



Homeowner Protection Act and Insurance Act

HOMEOWNER PROTECTION ACT
REGULATION

B.C. Reg. 29/99

Deposited February 1, 1999 and effective July 1, 1999

Last amended March 6, 2024 by B.C. Reg. 42/2024

Consolidated Regulations of British Columbia

This is an unofficial consolidation.

B.C. Reg. 29/99 (O.C. 137/99), deposited February 1, 1999 and effective July 1, 1999, is made under the *Homeowner Protection Act*, S.B.C. 1998, c. 31, ss. 21 and 32 and the *Insurance Act*, R.S.B.C. 2012, c. 1, s. 149.

This is an unofficial consolidation provided for convenience only. This is not a copy prepared for the purposes of the *Evidence Act*.

This consolidation includes any amendments deposited and in force as of the currency date at the bottom of each page. See the end of this regulation for any amendments deposited but not in force as of the currency date. Any amendments deposited after the currency date are listed in the B.C. Regulations Bulletins. All amendments to this regulation are listed in the *Index of B.C. Regulations*. Regulations Bulletins and the Index are available online at www.bclaws.ca.

See the User Guide for more information about the *Consolidated Regulations of British Columbia*. The User Guide and the *Consolidated Regulations of British Columbia* are available online at www.bclaws.ca.

Prepared by:
Office of Legislative Counsel
Ministry of Attorney General
Victoria, B.C.

Homeowner Protection Act and Insurance Act

HOMEOWNER PROTECTION ACT REGULATION

B.C. Reg. 29/99

Contents

1	Definitions	1
1.1	Who may be a nominee	3
PART 1 – ADMINISTRATION, LICENCES AND AUTHORIZATIONS		
2	Exemptions	3
3	[Repealed]	4
4	Residential builder licence	4
4.01	Qualifications for new residential builder licence	6
4.02	Exemption from licensing	7
4.03	Requirement for continuing professional development	8
4.04	Developers	8
4.05	Consumer protection	8
4.06	Status of licence	9
4.1	Owner builder authorizations	9
PART 2 – HOME WARRANTY INSURANCE AND STATUTORY PROTECTION		
5	Acceptance of residential builder for home warranty insurance	12
6	Approval of a new home for home warranty insurance	12
7	Mandatory warranty conditions	14
8	Minimum standards of coverage	14
9	Permitted warranty terms	14
10	Permitted exclusions – general	15
11	Permitted exclusions – defects	16
12	Limits on home warranty insurance coverage	17
13	Home warranty insurance documentation	18
14	Consequences of not providing information	18
15	Mandatory notice of expiry of warranty	19
16	Notice of claim	19
17	Duty to mitigate	19
17.1	Statutory protection – exclusions	20
PART 3 – GENERAL PROVISIONS		
18	Disclosure requirement	20
18.1	[Repealed]	20
19	Home built by owner builder	20
20	[Repealed]	20
20.1	Administrative penalties	21
21	Transitional	21
SCHEDULE 1 – FEES		22
SCHEDULE 2 – MANDATORY WARRANTY CONDITIONS		23
SCHEDULE 3 – MINIMUM STANDARDS OF COVERAGE		27

SCHEDULES 4 – 5 [Repealed]	29
SCHEDULE 6 – COMPETENCY REQUIREMENTS FOR RESIDENTIAL BUILDER LICENCE	30
SCHEDULE 7 – CONTINUING PROFESSIONAL DEVELOPMENT FOR RESIDENTIAL BUILDER LICENCE HOLDERS	33

Homeowner Protection Act and Insurance Act

HOMEOWNER PROTECTION ACT REGULATION

B.C. Reg. 29/99

Definitions

1 (1) In the Act and this regulation:

“**Act**” means the *Homeowner Protection Act*;

“**building code**” means, as applicable,

(a) the British Columbia Building Code established under the *Building Act*, or

(b) the Vancouver Building Bylaw established under the *Vancouver Charter*;

in force at the time that the building permit was issued for the new home or, in jurisdictions where a building permit is not required, in force when construction commences;

“**building envelope**” means the assemblies, components and materials of a new home which are intended to separate and protect the interior space of the new home from the adverse affects of exterior climatic conditions;

“**common property**” has the same meaning as in the *Strata Property Act*, but does not include land;

“**cooperative**” means a building, or a portion of a building, provided for residential occupancy purposes to members of an association incorporated or continued under the *Cooperative Association Act*;

“**defect**” means any design or construction that is contrary to the building code or that requires repair or replacement due to the negligence of a residential builder or person for whom the residential builder is responsible at law;

“**defects in the building envelope**” means defects that result in the failure of the building envelope to perform its intended function;

“**developer**” means a residential builder that sells the residential builder’s ownership in a new home, and includes a vendor that contracts with a general contractor for the construction of a new home;

“**driveway**” means a surface intended and constructed primarily to be used for vehicular access to or from a new home;

“**dwelling unit**” means a class of new home which is a building, or a portion of a building, that

(a) is newly constructed,

(b) is intended for residential occupancy,

(c) is a single, self-contained residence usually containing cooking, eating, living, sleeping and sanitary facilities, and

(d) may contain a secondary suite if permitted by local bylaws;

“**factory built home**” means a home which is governed by or required to be certified under CSA standard CAN/CSA-A277;

“general contractor” means a residential builder that is engaged under contract by an owner, developer or vendor to perform or cause to be performed all or substantially all of the construction of a new home, and includes a construction manager and project manager;

“home warranty insurance” has the same meaning as in section 141 (1) of the *Insurance Act*;

“load bearing” means subjected to or designed to carry loads in addition to its own dead load, but does not include a wall element subjected only to wind or earthquake loads in addition to its own dead load;

“manufactured home” means a factory built home or a mobile home;

“mobile home” means a home which is governed by or required to be certified under CSA standard CSA-Z240;

“multi-unit building” means a building containing 2 or more dwelling units together with associated common property, if any;

“nominee” means an individual who is nominated in accordance with section 1.1 by an applicant for, or a holder of, a residential builder licence;

“Part 3 residential building” means a building that is

- (a) used for residential occupancy, and
- (b) subject to the requirements of section 2.2.7 of Division C of Part 2 and Division B of Part 3 of the building code;

“Part 9 residential building” means a building that is subject to the requirements of Part 9 of the building code;

“partner” and **“partnership”** have the same meaning as in the *Partnership Act*;

“personal use”, in relation to an owner builder, means residential occupancy by the owner builder and does not include rental use;

“rental purposes” means an occupancy or intended occupancy which is or would be governed by a tenancy agreement as defined in section 1 of the *Residential Tenancy Act*;

“secondary suite” means a suite located in and forming part of a dwelling unit where the dwelling unit remains as a single legal title;

“structural defect” means

- (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 that causes structural damage that materially and adversely affects the use of the new home for residential occupancy;

“vendor of a new home”, for the purposes of section 23 (1) of the Act, does not include a person who purchased a new home from the residential builder or owner builder of that new home;

HOMEOWNER PROTECTION ACT REGULATIONPart 1 – Administration, Licences and Authorizations

“walkway” means a surface intended and constructed primarily to be used as a pedestrian access to or from a new home, and may include stairs.

- (2) For the purposes of the Act and this regulation, “new home” includes
- (a) a non-residential building, or portion thereof, converted to use for residential occupancy and sale, and
 - (b) a cooperative.
- (3) If a residential builder or owner is more than one person, the obligation of each person is deemed to be joint and several.

[am. B.C. Regs. 126/99, s. 1; 315/2007, s. 1; 33/2015, App. 1, s. 1; 38/2019, App. A, s. 1.]

