



The Alberta New Home Warranty Program

Insurance coverage provided by:

The New Home Warranty Insurance (Canada) Corporation

HOME WARRANTY INSURANCE POLICY

COVERAGE COMMENCEMENT DATE:	
POLICY NUMBER:	
INSURED:	
RESIDENTIAL BUILDER:	
MUNICIPAL ADDRESS OF NEW HOME:	
LEGAL DESCRIPTION OF NEW HOME:	
PREMIUM:	

Please read this Policy carefully as it contains important information about your home warranty insurance coverage.

This Policy contains a clause which may limit the amount payable.

A. DEFINITIONS

In this Policy, the following terms have the following meanings:

- (a) "Accredited Representative" means a person or entity with designated authority to act for matters specified by the Warranty Provider on behalf of the Warranty Provider, and may include the Residential Builder;
- (b) "Act" means the *New Home Buyer Protection Act*;
- (c) "Building Envelope" means the collection of components that separate conditioned space from unconditioned space, the exterior air or the ground, or that separate conditioned spaces intended to be conditioned to temperatures differing by more than 10°C at design conditions;
- (d) "Claims Assessment Report" means that written document issued by the Warranty Provider and setting out the Warranty Provider's assessment decision with respect to the Claim;
- (e) "Common Facilities" means:
 - (i) property managed by a condominium corporation pursuant to its bylaws; and
 - (ii) a unit in a building described in a condominium plan, or any portion of the unit, that includes all or part of one or more of:
 - (A) the Building Envelope;
 - (B) a Delivery and Distribution System that serves two or more units;
 - (C) a load-bearing part;

- (D) any Common Property as defined in section 14(1)(a) of the *Condominium Property Act*; and
- (E) any area subject to an easement in favour of another unit;

whether or not that unit or portion of a unit is intended for residential occupancy;
- (f) "Common Property" means so much of the parcel as is not comprised in a unit shown in a condominium plan, but does not include land shown on the condominium plan that has been provided for the purposes of roads, public utilities and reserve land under Part 17 of the *Municipal Government Act*;
- (g) "Defect" or "Defects" means any design, construction, or material used in the construction of, Reconstruction of, or the components of the New Home discovered after the commencement of the warranty coverage and are captured under this Policy that:
 - (i) are contrary to the Alberta Building Code;
 - (ii) require repair or replacement due to the negligence of the Residential Builder or those it is legally responsible for;
 - (iii) constitute an unreasonable health or safety risk; or
 - (iv) have resulted in material damage to the New Home;
- (h) "Defects in the Building Envelope" means Defects that result in the failure of the Building Envelope to perform its intended function;
- (i) "Delivery and Distribution Systems" include electrical, gas, plumbing, heating, ventilation and air-conditioning systems to which the *Safety Codes Act (Alberta)* applies and any other systems prescribed as Delivery and Distribution Systems including:
 - (i) private sewage disposal systems that:
 - (A) serve a single property;
 - (B) are designed to receive no more than 25 m³ of sewage each day; and
 - (C) are designed to dispose of sewage either on the property that the system serves or in a holding tank; and
 - (ii) all components of a Delivery and Distribution System in the New Home that are:
 - (A) present on the Commencement Date of this Policy; and
 - (B) installed during construction by the Residential Builder of the New Home;but excluding any fixtures and appliances that are attached to a Delivery and Distribution System and that are subject to a manufacturer's warranty;
- (j) "Extended Building Envelope Coverage" means optional additional warranty insurance coverage for Defects in the Building Envelope for an additional 2 year period;
- (k) "Homeowner Portal" means the internet account held by the Insured with the Warranty Provider at the web address www.anhwp.com/homeowner;
- (l) "Multiple Family Dwelling" means a building containing 2 or more dwelling units;

