

**Caution:**

*This consultation draft is intended to facilitate dialogue concerning its contents. Should the decision be made to proceed with the proposal, the comments received during consultation will be considered during the final preparation of the regulation. The content, structure, form and wording of the consultation draft are subject to change as a result of the consultation process and as a result of review, editing and correction by the Office of Legislative Counsel.*

CONSULTATION DRAFT

**ONTARIO REGULATION**

made under the

**CONDOMINIUM MANAGEMENT SERVICES ACT, 2015**

**COMPLAINTS, INSURANCE AND OTHER REQUIREMENTS**

COMPLAINTS

**Notice to principal condominium manager**

**1.** If the registrar makes a written request for information from a licensee under subsection 57 (1) of the Act, the registrar shall give a copy of the request to,

- (a) the principal condominium manager of the condominium management provider, if the registrar requested the information from the provider; and
- (b) the principal condominium manager of the condominium management provider that employs the condominium manager, if the registrar requested the information from the condominium manager.

**Notice of action taken**

**2.** If the registrar takes any action described in paragraphs 1 to 7 of subsection 57 (4) of the Act in respect of a complaint against a licensee, the registrar shall give written notice of the action to,

- (a) the principal condominium manager of the licensee, if the licensee is a condominium management provider;
- (b) the licensee and the principal condominium manager of the condominium management provider that employs the licensee, if the licensee is a condominium manager employed by a condominium management provider; and
- (c) the licensee and the board of directors of the client, if the licensee is a condominium manager employed directly by a condominium corporation.

**Obstruction prohibited**

3. A licensee shall not obstruct, interfere with or hinder any person from,

- (a) making a complaint to the registrar about a licensee; or
- (b) providing information that the person is authorized to provide to the registrar, the director, a condominium corporation, the board of a condominium corporation or a condominium management provider, relating to,
  - (i) the conduct of a licensee, or
  - (ii) the potential contravention or failure by any person to comply with the Act or the regulations made under the Act.

**INSURANCE****Insurance**

4. (1) Every licensed condominium management provider shall maintain errors and omissions insurance that includes coverage for every condominium manager that the provider employs.

(2) Every licensed condominium management provider shall maintain fidelity insurance, including against losses arising from dishonesty of condominium managers that the provider employs or of other employees, directors and officers of the provider.

(3) If requested by the registrar, a licensed condominium management provider shall provide the registrar with any information about the provider's insurance coverage required under subsections (1) and (2).

(4) Before entering into a contract for condominium management services with a client, a licensed condominium management provider shall provide certificates of insurance for the insurance required under subsections (1) and (2) to the client that include details, in each case, of,

- (a) the type and amount of the insurance coverage;
- (b) the insurer;
- (c) the policy number for the insurance; and
- (d) the commencement date and the expiry date of the insurance.

(5) A licensed condominium management provider shall notify the provider's client in writing of the cancellation, termination or any other material changes to the provider's insurance coverage as required under subsections (1) and (2), within 30 days after the changes take effect.

#### OTHER REQUIREMENTS

##### **Disclosures by licensees**

**5.** (1) Before entering into a contract for condominium management services with a client, a licensee shall disclose in writing to the client,

- (a) a description of the condominium management services that the licensee reasonably believes may be appropriate to meet the needs of the client, based on the description of those needs that the client gives to the licensee;
- (b) if applicable, a description of the services, other than condominium management services, that the licensee reasonably believes may be more appropriate than condominium management services to meet the needs of the client, based on the description of those needs that the client gives to the licensee;
- (c) a description of the services and associated costs that the licensee would provide under the contract;
- (d) a statement whether any services, discounts or other benefits provided by the licensee to the client are contingent on the client continuing to purchase one or more services from the licensee or from an interested person in respect of a licensee;
- (e) if applicable, any material interest that the licensee or an interested person in respect of the licensee has in another business that is offering or could reasonably be expected to offer services to the client; and
- (f) if applicable, any direct or indirect financial benefit that the licensee or an interested person in respect of the licensee may receive from another person in connection with providing condominium management services to the client.

(2) For the purposes of subsection (1), a person shall be deemed to be an interested person in respect of another person if the person is associated with the other person or if, in the opinion of the registrar,

- (a) the person has or may have a beneficial interest in the other person's activities;
- (b) the person exercises or may exercise control either directly or indirectly over the other person; or

- (c) the person has provided or may have provided financing either directly or indirectly to the other person's activities.

(3) Before entering into a contract for condominium management services with a client, a licensee shall disclose in writing to the client and any other affected client of the licensee that the following circumstances exist, if they exist:

1. The client and the other client are parties to the same outstanding litigation.
2. The client and the other client share in or have agreed to share in the provision, use, maintenance, repair, insurance, operation or administration of the same land, same part of a property, same assets of a condominium corporation or same facilities or services.

(4) In subsection (3),

“property” has the same meaning as in the *Condominium Act, 1998*.

(5) If, during the course of providing condominium management services, a licensee becomes aware that any of the matters described in clause (1) (e) or (f) or any of the circumstances described in subsection (3) have arisen, the licensee shall disclose the occurrence of the event to the client in writing as soon as reasonably possible after becoming aware of the occurrence of the event.

### **Client records**

6. A licensee who holds records on behalf of a client shall,

- (a) ensure that the records are maintained securely, accurately, and with care and due regard for the client's obligations under section 55 of the *Condominium Act, 1998*;
- (b) upon request by the client, make the records available for inspection by the client as soon as reasonably possible; and
- (c) at the request of a client, transfer to the client any records held by the licensee, or a copy of the records, as soon as reasonably possible.

### **Supervision**

7. A licensed condominium management provider shall ensure an adequate level of supervision for condominium managers whom the provider employs and who hold a limited licence under Ontario Regulation 123/17 (General) made under the Act.

**COMMENCEMENT**

**Commencement**

**8. [Commencement].**