Who may be a nominee

- 1.1** (1) If a corporation or partnership applies for or holds a residential builder licence, the corporation or partnership must name a nominee for the purposes of this regulation.
- (2) If a person other than a corporation or partnership applies for or holds a residential builder licence, the person may name a nominee for the purposes of this regulation.
- (3) A nominee must be an individual who is one of the following:
- (a) a partner of an applicant or a residential builder licence holder that is a partnership;
 - (b) an individual about whom disclosure is required under section 14 (3) of the Act;
 - (c) an employee or manager of the applicant or the residential builder licence holder who is responsible for managing, arranging for, or performing, or causing to be performed, all or substantially all of the construction of a new home.
- (4) A nominee may not be an individual who is not qualified to be issued, or to have renewed, a residential builder licence under section 4.05 (2).

[en. B.C. Reg. 33/2015, App. 1, s. 2.]

PART 1 – ADMINISTRATION, LICENCES AND AUTHORIZATIONS**Exemptions**

- 2** (1) The following classes of new homes, other than new homes that are strata titled, are exempt from the definition of “new home” in section 1 of the Act:
- (a) hotels and motels;
 - (b) dormitories;
 - (c) care facilities;
 - (d) floating homes.

- (2) A person who builds a multi-unit building for rental purposes, if the building is
- (a) owned under a single legal title, or
 - (b) strata-titled with all the dwelling units held under one ownership,
- is exempt from sections 14, 22 and 26 of the Act with respect to that building, provided that a restrictive covenant is registered on the title restricting the sale or other disposition of any dwelling unit for 10 years from the date of first occupancy.
- (2.1) A person who builds 3 or more dwelling units for rental purposes is exempt from sections 14, 22 and 26 of the Act with respect to those dwelling units, provided that
- (a) the dwelling units are owned under a single legal title, and
 - (b) a restrictive covenant is registered on the title restricting the sale or other disposition of any of the dwelling units for 10 years from the date of first occupancy.
- (3) Repealed. [B.C. Reg. 360/2004, Sch. A, s. 1.]
- (4) Repealed. [B.C. Reg. 315/2007, s. 4.]
- [am. B.C. Regs. 126/99, s. 2; 360/2004, Sch. A, s. 1; 315/2007, ss. 3 and 4.]

3 Repealed. [B.C. Reg. 182/2010, Sch. s. 1.]

Residential builder licence

- 4** (1) A person may apply to the registrar for a residential builder licence, or renewal of a residential builder licence, by providing, in a form acceptable to the registrar, all of the following:
- (a) particulars respecting the applicant and the individuals about whom disclosure is required under section 14 (3) of the Act, if any, including name, address, email address, telephone numbers, fax number, date of birth and driver's licence number;
 - (b) if the applicant is a corporation, the name of a contact person for the corporation;
 - (c) if the applicant is a partnership, the name of each partner;
 - (d) evidence of acceptance for home warranty insurance from all warranty providers that may have accepted the applicant under section 5;
 - (e) a list of, and the locations of, all new homes completed by the residential builder over the 36 month period immediately preceding the application, including the building type and the number of dwelling units;
 - (f) a list of all new home construction-related organization memberships that are held by the applicant and each partner of the applicant and each individual about whom disclosure is required under section 14 (3) of the Act;
 - (g) Repealed. [B.C. Reg. 33/2015, App. 2, s. 1 (a).]

HOMEOWNER PROTECTION ACT REGULATIONPart 1 – Administration, Licences and Authorizations

- (h) and (i) Repealed. [B.C. Reg. 315/2007, s. 5 (f).]
 - (j) an undertaking by the applicant to comply with the legislation, regulations and standards in force that are applicable to any new home to be constructed by the applicant;
 - (k) particulars of any orders, monetary penalties, convictions or judgments against the applicant and, if applicable, any partner or nominee of the applicant or any individual about whom disclosure is required under section 14 (3) of the Act, made
 - (i) within the previous 10 years in respect of fraud, and
 - (ii) within the previous 5 years in respect of a contravention of the Act, an Act referred to in section 4.05 (2) (b), or a regulation made under any of them;
 - (l) the signature of the applicant or, in the case of a corporation, the an individual authorized by the corporation to sign on its behalf named under paragraph (b).
- (1.1) In addition to the information that must be provided under subsection (1), a general contractor who applies for a residential builder licence, or renewal of a residential builder licence, must provide to the registrar, in a form acceptable to the registrar, proof that the requirements of the following have been met:
- (a) section 4.01, if section 4.01 (1) applies;
 - (b) section 4.03, in any other case.
- (1.2) In addition to the information that must be provided under subsection (1), a developer who applies for a residential builder licence, or renewal of a residential builder licence, must provide to the registrar, in a form acceptable to the registrar, a declaration that the applicant
- (a) will be constructing only Part 3 residential buildings, or
 - (b) is, or will be contracting with, a general contractor who holds a residential builder licence for the construction of Part 9 residential buildings.
- (2) An application or renewal under subsection (1) must be accompanied by the fee set out in section 1 or 2 of Schedule 1.
- (2.1) An application to amend a licence under section 14 (2.2) of the Act must be accompanied by the fee set out in section 2.1 of Schedule 1.
- (3) On receipt, evaluation and approval of a completed application as required by subsection (1), the registrar may issue to the applicant a residential builder licence.
- (4) In addition to the fee payable under subsection (2), a residential builder must pay the fee set out in section 3 of Schedule 1 at the time that home warranty insurance is approved for a new home.

- (5) For the purposes of Part 9 of the Act, a residential builder must pay the reconstruction loan portfolio fee set out in section 4 of Schedule 1 at the time that home warranty insurance is approved for a new home.
- (6) The licensing requirements of section 14 of the Act do not apply to an individual who, as an employee of a residential builder licensed under this section, works as a project manager or construction manager.
- (7) For the purposes of section 14 (2) (a) (ii) of the Act, it is a condition for licensing a corporation that none of the individuals disclosed to the registrar under section 14 (3) of the Act
 - (a) has had a residential builder licence cancelled under section 15 (c) of the Act within the past 5 years, or
 - (b) has been or is in control of a corporation that has had a residential builder's licence cancelled under section 15 (c) of the Act within the past 5 years.

[am. B.C. Regs. 274/2004, Sch. 3, s. 3; 315/2007, s. 5; 182/2010, Sch. s. 2; 33/2015, App. 1, s. 3 and App. 2, s. 1; 42/2024, Sch. 1, s. 16.]

Qualifications for new residential builder licence

- 4.01** (1) This section applies to a general contractor who is applying for a residential builder licence and
- (a) who has not previously held a residential builder licence,
 - (b) who has failed to submit an application to renew the applicant's residential builder licence within 30 days before its expiry,
 - (c) who has contravened a term or condition of a residential builder licence within the previous 5 years, unless the registrar has given the applicant written notice that the registrar is satisfied that the contravention has been remedied,
 - (d) whose residential builder licence has expired, been cancelled, or has not been renewed, or
 - (e) who is seeking to renew a residential builder licence if
 - (i) the applicant is a corporation or partnership, and
 - (ii) the nominee in respect of whom proof of experience and competency was most recently provided under subsection (2) is no longer a nominee of the applicant.
- (2) The registrar may issue a residential builder licence to an applicant described in subsection (1) (a) only if the applicant provides, in a form acceptable to the registrar, proof that the applicant has
- (a) at least 24 months of experience managing or supervising residential construction, obtained within the last 5 years, and
 - (b) successfully demonstrated competency in accordance with Schedule 6.

