

The Decision of the BC Human Rights Tribunal In Regard to Insurance Company Discrimination Toward Foster Parents

A few years ago, BC Human Rights Tribunal, tribunal member Lindsay Lyster found in favour of a Foster Parent, in what has been a long awaited decision regarding insurance company discrimination against foster families based on family status. BCFFPA staff and executive attend the hearing and gave evidence on her behalf.

This foster parent was deemed a “moral hazard” by ING Canada in a letter sent to her insurance broker wherein it said it would not be able to renew her policy. The insurance dictionary determines “moral hazard” to mean *“Danger of loss arising from the nature of the insured rather than from the physical nature of the risk. This would encompass those instances where the chance of loss is increased by an insured’s carelessness, incompetence, recklessness, indifference to loss or an insured fraudulent nature”*. Ms Lyster was informed by the ING representative that the term “moral hazard is an outdated term used to refer to all factors related to risk other than the physical nature of the property.” ING contended that the foster parent should not have taken the term as an accusation of carelessness or fraudulence. ING further contended that there was no intent on their part to discriminate against her based on family status.

ING’s other issue was that the foster parent had secondary coverage. This lead to some apprehension on the part of ING as, generally, secondary insurance on the same property against the same risks has a fraudulent intent. The secondary insurance is provided by the government of British Columbia for foster parents, and covers only for intentional damage or theft by a foster child. Ms Lyster stated the foster parent “did not insure the same property against the same risks. Rather she had additional insurance coverage to cover risks associated with having a foster child in the home which neither ING nor any other primary insurer, will cover.” She also noted that she was satisfied that ING did not fully understand how the BCFFPA Insurance Rider works. However she said it was incumbent on ING to investigate this Rider in order to fully understand its purpose due to the unusual nature of the circumstances.

The tribunal found that “the effect of the application of ING’s standard risk assessment was to discriminate against the foster parent on the basis of her family status.”

Information regarding the Rider has been provided to the Insurance Bureau of Canada several times with a request to share the information with its member agencies. In addition to that, the BCFFPA makes the Insurance Rider Booklet and the Questions and Answers Booklet available to insurance companies and foster families. The information is also posted on the BCFFPA web site at www.bcfosterparents.ca.

If you feel you are being discriminated against in trying to obtain insurance due to your role as a foster parent, please call the Federation office at 1-800-663-9999.