

**EXHIBIT "M"**

**MINIMUM STANDARDS OF COVERAGE – HOTEL UNITS**

## EXHIBIT "M"

### MINIMUM STANDARDS OF COVERAGE

#### 2 year materials and labour warranty

- 1 (1) The minimum coverage for the 2 year materials and labour warranty is as follows:
  - (a) In the first 12 months, for other than the common property, common facilities and other assets of a strata corporation,
    - (i) coverage for any defect in materials and labour, and
    - (ii) subject to subsection (2), coverage for a violation of the building code;
  - (b) In the first 15 months, for the common property, common facilities and other assets of a strata corporation,
    - (i) coverage for any defect in materials and labour, and
    - (ii) subject to subsection (2), coverage for a violation of the building code;
  - (c) In the first 24 months;
    - (i) coverage for any defect in materials and labour supplied for the electrical, plumbing, heating, ventilation and air conditioning delivery and distribution systems,
    - (ii) coverage for any defect in materials and labour supplied for the exterior cladding, caulking, windows and doors that may lead to detachment or material damage to the new home,
    - (iii) coverage for any defect in materials and labour which renders the new home unfit to live in, and
    - (iv) subject to subsection (2), coverage for a violation of the building code.
- (2) Non-compliance with the building code is considered a defect covered by home warranty insurance if the non-compliance
  - (a) constitutes an unreasonable health or safety risk, or
  - (b) has resulted in, or is likely to result in, material damage to the new home.

5 year building envelope warranty

- 2 The minimum coverage for the building envelope warranty is 5 years for defects in the building envelope of a new home including a defect which permits unintended water penetration such that it causes, or is likely to cause, material damage to the new home.

10 year structural defects warranty

- 3 The minimum coverage for the structural defects warranty is 10 years for
  - (a) any defect in materials and labour that results in the failure of a load bearing part of the new home, and
  - (b) any defect which causes structural damage that materially and adversely affects the use of the new home for residential occupancy.

Commencement dates for fee simple new homes

- 4 (1) The commencement date for home warranty insurance coverage of a new home held in fee simple is as follows:
  - (a) for a new home constructed by a residential builder on land owned by the owner, the commencement date is the earlier of
    - (i) the date of actual occupancy of the new home;
    - (ii) the granting of an occupancy permit or similar right to occupy by the authority having jurisdiction, and
    - (iii) the date that the new home is completed and ready for occupancy;
  - (b) for a new home constructed by a residential builder on the land now owned by the owner, the commencement date is the earlier of
    - (i) the date of actual occupancy of the new home, and
    - (ii) the transfer of the legal title of the new home to the owner.
- (2) For the purposes of subsection (1)(a), in a jurisdiction where occupancy permits are not issued, a new home is deemed to have reached the stage of occupancy when it
  - (a) is "completed" as that term is defined in the *Builders Lien Act*, and
  - (b) is capable of being occupied.

Commencement dates for strata new homes

- 5 (1) If a new home is included in a strata plan, the home warranty insurance must provide coverage for the following:
  - (a) the dwelling unit comprising the strata lot;

- (b) the common property.
- (2) For the dwelling unit comprising the strata lot, the commencement date of the home warranty insurance coverage is the earlier of
  - (a) actual occupancy of the dwelling unit, and
  - (b) the transfer of legal title to the strata lot.
- (3) For the common property, the commencement date of the home warranty insurance coverage is concurrent with the first commencement date for a dwelling unit in each separate multi-unit building comprising the strata plan.

#### Commencement dates for special cases

- 6 (1) If an unsold new home owned by a residential building is occupied as a rental unit, the home warranty insurance commencement date is the date the new home is first occupied.
- (2) If the residential builder subsequently offers to sell a new home which is rented, the residential builder must disclose, in writing, to each prospective purchaser, the date on which the new home warranty insurance expires.
- (3) For multi-unit buildings not in a strata plan, the commencement date of the home warranty insurance is concurrent with the date of first occupancy of a dwelling unit in the multi-unit building.

#### Living-out allowance

- 7 (1) If repairs are required under home warranty insurance and damage to the new home or the extent of the repairs renders the dwelling unit uninhabitable, the home warranty insurance must cover reasonable living-out expenses incurred by the owner.
- (2) If a warranty provider establishes a maximum amount per day for claims for living-out expenses, the limit must be not less than \$100 per day for the complete reimbursement of the actual accommodation expenses incurred by the owner at a hotel, motel or other rental accommodation up to the day the dwelling unit is ready for occupancy, subject to the owner receiving 24 hours advance notice.

#### Warranty on repairs and replacements

- 8 (1) All repairs and replacements made under home warranty insurance must be warranted against defects in materials and labour until the later of
  - (a) the first anniversary of the date of completion of the repair or replacement, and
  - (b) the expiry of the applicable new home warranty insurance coverage.
- (2) All repairs and replacements made under home warranty insurance must be completed in a reasonable manner using materials and labour conforming to the building code and industry standards.