- (3) The registrar may issue a residential builder licence to an applicant described in subsection (1) (b), (c), (d) or (e) only if the applicant provides, in a form acceptable to the registrar, proof that
 - (a) the applicant has met the requirements of subsection (2), and
 - (b) the applicant
 - (i) has met the condition set out in section 4.03 (1) during the term of the applicant's previous residential builder licence, or
 - (ii) completed, in accordance with Schedule 7, a portion of the continuing professional development during the term of the applicant's previous residential builder licence and the remaining continuing professional development in the year before the application is made.
- (4) If the applicant has named a nominee, the requirements of subsection (2) may be met as follows:
 - (a) at least one nominee must have, alone, obtained the experience required under subsection (2) (a);
 - (b) one or more nominees must have, among them, met the competency requirements of subsection (2) (b).
- (5) Despite subsection (1) (a), subsections (2) and (3) do not apply to a general contractor who
 - (a) has not previously held a residential builder licence,
 - (b) is an affiliated corporation, as described in section 2 of the *Business Corporations Act*, of a general contractor that holds a residential builder licence under a different name than the affiliated corporation,
 - (c) applies for a residential builder licence before the expiry of the licence referred to in paragraph (b), and
 - (d) is not otherwise described in any of paragraphs (b) to (e) of subsection (1).

[en. B.C. Reg. 33/2015, App. 2, s. 2.]

Exemption from licensing

- 4.02** (1) Despite Part 5 of the Act, a general contractor is exempt from the requirement to be licensed under that Part if
- (a) the general contractor is engaged only in the construction of Part 3 residential buildings, and
 - (b) new homes being built, or to be built, by the general contractor are registered, by a developer who holds a residential builder licence, for home warranty insurance coverage.
- (2) On request of the registrar, a general contractor who claims to be exempt under subsection (1) must provide, in a form acceptable to the registrar, proof of the requirements of subsection (1).
- [en. B.C. Reg. 33/2015, App. 1, s. 4.]

Requirement for continuing professional development

- 4.03** (1) It is a condition of a residential builder licence held by a general contractor that the general contractor or a single nominee of the general contractor complete, in accordance with Schedule 7, continuing professional development during the term of the residential builder licence.
- (2) The registrar may renew the residential builder licence of a general contractor only if the general contractor provides, in a form acceptable to the registrar, proof that the conditions and requirements of this section have been met.
- (3) Subsection (2) does not apply in respect of an application to renew a residential builder licence if
- (a) the applicant held the residential builder licence on the date that this section came into force, and
 - (b) the application is made within one year of the coming into force of this section.
- (4) A person who holds, or formerly held, a residential builder licence must, for a minimum of 3 years, keep proof of each completed continuing professional development activity, including all of the following:
- (a) a description of the activity and the date the activity took place;
 - (b) in relation to each activity,
 - (i) a statement of the subject area, the organization responsible for delivering the activity, the learning method and the points claimed, as these are described in Schedule 7,
 - (ii) a copy of all course syllabi, itineraries, learning materials, certificates, receipts and other records issued by the organization responsible for delivering the activity, and
 - (iii) if applicable, a copy of all logbooks, workbooks or other records completed by the residential builder licence holder or nominee.

[en. B.C. Reg. 33/2015, App. 1, s. 4.]

Developers

- 4.04** A person who holds a residential builder licence as a developer must not construct Part 9 residential buildings unless the person

- (a) also holds a residential builder licence as a general contractor, or
- (b) contracts with a person who holds a residential builder licence as a general contractor for the construction of the buildings.

[en. B.C. Reg. 33/2015, App. 1, s. 4.]

Consumer protection

- 4.05** (1) In this section, “**applicant or licence holder**”, in the case of an application for a residential builder licence by a corporation or partnership or a residential builder

licence held by a corporation or partnership, includes each individual who controls or who is able to control the corporation or partnership.

- (2) An applicant or licence holder is not qualified to be issued, or to have renewed, a residential builder licence if the registrar is of the opinion that issuing or renewing the residential builder licence would not be consistent with the objective of consumer protection because the applicant or licence holder has,
- (a) within the past 5 years, been the subject of an order, a monetary penalty, a conviction or a judgment under the Act,
 - (b) within the past 5 years, been the subject of an order, a monetary penalty, a conviction or a judgment under
 - (i) Repealed. [B.C. Reg. 32/2023, Sch. B, s. 8 (a).]
 - (ii) the *Builders Lien Act*,
 - (iii) the *Business Practices and Consumer Protection Act*,
 - (iv) the *Employment Standards Act*,
 - (v) Repealed. [B.C. Reg. 32/2023, Sch. B, s. 8 (a).]
 - (v.1) the *Professional Governance Act*, as it relates to architecture, professional engineering or professional geoscience,
 - (vi) the *Real Estate Development Marketing Act*,
 - (vii) the *Real Estate Services Act*,
 - (viii) the *Safety Standards Act*,
 - (ix) the *Sale of Goods Act*, or
 - (x) the *Workers Compensation Act*,
 - (c) within the past 10 years, been convicted of an offence involving fraud, or
 - (d) at any time, been found by a court to be in material breach of the applicant's or licence holder's duties or obligations
 - (i) under the Act, or
 - (ii) to a buyer of a new home, under a contract with the buyer.

[en. B.C. Reg. 33/2015, App. 1, s. 4; am. B.C. Regs. 11/2021, App. 3, s. 10; 32/2023, Sch. B, s. 8.]

Status of licence

- 4.06** For the purposes of section 29.5 (1) (d) of the Act, the registrar must, as part of the current status of a residential builder licence, include information respecting whether the licensee holds a licence as a general contractor or a developer.

[en. B.C. Reg. 33/2015, App. 1, s. 4.]

Owner builder authorizations

- 4.1** (1) In this section:

“**registered interest in land**” means any of the following interests in land, registered under the *Land Title Act*:

- (a) an interest in fee simple;
- (b) a life interest;
- (c) an interest under a lease with a term of at least 15 years;

“first occupancy” means

- (a) the date an occupancy permit with respect to the new home was first issued, or
- (b) if no occupancy permit has been issued with respect to the new home, the date the new home was first occupied.

(2) The following criteria are prescribed for the purposes of section 20 (1) (a) of the Act:

- (a) the person must be an individual;
- (b) the person must intend to use the new home for personal use for at least one year from the date of first occupancy of the new home;
- (c) if the person has previously been issued an authorization, the person must not have been issued an authorization for at least the following period of time, determined from the date of first occupancy of the new home built under the most recent previous authorization:
 - (i) 18 months, if the person has been issued only one previous authorization;
 - (ii) 3 years, if the person has been issued two previous authorizations;
 - (iii) 5 years, if the person has been issued three or more previous authorizations;
- (d) the person must not ordinarily be resident with a person who does not meet the criteria set out in paragraph (c);
- (e) the person must
 - (i) have a registered interest in the land on which the new home is to be built and intend to maintain that interest for at least one year from the date of first occupancy, or
 - (ii) be a director of a family farm corporation, within the meaning of the *Property Transfer Tax Act*, that
 - (A) has a registered interest in the land on which the new home is to be built, and
 - (B) has passed a resolution affirming that it will not dispose of the interest referred to in clause (A) for at least one year from the date of first occupancy;
- (f) the person must intend to engage in, arrange for or manage all or substantially all of the construction of the new home;
- (g) the person must not have made a false statement in a previous application for an authorization;

HOMEOWNER PROTECTION ACT REGULATIONPart 1 – Administration, Licences and Authorizations

