

Advisory

B.C. Wildfires – Insurance Renewals During Wildfire Season

Date: June 5, 2024

Distribution: All B.C. Authorized Property and Casualty Insurance Companies

Advisory Number: 24-017

PURPOSE

As wildfire season approaches and insurance policies come up for renewal, BC Financial Services Authority (“BCFSA”) is reminding insurers of their Fair Treatment of Customers (“FTC”) obligations under the [Insurer Code of Market Conduct \(“Code”\)](#), which is now in force.

BACKGROUND

Wildfires in British Columbia are becoming more frequent and severe, thereby impacting an increasing number of properties across the province. Insurance plays a critical role in providing financial protection for those in areas affected by wildfires. Customers whose insurance policies are up for renewal during an active wildfire (including during a declared state of emergency), may face challenges obtaining replacement coverage on their property in the event of non-renewal. This can be especially difficult for customers in situations where they do not receive timely or advanced notice of their insurer’s intent to not renew insurance coverage.

Prioritizing FTC considerations during the wildfire season is important in these times of stress. BCFSA recognizes the proactive role that many insurers are taking to address the impact of wildfires on customers, and encourages insurers to continue to consider how their business practices during an active wildfire affect customers. Through the Code, BCFSA will be actively monitoring the market to ensure customers continue to be treated fairly by insurers during wildfire season.

ADDITIONAL INFORMATION

In July 2023, BCFSA established the Code and communicated it to all insurers authorized in British Columbia. The Code adopts the 12 expected outcomes from the Canadian Council of Insurance Regulators’ (“CCIR”) Conduct of Insurance Business and Fair Treatment of Customers guidance as principles that insurers are required to comply with for their B.C. business effective April 1, 2024.

This requirement applies to all B.C. incorporated insurance companies, extraprovincial insurance corporations, societies deemed under section 191 of the *Financial Institutions Act* (“FIA”), and mutual fire insurance companies. Reinsurers, reciprocal exchanges, and captive insurance companies are excluded.

In response to potential challenges facing consumers buying and selling homes in areas commonly impacted by wildfires, BCFSA recently published an [advisory](#) notifying real estate licencees of an optional wildfire clause to use in a contract of purchase and sale (“CPS”), which would allow for an extension of the completion, adjustment, and possession dates in a CPS, up to a maximum of 30 days if a wildfire prevents the buyer from obtaining property insurance (including fire) for the property. This optional clause is aimed at helping both buyers and sellers navigate insurance requirements for properties located in a wildfire zone.

Classification: Public

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