warranty insurance coverage on a property or results in the enrolment of home warranty insurance coverage on a property that is inadvertently based on incorrect information, Council does not take issue with the insurance agent reversing the mistaken enrolment immediately after it has occurred, so long as it was not the original intention of any party for the enrolment to occur as transacted. If these situations occur, the insurance agent is expected to inform the insurer named on the mistaken enrolment of the error in a timely manner.

With regard to the other requirements governing the sale of home warranty insurance in British Columbia, as set out in Council Notice ICN 07-002, these remain in effect.

If you have any questions about the regulatory requirements or this Notice, please contact Regulatory Services by emailing [info@insurancecouncilofbc.com](mailto:info@insurancecouncilofbc.com) or calling Council's main number and at the prompt press "2".

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**NOTICE**