- (h) the person must not have failed to comply with sections 20.1 (1), 21 (2) and 22 of the Act or section 19 (1) of this regulation;
 - (i) the person must have successfully completed an examination set and administered by the registrar in respect of basic home building knowledge.
- (3) A person may apply to the registrar for an authorization by providing, in a form acceptable to the registrar, all of the following:
 - (a) particulars respecting the applicant, including
 - (i) name, address and email address,
 - (ii) telephone numbers and fax numbers,
 - (iii) date of birth, and
 - (iv) driver's licence number;
 - (b) a list of the persons ordinarily resident with the applicant and the particulars of each, including the particulars set out in paragraph (a) (i) to (iv);
 - (c) the civic address, legal description and parcel identification number of the location of the proposed owner-built home;
 - (d) a statement
 - (i) identifying who will build the new home and who will manage the building of the new home;
 - (ii) identifying the type of new home to be built;
 - (iii) describing the applicant's intended use of the new home and the intended duration of that use;
 - (iv) describing the applicant's interests in the land on which the new home is to be built;
 - (v) affirming that the person has read the statutory protection provision of the Act and understands the person's obligations to future purchasers of the new home;
 - (vi) setting out how many previous authorizations, if any, have been issued to the applicant or a person ordinarily resident with the applicant;
 - (e) an undertaking by the applicant to notify the registrar of the following when first occupancy occurs:
 - (i) the date on which first occupancy occurred;
 - (ii) the names of the tradespersons who contributed to the building of the new home;
 - (f) the signature of the applicant.
- (4) The period of time prescribed for the purposes of section 20.1 (1) (b) is 12 months.
- (5) An application under subsection (3) must be accompanied by the fee set out in section 4.1 of Schedule 1.

- (6) In addition to the fee payable under subsection (4), an applicant must pay the fee set out in section 4.2 of Schedule 1 at the time the authorization is issued to the applicant.
- (7) An application under section 20.1 (1) of the Act must be accompanied by the fee set out in section 4.3 of Schedule 1.

[en. B.C. Reg. 315/2007, s. 6; am. B.C. Regs. 33/2015, App. 3; 64/2021, s. 3; 42/2024, Sch. 1, s. 17.]

PART 2 – HOME WARRANTY INSURANCE AND STATUTORY PROTECTION

Acceptance of residential builder for home warranty insurance

- 5** (1) Before accepting a residential builder for home warranty insurance, a warranty provider may make inquiries about the applicant as follows:
- (a) does the applicant have the financial resources to undertake the construction of the number of new homes being proposed by the applicant's business plan for the following 12 months;
 - (b) does the applicant and its directors, officers, employees and consultants possess the necessary technical expertise to adequately perform their individual functions with respect to their proposed role in the construction and sale of new homes;
 - (c) does the applicant and its directors and officers have sufficient experience in business management to properly manage the new home construction process;
 - (d) does the applicant and its directors, officers and employees have sufficient practical experience to undertake the proposed new home construction;
 - (e) does the past conduct of the applicant and its directors, officers, employees and consultants provide a reasonable indication of good business practices, and reasonable grounds for belief that its undertakings will be carried on in accordance with all legal requirements;
 - (f) is the applicant reasonably able to provide, or to cause to be provided, after-sale customer service for the new homes to be constructed.
- (2) A warranty provider may charge a fee to make the inquiries permitted by subsection (1).

Approval of a new home for home warranty insurance

- 6** Before approving home warranty insurance for a new home, a warranty provider may make inquiries and impose conditions as follows:
- (a) to determine if the applicant has the necessary capitalization or financing in place, including any reasonable contingency reserves, to undertake construction of the proposed new home;
 - (b) to determine if the applicant or, in the case of a corporation, its directors, officers, employees and consultants possess reasonable technical expertise

HOMEOWNER PROTECTION ACT REGULATIONPart 2 – Home Warranty Insurance and Statutory Protection

to construct the proposed new home, including specific technical knowledge or expertise in any building systems, construction methods, products, treatments, technologies and testing and inspection methods proposed to be employed;

- (c) to determine if the applicant or, in the case of a corporation, its directors, officers, employees and consultants have sufficient practical experience in the specific types of construction to undertake construction of the proposed new home;
- (d) to determine if the applicant has sufficient personnel and other resources to adequately undertake the construction of the proposed new home in addition to other new homes which the applicant may have under construction or is currently marketing;
- (e) to determine if
 - (i) the applicant is proposing to engage a general contractor to undertake all or a significant portion of the construction of the proposed new home,
 - (ii) the general contractor is a licensed residential builder, and
 - (iii) the general contractor meets the criteria set out in this section;
- (f) requiring that a residential builder provide security in a form suitable to the warranty provider;
- (g) establishing or requiring compliance with specific construction standards for the new home;
- (h) restricting the applicant from constructing some types of new homes or using some types of construction or systems;
- (i) requiring the use of specific types of systems, consultants or personnel for the construction;
- (j) requiring an independent review of the new home building plans or consultants' reports or any part thereof;
- (k) requiring third-party verification or certification of the construction of the new home or any part thereof;
- (l) providing for inspection of the new home or any part thereof during construction;
- (m) requiring ongoing monitoring of the new home, or one or more of its components, following completion of construction;
- (n) requiring that the residential builder or any of the design professionals, engineering professionals, consultants, general contractors or subcontractors maintain minimum levels of insurance, bonding or other security naming the potential owners and warranty provider as loss payees or beneficiaries of the insurance, bonding or security to the extent possible;

- (o) requiring that the residential builder provide a list of all design professionals and other consultants who are involved in the design or construction inspection, or both, of the new home;
- (p) requiring that the residential builder provide a list of trades employed in the construction of the new home, and requiring evidence of their current trades certification if applicable;
- (q) imposing on the residential builder other restrictions or conditions as the warranty provider sees fit.

[am. B.C. Reg. 182/2010, Sch. s. 3.]

Mandatory warranty conditions

- 7** For the purposes of section 141 (2) of the *Insurance Act*, home warranty insurance must include the mandatory warranty conditions set out in Schedule 2.

[am. B.C. Reg. 38/2019, App. A, s. 2.]

Minimum standards of coverage

- 8** For the purposes of section 141 (3) of the *Insurance Act*, home warranty insurance must provide, as applicable, the minimum standards of coverage set out in Schedule 3.

[am. B.C. Reg. 38/2019, App. A, s. 3.]

Permitted warranty terms

- 9** A warranty provider may include any of the following provisions in home warranty insurance:

- (a) if the warranty provider makes a payment or assumes liability for any payment or repair under home warranty insurance,
 - (i) the warranty provider is subrogated to all rights of recovery of an owner against any person or persons who may have caused or contributed to the requirement for the payment or repair under home warranty insurance,
 - (ii) the warranty provider may bring an action at its own expense, in the name of the owner or of the warranty provider, to enforce such rights, and
 - (iii) the owner must fully support and assist the warranty provider in the pursuit of those rights if the warranty provider pursues such subrogated rights;
- (b) implied or expressed warranties or representations made by a residential builder to an owner are not binding on the warranty provider except as set out in the Act and this regulation or as set out in the applicable home warranty insurance;
- (c) an owner must permit the warranty provider or residential builder, or both, to enter the new home at all reasonable times, on the giving of reasonable notice to the owner,
 - (i) to monitor the new home or its components,

HOMEOWNER PROTECTION ACT REGULATIONPart 2 – Home Warranty Insurance and Statutory Protection

- (ii) to inspect for required maintenance,
 - (iii) to investigate complaints or claims, or
 - (iv) to undertake repairs under the home warranty insurance,
- and, if any reports are produced as a result of any of the activities referred to in subparagraphs (i) to (iv), the reports must be provided to the owner on request;
- (d) Repealed. [B.C. Reg. 126/99, s. 3.]
 - (e) an owner must provide to the warranty provider all information and documentation that the owner has available, as reasonably required by the warranty provider, in order to investigate a claim or maintenance requirement, or to undertake repairs under the home warranty insurance;
 - (f) to the extent that damage to a new home is caused by the unreasonable refusal of an owner or occupant to permit the warranty provider or residential builder access to the new home for the reasons set out in paragraph (c) or to provide the information required by paragraph (e), such damage is excluded from the home warranty insurance.
- [am. B.C. Reg. 126/99, s. 3.]

