

Possible Solutions:

Trusted Homeowner Protection Programs



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Licensing & Warranty

Four Canadian provinces, representing the largest populations (BC, AB, ON, QC) have **legislated licensing and warranty**, and **three** others have voluntary programs.

These programs include all or some of the following:



Licensing and
Enforcement



Warranty or
Warranty Insurance



Research and
Education

Why was warranty implemented?

Programs evolved independently, but were initiated by builder associations to manage claims.

In ON and AB, the builder programs evolved into government-mandated and controlled programs due to consumer needs.

In BC, a systemic construction failure (the “leaky condo crisis”) led the government to step in.



A Consumer Confidence Problem

The BC government implemented a multi-tiered approach to tackling the leaky condo crisis.



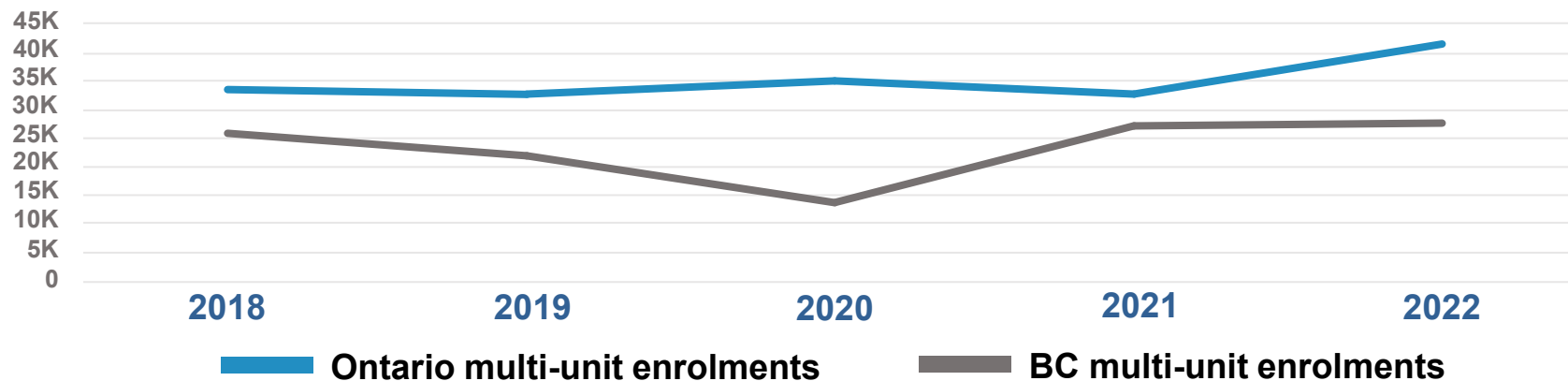
The crisis was not only a construction crisis, and a homeowner crisis, it was a **crisis in consumer confidence** that threatened the future of the industry, the economy, and home ownership.

Consumer Confidence & Protection

Home warranty programs were successful in restoring or maintaining confidence in Canadian new home markets.

Enrolments in warranty for multi-unit homes, particularly condos in urban hubs, has continued to be robust in Canada.

Multi-unit enrolments 2018-22 (ON & BC)



Balanced Benefits

**For insurance companies
or warranty programs:**

- Security and contractual arrangements with builders
 - Builders usually fix defects
 - Pay outs minimized
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Balanced Benefits

For purchasers:

- Can trust there is protection
- Homes are fixed with no deductibles
- Premiums relatively low

For builders and developers:

- Respond to claims within a known framework which avoids litigation
- Built-in incentive to build better and avoid defects