Permitted exclusions – general

- 10** (1) The following may be excluded by a warranty provider from home warranty insurance:
- (a) landscaping, both hard and soft, including plants, fencing, detached patios, planters, gazebos and similar structures;
 - (b) non-residential detached structures including sheds, garages, carports or outbuildings, or any structure or construction not attached to or forming an integral part of a multi-unit building or other new home;
 - (c) any commercial use area and any construction associated with a commercial use area;
 - (d) roads, curbs and lanes;
 - (e) subject to section 11 (m), site grading and surface drainage except as required by the building code;
 - (f) the operation of municipal services, including sanitary and storm sewer;
 - (g) septic tanks or septic fields;
 - (h) the quality or quantity of water, either from a piped municipal water supply or from a well;
 - (i) a water well but excluding equipment installed for the operation of a water well used exclusively for a new home, which equipment is considered to be part of the plumbing system for that new home for the purposes of the home warranty insurance;
 - (j) in the case of a designated heritage building that is being converted from commercial to residential use, any component of the designated heritage

building that has heritage value and does not conform with the B.C. Building Code.

- (1.1) In subsection (1) (j), “**designated heritage building**” means a building that is
- (a) a Provincial heritage site within the meaning of the *Heritage Conservation Act* or included in the Provincial heritage register under that Act, or
 - (b) protected through heritage designation or included in a heritage register under the *Local Government Act*, the *Vancouver Charter* or the *Islands Trust Act*.
- (2) The exclusions permitted by subsection (1) do not include any of the following:
- (a) a driveway or walkway;
 - (b) recreational and amenity facilities situated in, or included as the common property of, a new home;
 - (c) a parking structure in a multi-unit building;
 - (d) a retaining wall that
 - (i) an authority having jurisdiction requires to be designed by a professional engineer, or
 - (ii) is reasonably required for the direct support of, or retaining soil away from, a new home, driveway or walkway.

[am. B.C. Reg. 182/2010, Sch. s. 4.]

Permitted exclusions – defects

- 11** (1) A warranty provider may exclude any or all of the following items from home warranty insurance:
- (a) weathering, normal wear and tear, deterioration or deflection consistent with normal industry standards;
 - (b) normal shrinkage of materials caused by drying after construction;
 - (c) any loss or damage which arises while a new home is being used primarily or substantially for non-residential purposes;
 - (d) materials, labour or design supplied by an owner;
 - (e) any damage to the extent that it is caused or made worse by an owner or third party, including
 - (i) negligent or improper maintenance or improper operation by anyone other than the residential builder or its employees, agents or subcontractors,
 - (ii) failure of anyone, other than the residential builder or its employees, agents or subcontractors, to comply with the warranty requirements of the manufacturers of appliances, equipment or fixtures,
 - (iii) alterations to the new home, including the conversion of non-living space into living space or the conversion of a dwelling unit into 2 or more units, by anyone other than the residential builder or its

HOMEOWNER PROTECTION ACT REGULATIONPart 2 – Home Warranty Insurance and Statutory Protection

- employees, agents or subcontractors while undertaking their obligations under the sales contract, and
- (iv) changes to the grading of the ground by anyone other than the residential builder or its employees, agents or subcontractors;
 - (f) failure of an owner to take timely action to prevent or minimize loss or damage, including the failure to give prompt notice to the warranty provider of a defect or discovered loss or a potential defect or loss;
 - (g) any damage caused by insects or rodents and other animals, unless the damage results from non-compliance with the building code by the residential builder or its employees, agents or subcontractors;
 - (h) accidental loss or damage from acts of nature including, but not limited to, fire, explosion, smoke, water escape, glass breakage, windstorm, hail, lightning, falling trees, aircraft, vehicles, flood, earthquake, avalanche, landslide, and changes in the level of the underground water table which are not reasonably foreseeable by the residential builder;
 - (i) bodily injury or damage to personal property or real property which is not part of a new home;
 - (j) any defect in, or caused by, materials or work supplied by anyone other than the residential builder or its employees, agents or subcontractors;
 - (k) changes, alterations or additions made to a new home by anyone after initial occupancy, except those performed by the residential builder or its employees, agents or subcontractors as required by the home warranty insurance or under the construction contract or sales agreement;
 - (l) contaminated soil;
 - (m) subsidence of the land around a new home or along utility lines, other than subsidence beneath footings of a new home or under driveways or walkways;
 - (n) diminution in the value of the new home.
- (2) Subsection (1) (i) includes bodily injury, or damage to personal property, caused by mold.

[am. B.C. Reg. 360/2004, Sch. A, s. 2.]

Limits on home warranty insurance coverage

- 12** (1) If a warranty provider establishes a limit on claims under home warranty insurance, the limits must not be less than the following:
- (a) for a dwelling unit in fee simple ownership, the lesser of
 - (i) the original purchase price paid by the owner, and
 - (ii) \$200 000;
 - (b) for a dwelling unit in a strata titled or multi-unit building, the lesser of
 - (i) the original purchase price paid by the owner, and
 - (ii) \$100 000;

- (c) for the common property in a strata titled building or in a multi-unit building that is not strata titled, the least of
 - (i) the total original purchase price for all components of the multi-unit building,
 - (ii) \$100 000 times the number of dwelling units, and
 - (iii) \$2 500 000.
- (2) If a strata plan consists of a number of buildings, the limit under subsection (1) (c) applies to each building.
- (3) When calculating the cost of warranty claims in respect of the standard limits under home warranty insurance, a warranty provider may include
 - (a) the cost of repairs,
 - (b) the cost of any investigation, engineering and design required for the repairs, and
 - (c) the cost of supervision of repairs, including professional review but excluding legal costs.

[am. B.C. Reg. 126/99, s. 4.]

Home warranty insurance documentation

- 13** (1) A warranty provider must not include in home warranty insurance any provision that requires an owner
- (a) to sign a release before repairs are performed under the home warranty insurance, or
 - (b) to pay a deductible for the repair of any defect covered by the home warranty insurance.
- (2) All exclusions, as permitted by this regulation, must be stated in the home warranty insurance.
- (3) Not less than 60 days before putting into public use a new or amended document or contract form intended for use by owners and containing the terms and conditions of home warranty insurance, a warranty provider must submit the document or contract form to the registrar.
- [am. B.C. Reg. 182/2010, Sch. s. 5.]

Consequences of not providing information

- 14** (1) If coverage under home warranty insurance is conditional on an owner undertaking proper maintenance, or if coverage is excluded to the extent that damage is caused by negligence on the part of the owner with respect to maintenance or repair by the owner, such conditions or exclusions apply only to maintenance requirements or procedures which have been provided to the original owner by the residential builder or warranty provider.
- (2) To the extent that an original owner has not been provided with manufacturer's documentation or warranty information, or both, or with recommended

maintenance and repair procedures for any component of a new home, the relevant exclusion is deemed to not apply.

[am. B.C. Reg. 126/99, s. 5.]

Mandatory notice of expiry of warranty

- 15** (1) A warranty provider must, as soon as reasonably possible after the commencement date for the home warranty insurance, provide an owner with a schedule of the expiry dates for coverages under the home warranty insurance as applicable to the dwelling unit and, in the case of a dwelling unit which is part of a strata plan, the schedule must include the expiry dates of the coverages applicable to the common property.
- (2) Repealed. [B.C. Reg. 42/2024, Sch. 1, s. 18.]
[am. B.C. Reg. 42/2024, Sch. 1, s. 18.]

Notice of claim

- 16** (1) Within a reasonable time after the discovery of a defect and before the expiry of the applicable home warranty insurance coverage, an owner must give to the warranty provider and the residential builder written notice in reasonable detail that provides particulars of any specific defects covered by the home warranty insurance.
- (2) The warranty provider may require the notice under subsection (1) to include
- (a) the home warranty insurance number, and
 - (b) copies of any relevant documentation and correspondence between the owner and the residential builder.

Duty to mitigate

- 17** (1) The warranty provider may require an owner to mitigate any damage to a new home, including damage caused by defects or water penetration, as set out in the home warranty insurance.
- (2) Subject to subsection (3), for defects covered by the home warranty insurance, the duty to mitigate is met through timely notice in writing to the warranty provider.
- (3) The owner must take all reasonable steps to restrict damage to the new home if the defect requires immediate attention.
- (4) The owner's duty to mitigate survives even if
- (a) the new home is unoccupied,
 - (b) the new home is occupied by other than the owner,
 - (c) water penetration does not appear to be causing damage, or
 - (d) the owner advises the strata corporation about the defect.
- (5) To the extent that damage to a new home is caused or made worse by the failure of an owner to take reasonable steps to mitigate as set out in this section, such

damage may, at the option of the warranty provider, be excluded from home warranty insurance coverage.

Statutory protection – exclusions

- 17.1** The agreement referred to in section 23 (1) of the Act does not extend to anything that may be excluded by a warranty provided under section 10 or 11.

[en. B.C. Reg. 315/2007, s. 8.]

PART 3 – GENERAL PROVISIONS**Disclosure requirement**

- 18** (1) If a residential builder offers a dwelling unit for sale after the commencement of any associated home warranty insurance on the common property, the residential builder must disclose to prospective purchasers that the home warranty insurance on the common property is already in effect, and identify the expiry dates of the home warranty insurance.
- (2) If a residential builder fails to disclose to a person purchasing a dwelling unit from the residential builder that the associated common property home warranty insurance is already in effect, the residential builder must, at the request of that person,
- (a) release the prospective purchaser from the sale if the title has not transferred, or
 - (b) indemnify the owner against any special assessment for common property repairs such that the full benefit of the common property home warranty insurance is, in effect, applied in favour of that owner.

- 18.1** Repealed. [B.C. Reg. 29/99, s. 18.1 (4).]

Home built by owner builder

- 19** (1) An owner builder must not build a new home other than
- (a) a detached dwelling unit under one legal title, or
 - (b) a single dwelling unit in or attached to
 - (i) a pre-existing building, or
 - (ii) a new non-residential building that does not have another single dwelling unit in or attached to it.
- (2) Subject to local bylaws, the new home referred to in subsection (1) may include a secondary suite.
- (3) to (6) Repealed. [B.C. Reg. 315/2007, s. 9 (b).]
[am. B.C. Reg. 315/2007, s. 9.]

- 20** Repealed. [B.C. Reg. 315/2007, s. 10.]

Administrative penalties

- 20.1** (1) Before the registrar imposes a monetary penalty on a person, the registrar must consider the following:
- (a) previous enforcement actions under the Act for contraventions of a similar nature by the person;
 - (b) the extent of the harm, or of the degree of risk of harm, to others as a result of the contravention;
 - (c) whether the contravention was deliberate;
 - (d) whether the contravention was repeated or continuous;
 - (e) the length of time during which the contravention continued;
 - (f) any economic benefit derived by the person from the contravention;
 - (g) any attempt by the person to remedy the harm done to others as a result of the contravention.
- (2) For the purpose of section 28.3 (1) (a) of the Act, the following provisions of the Act are prescribed:
- (a) section 9 (3) [*obstruction of registrar or compliance officer*];
 - (b) section 14 (1) [*carrying on business of residential builder without licence*];
 - (c) section 14 (5) [*misrepresentation as licensed residential builder*];
 - (d) section 20.1 (1) [*sale of or offer to sell owner-built home*];
 - (e) section 21 (2) [*disclosure and security*];
 - (f) section 22 (1) [*building new home without insurance*];
 - (g) section 22 (1.1) [*sale of new home*].
- (3) For the purposes of section 28.3 (1) (a) of the Act, the following provisions of this regulation are prescribed:
- (a) section 18 (1) [*disclosure*];
 - (b) section 19 (1) [*unauthorized new home*].
- [en. B.C. Reg. 315/2007, s. 11.]

Transitional

- 21** (1) The Act and this regulation, except to the extent necessary for section 18.1 of this regulation to apply, do not apply to a home that is under construction or constructed
- (a) under a building permit applied for on or before June 30, 1999, or
 - (b) if the construction of the home did not require a building permit, beginning on or before June 30, 1999.
- (2) An owner builder, as defined before the coming into force of the *Homeowner Protection Amendment Act, 2007*, S.B.C. 2007, c. 20, may not apply for an authorization under section 20 (1) of the Act unless at least 18 months have expired since the date the owner builder, or anyone ordinarily resident with the owner

builder, first took occupancy of the most recently built new home built by that owner builder, and if the owner builder is issued an authorization under that section, the authorization is to be considered the person's second authorization for the purposes of section 4.1 (2) (c) of this regulation.

- (3) Despite any regulation made under section 33 (b) of the Act, until 90 days after the date this section comes into force, a municipality or regional district may accept as evidence for the purpose of section 30 (1) (a) (ii) of the Act an Owner Builder Declaration and Disclosure Notice in the form set out in Schedule 4 of this regulation as it was before its repeal.

[en. B.C. Reg. 203/2000, s. 3; am. B.C. Reg. 315/2007, s. 12.]

SCHEDULE 1

[am. B.C. Regs. 126/99, s. 6; 315/2007, s. 13; 182/2010, Sch. s. 6; 216/2019, s. 11.]

(section 4 (2) (2.1), (4) and (5))

FEES

- 1** The application fee for a residential builder licence is \$600.
- 2** The renewal fee for a residential builder licence is \$500.
- 2.1** The application fee for an amendment of a licence under section 14 (2.2) is \$100.
- 3** In addition to the fee payable under section 1, 2 or 2.1, a residential builder must pay a licence fee of \$40 for each dwelling unit for which home warranty insurance is provided.
- 4** In addition to the fee payable under sections 1 to 3, a residential builder must pay a reconstruction loan portfolio fee of \$750 for each new dwelling unit
 - (a) that is in a multi-unit building containing 2 or more dwelling units under separate title,
 - (b) that is located in a geographic area of British Columbia referred to in section 5 of this Schedule, and
 - (c) for which home warranty insurance is provided.
- 4.1** The application fee for an authorization under section 20 (1) of the Act is \$50.
- 4.2** The issuance fee for an authorization under section 20 (1) of the Act is \$375.
- 4.3** The application fee for a permission under section 20.1 of the Act is \$100.
- 5** The following geographic areas of British Columbia are prescribed for the purposes of section 26 of the Act:
 - (a) Capital Regional District;

- (b) Fraser Valley Regional District;
 - (c) Metro Vancouver Regional District;
 - (d) Regional District of Alberni-Clayoquot;
 - (e) Regional District of Comox-Strathcona, excluding Electoral Areas G, I and J and the villages of Gold River, Tahsis and Zeballos;
 - (f) Regional District of Cowichan Valley;
 - (g) Regional District of Nanaimo;
 - (h) Regional District of Powell River;
 - (i) Squamish-Lillooet Regional District, excluding Electoral Areas A and B and the District of Lillooet;
 - (j) Sunshine Coast Regional District.
- 6** If a fee referred to in this Schedule is overdue by 30 days, interest may be charged on the outstanding amount payable at an annual rate of 18%.

SCHEDULE 2

[am. B.C. Reg. 64/2021, s. 2.]

(section 7)

MANDATORY WARRANTY CONDITIONS

Mediation

- 1** (1) In this section:
- “mediation”** means a collaborative process in which 2 or more parties meet and attempt, with the assistance of a mediator, to resolve issues in dispute between them;
 - “mediation session”** means a meeting between 2 or more parties to a dispute during which they are engaged in mediation;
 - “mediator”** means a neutral and impartial facilitator with no decision making power who assists parties in negotiating a mutually acceptable settlement of issues in dispute between them;
 - “roster organization”** means any body designated by the Attorney General to select mediators for the purpose of this regulation.
- (2) If a dispute between a warranty provider and an owner arising under home warranty insurance cannot be resolved by informal negotiation within a reasonable time, the owner may, at the owner’s sole election, require that the dispute be referred to mediation by delivering to the warranty provider a written request to mediate.
- (3) If the owner delivers a request to mediate under subsection (2), the warranty provider and the owner must attend a mediation session in relation to the dispute.

- (4) In addition to the requirements of subsection (3), a warranty provider or an owner may invite to participate in the mediation any other party to the dispute who may be liable.
- (5) Within 21 days after the owner has delivered a request to mediate under subsection (2), the parties must, directly or with the assistance of an independent, neutral person or organization, jointly appoint a mutually acceptable mediator.
- (6) If the parties do not jointly appoint a mutually acceptable mediator within the time required by subsection (5), the owner may apply to a roster organization which must appoint a mediator taking into account
 - (a) the need for the mediator to be neutral and independent,
 - (b) the qualifications of the mediator,
 - (c) the mediator's fees,
 - (d) the mediator's availability, and
 - (e) any other consideration likely to result in the selection of an impartial, competent and effective mediator.
- (7) Promptly after a roster organization selects the mediator under subsection (6), the roster organization must notify the parties in writing of that selection.
- (8) The mediator selected by a roster organization is deemed to be appointed by the parties effective the date of the notice sent under subsection (7).
- (9) The date, time and place of the first mediation session must be scheduled by the mediator, and the first mediation session must occur within 21 days of the appointment of the mediator.
- (10) Despite subsection (3), a party may attend a mediation session by representative if
 - (a) the party is under legal disability and the representative is that party's guardian ad litem,
 - (b) the party is not an individual, or
 - (c) the party is a resident of a jurisdiction other than British Columbia and will not be in British Columbia at the time of the mediation session.
- (11) A representative who attends a mediation session in the place of a party referred to in subsection (10)
 - (a) must be familiar with all relevant facts on which the party, on whose behalf the representative attends, intends to rely, and
 - (b) must have full authority to settle, or have immediate access to a person who has full authority to settle, on behalf of the party on whose behalf the representative attends.
- (12) A party or a representative who attends the mediation session may be accompanied by counsel.

- (13) Any other person may attend a mediation session if that attendance is with the consent of all parties or their representatives.
- (14) At least 7 days before the first mediation session is to be held, each party must deliver to the mediator a statement briefly setting out
 - (a) the facts on which the party intends to rely, and
 - (b) the matters in dispute.
- (15) Promptly after receipt of all of the statements required to be delivered under subsection (14), the mediator must send each party's statement to each of the other parties.
- (16) Before the first mediation session, the parties must enter into a retainer with the mediator which must
 - (a) disclose the cost of the mediation services, and
 - (b) provide that the cost of the mediation will be paid
 - (i) equally by the parties, or
 - (ii) on any other specified basis agreed by the parties.
- (17) The mediator may conduct the mediation in any manner the mediator considers appropriate to assist the parties to reach a resolution that is timely, fair and cost-effective.
- (18) A person must not disclose, or be compelled to disclose, in any proceeding oral or written information acquired or an opinion formed, including, without limitation, any offer or admission made in anticipation of or during a mediation session.
- (19) Nothing in subsection (18) precludes a party from introducing into evidence in a proceeding any information or records produced in the course of the mediation that are otherwise producible or compellable in those proceedings.
- (20) A mediation session is concluded when
 - (a) all issues are resolved,
 - (b) the mediator determines that the process will not be productive and so advises the parties or their representatives, or
 - (c) the mediation session is completed and there is no agreement to continue.
- (21) If the mediation resolves some but not all issues, then at the request of all parties the mediator may complete a report setting out any agreements that the parties to the mediation have made as a result of the mediation, including, without limitation, any agreements made by the parties on any of the following:
 - (a) facts;
 - (b) issues;
 - (c) future procedural steps.

Transfer of warranty to subsequent purchasers

- 2** (1) Home warranty insurance pertains solely to the new home for which it provides coverage and no notice to the warranty provider is required on a change of ownership.
- (2) All of the applicable unused benefits under home warranty insurance are automatically transferred to any subsequent owner on a change of ownership.

Handling of claims

- 3** (1) A warranty provider must, on receipt of a notice of a claim under home warranty insurance, promptly make reasonable attempts to contact the owner to arrange an evaluation of the claim.
- (2) The warranty provider must make all reasonable efforts to avoid delays in responding to a claim under home warranty insurance, evaluating the claim and scheduling any required repairs.
- (3) If, following evaluation of a claim under home warranty insurance, the warranty provider determines that the claim is not valid or not covered under the home warranty insurance, the warranty provider must notify the owner of the decision in writing, setting out the reasons for the decision.
- (4) The notice under subsection (3) must also set out the rights of the parties under the third party dispute resolution process referred to in section 1 of this Schedule.
- (5) Repairs must be undertaken in a timely manner, with reasonable consideration given to weather conditions and the availability of materials and labour.
- (6) On completion of any repairs, the warranty provider must deliver a copy of the repair specifications to the owner along with a letter confirming the date the repairs were completed and referencing the repair warranty provided for in section 8 of Schedule 3.

Disclosure of claims history

- 4** (1) On receipt of an inquiry from an owner of a new home covered by home warranty insurance regarding the claims experience of that new home, a warranty provider must provide the owner with a history of claims.
- (2) The history of claims referred to in subsection (1) must include, for each claim, not less than the following information for both the dwelling unit and, if applicable, the associated common property:
- (a) the type of claim that was made;
 - (b) the resolution of the claim;
 - (c) the type of repair performed;
 - (d) the date of the repair;
 - (e) the cost of the repair.

- (3) A warranty provider may charge an owner a fee of up to \$25 to provide the history of claims.

SCHEDULE 3

[am. B.C. Reg. 315/2007, c. 14.]

(section 8)

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.

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 earliest 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 land not 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 by 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 builder 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 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.

SCHEDULE 4

Repealed. [B.C. Reg. 315/2007, s. 4.]

SCHEDULE 5

Repealed. [B.C. Reg. 29/99, s. 18.1 (4).]

SCHEDULE 6

[en. B.C. Reg. 33/2015, App. 1, s. 5.]

*(section 4.01 (2) (b))***COMPETENCY REQUIREMENTS FOR RESIDENTIAL BUILDER LICENCE****Competency requirements**

- 1** For the purposes of section 4.01 (2) (b) of this regulation, an applicant must successfully demonstrate proficiency in each area of competency set out in sections 2 to 8 of this Schedule by completing training courses in respect of the areas of competency as follows:
- (a) courses for which credit is awarded by the organizations offering the courses only after successful completion of graded examinations or assignments, and administered by
 - (i) a university as defined in the *University Act*, the *Royal Roads University Act* or the *Thompson Rivers University Act*,
 - (ii) an institution as defined in the *College and Institute Act*, or
 - (iii) an educational body of another jurisdiction, recognized by the registrar as equivalent in nature to one described in subparagraph (i) or (ii);
 - (b) courses recognized by the registrar and administered by
 - (i) a registered institution as defined in the *Private Career Training Institutions Act*,
 - (ii) the Canadian Construction Association Gold Seal Program, the Canadian Home Builders' Association of British Columbia, Independent Contractors and Business Association or the Urban Development Institute of British Columbia,
 - (iii) a local or regional association of an association listed in subparagraph (ii), or
 - (iv) an educational body or a professional organization, whether of British Columbia or another jurisdiction, recognized by the registrar as equivalent in nature to one described in subparagraph (i), (ii) or (iii).

Relevant enactments

- 2** (1) For the purposes of section 4.01 (2) (b), an applicant must successfully demonstrate an understanding of the purpose and application to residential construction of the following:
- (a) the building code;
 - (b) the British Columbia Fire Code.

- (2) For the purposes of section 4.01 (2) (b), an applicant must successfully demonstrate an understanding of how to locate provincial enactments and local government bylaws relevant to residential construction.

Construction management and supervision

- 3** (1) For the purposes of section 4.01 (2) (b), an applicant must successfully demonstrate an understanding of the principles of construction management, and the ability to carry out or supervise the following components of construction management:
- (a) project planning;
 - (b) cost estimating;
 - (c) scheduling elements of the construction process, including with respect to ensuring that
 - (i) necessary labour and materials are available when required,
 - (ii) inspections are conducted as required, and
 - (iii) financing is released when appropriate;
 - (d) procuring materials, labour and sub-contractors;
 - (e) changing the scope of the work, as requested by the prospective purchaser.
- (2) For the purposes of section 4.01 (2) (b), an applicant must successfully demonstrate an understanding of project supervision, including demonstrating an ability to do the following:
- (a) plan for contingencies arising in relation to the estimation of costs;
 - (b) manage site reporting, including with respect to inspections, quality control and contract compliance;
 - (c) manage site safety;
 - (d) manage staff and sub-contractors.

Construction technology

- 4** (1) For the purposes of section 4.01 (2) (b), an applicant must successfully demonstrate an understanding of residential construction and building science, including with respect to all of the following:
- (a) building durability;
 - (b) the control of heat and moisture flow;
 - (c) air and vapour barriers, foundations, floors, roofs, attics, walls, windows, doors and other building envelope features;
 - (d) mechanical systems for heating, cooling and ventilation;
 - (e) structural components.
- (2) For the purposes of section 4.01 (2) (b), an applicant must successfully demonstrate an understanding of how geographical and geological features, including climate and soil conditions, affect residential construction.

Customer service and home warranty insurance

- 5** (1) For the purposes of section 4.01 (2) (b), an applicant must successfully demonstrate an understanding of how to manage and maintain positive customer relations.
- (2) For the purposes of section 4.01 (2) (b), an applicant must successfully demonstrate an understanding of how to develop and implement a customer service plan, including with respect to
- (a) ensuring adequate communication with customers during residential construction,
 - (b) transferring the home to the customer on completion of residential construction, including
 - (i) inspecting the home with the customer,
 - (ii) completing home warranty insurance commencement records, and
 - (iii) informing the customer about the operation of systems within the home and the maintenance of the home, and
 - (c) responding to defects identified under a home warranty insurance policy and carrying out contractual obligations with respect to resolving those defects.

Financial planning and budget management

- 6** For the purposes of section 4.01 (2) (b), an applicant must successfully demonstrate an understanding of financial planning and budget management, including the following:
- (a) basic accounting practices;
 - (b) construction financing and credit arrangements;
 - (c) contingency planning for after-sales service.

Legal issues

- 7** (1) For the purposes of section 4.01 (2) (b), an applicant must successfully demonstrate an understanding of the legal issues that may arise with respect to residential construction, including with respect to the following:
- (a) contract and consumer protection law;
 - (b) the land registry;
 - (c) obligations respecting insurance, including home warranty insurance;
 - (d) builder liability;
 - (e) the Act and the *Builders Lien Act*;
 - (f) dispute resolution mechanisms.
- (2) For the purposes of section 4.01 (2) (b), an applicant must successfully demonstrate an understanding of how provincial enactments and local government bylaws may affect residential construction, including with respect to

- (a) requirements for permits, inspections and approvals,
- (b) limits or conditions on development, design, construction, size, siting, occupancy, form, character or other matters, and
- (c) regulatory requirements or prohibitions with respect to health, the environment, energy performance or other matters.

Business planning, management and administration

- 8** For the purposes of section 4.01 (2) (b), an applicant must successfully demonstrate an understanding of strategic business planning, management and administration.

SCHEDULE 7

[en. B.C. Reg. 33/2015, App. 1, s. 5; am. B.C. Reg. 38/2019, App. B.]

(section 4.03 (1))

**CONTINUING PROFESSIONAL DEVELOPMENT FOR
RESIDENTIAL BUILDER LICENCE HOLDERS**

Continuing professional development

- 1** For the purposes of section 4.03 (1) of this regulation, a residential builder licence holder or nominee must complete continuing professional development in accordance with section 2 of this Schedule.

Requirements

- 2** (1) A residential builder licence holder or a single nominee of a residential builder licence holder must complete, during the term of the residential builder licence, a minimum of 20 points of continuing professional development in accordance with subsection (2).
- (2) For the purposes of subsection (1), a residential builder licence holder or nominee may claim one point after completing
- (a) one half hour of formal learning, being attendance and participation in a structured course or training session
 - (i) offered by an organization described in section 5,
 - (ii) that has as its primary purpose training in an area of competency described in Schedule 6 or in business ethics, and
 - (iii) for which credit is awarded by the organization offering the course or session only after successful completion of a graded examination or assignment, or
 - (b) one hour of informal learning, being
 - (i) attendance at a conference, seminar or workshop relevant to the construction industry, or a meeting of a professional or construction industry association, if the primary purpose of the conference,

seminar, workshop or meeting is to provide training in an area of competency described in Schedule 6 or in business ethics,

- (ii) participation in the development of research or education relevant to residential construction,
- (iii) training provided by a supplier of a material or product used in residential construction, if the primary purpose of the training is to demonstrate or train in the proper use or application of the material or product, or
- (iv) training provided by employers, if the primary focus of the session is to train in an area of competency described in Schedule 6 or in business ethics.

Carryover of points

- 2.1** (1) If a residential builder licence holder or single nominee of a residential builder licence holder, in accordance with section 2, completes more than 20 points of continuing professional development during the term of the residential builder licence, the residential builder licence holder or nominee may, if the licence is renewed for a term immediately following the term in which the points are completed, claim the points that are over 20 points, up to a maximum of 20 points, for the purpose of meeting the requirements of section 2 for the term of the licence immediately following the term in which the points are completed.
- (2) Subsection (1) does not apply to a residential builder licence holder or nominee who, in accordance with section 2, completes more than 20 points of continuing professional development during the term of the residential builder licence if
- (a) the licence is renewed for a term immediately following the term in which the points are completed, and
 - (b) during the term immediately following the term in which the points are completed,
 - (i) in the case of the residential builder licence holder, the licence is cancelled, or
 - (ii) in the case of the nominee, the nominee ceases to be a nominee of the residential builder licence holder.

3 and 4 Repealed. [B.C. Reg. 38/2019, App. B, s. 1 (c).]

Organizations

- 5** The organizations for the purposes of section 2 (2) (a) (i) are as follows:
- (a) a body listed or recognized under section 1 (a) or (b) of Schedule 6;
 - (b) an organization that, under the authority of an enactment, regulates a profession.