- (m) "New Home" means a building, or a portion of a building, that is newly constructed or that is being constructed and is intended for residential occupancy and in respect of which the protection period has not expired, and includes:
- (i) a self-contained dwelling unit that:
 - (A) is detached;
 - (B) is attached to one or more other self-contained dwelling units; or
 - (C) includes a secondary suite;
 - (ii) Common Property, Common Facilities and other assets of a condominium corporation;
 - (iii) any building or portion of a building that is of a class prescribed as a class of New Home to which the Act applies;
 - (iv) a building that is intended for residential occupancy and that is a Reconstruction; and
 - (v) a manufactured home;
- but does not include a hotel, motel, dormitory, care facility, relocatable work camp or any building exempted by the Regulations from the definition of New Home;
- (n) "Owner Builder" means an individual who builds or intends to build a New Home for personal use with a valid authorization issued by the Registrar and includes any builder prescribed as an Owner Builder to which the Act applies;
- (o) "Reconstruction" means a change, addition, alteration or repair to a building that is intended for residential occupancy and that is a building where after a change, alteration or repair to the building, at least 75% of the enclosed square footage of the building above the foundation at the completion of the change, alteration or repair is new. For clarity, a change, addition, alteration or repair to a building's surfaces, fixtures or decorations is not a Reconstruction for the purposes of this Policy;
- (p) "Recorded Mail" means a form of document delivery by mail or courier in which receipt of the document must be acknowledged in writing as specified in Part 11: Service of Documents in the *Alberta Rules of Court* (AR 124/2010);
- (q) "Residential Builder" means a person who engages in, arranges for or manages all or substantially all of the construction or Reconstruction of a New Home, or agrees to do any of those things, and includes a general contractor, but does not include an Owner Builder;
- (r) "Structural Defect" or "Structural Defects" means any Defect in the materials, labour and design that results in the failure of a load-bearing part of the New Home and any Defect that causes structural damage that materially and adversely affects the use of the New Home for residential occupancy;
- (s) "Warranty Provider" means The New Home Warranty Insurance (Canada) Corporation.

B. WARRANTY INSURANCE COVERAGE

The Warranty Provider agrees to the repair or replacement of Defects and Structural Defects in the New Home in accordance with the terms and conditions of this Policy.

In the event of Reconstruction, the warranty insurance coverage provided in this Policy applies to all elements of the New Home, including those areas retained or not reconstructed.

The Warranty Provider is not responsible for any warranty other than the warranty insurance coverage provided by this Policy.

C. INSURANCE POLICY TERMS

The Warranty Provider shall only be liable to the Insured to the extent set out in this Policy.

In the event the Warranty Provider is obligated to repair or replace a Defect or Structural Defect, the Warranty Provider shall determine the reasonable costs associated with the repair or replacement of such Defect or Structural Defect. Notwithstanding the foregoing, the Warranty Provider may elect to provide financial compensation to the Insured, up to the Policy limit, in an amount equal to the cost of repair or replacement of such Defect or Structural Defect less any mitigation expenses, additional living expenses, costs of any investigation, engineering and design required for the repairs, and costs of adjusting and supervision of repairs (including professional review) paid by the Warranty Provider in lieu of actual repair or replacement of such Defect or Structural Defect.

In the event financial compensation is provided to the Insured in lieu of repair or replacement of a Defect or Structural Defect, the Warranty Provider will have no further liability for the Defect or Structural Defect or any consequential damages arising from the Defect or Structural Defect for which financial compensation was paid.

D. COVERAGE EXCLUSIONS AND EXEMPTIONS

The following are excluded or exempt from the warranty insurance coverage:

- (a) any non-residential use area and any construction or Reconstruction associated with a non-residential use area;
- (b) site grading and surface drainage except as required by a building code, and not including subsidence beneath footings of a home or under driveways or walkways;
- (c) utility services;
- (d) septic tanks and septic or absorption fields, unless constructed or otherwise provided by the Residential Builder;
- (e) home appliances, including but not limited to, refrigerators, stoves, ovens, garbage disposal units, dishwashers, microwaves, clothing washers, clothing dryers and freezers;
- (f) water wells, except equipment installed for the operation of the water well where the equipment is part of a Delivery and Distribution System;
- (g) the quality or quantity of water from a municipal water supply, a water well or any other source;
- (h) any component of a Registered Historic Resource or Provincial Historic Resource that is being converted from commercial to residential use, where that component has been exempted from the application of any provision contained in any building code pursuant to Section 51 of the *Historical Resources Act*;
- (i) designs, materials or labour supplied by anyone other than the Residential Builder or the employees, agents or subcontractors of a Residential Builder, but not including any designs, material or labour retained by the Residential Builder or by an Owner Builder in a Reconstruction; and
- (j) detached parking garages, detached amenity buildings, detached recreation facilities and detached swimming pools are exempt from the definition of a New Home and warranty insurance coverage.

E. LOSS OR DAMAGE EXCLUSIONS

Any loss or damage resulting from the following is excluded from home warranty insurance coverage:

- (a) contractual related issues between the Insured and the Residential Builder;
- (b) weathering, normal wear and tear, deterioration or deflection consistent with normal industry standards;
- (c) normal shrinkage of materials caused by drying after construction;
- (d) substantial use of the residence for non-residential purposes;
- (e) negligent or improper maintenance or improper operation of the New Home or anything in the New Home by anyone other than the Residential Builder or its employees, agents or subcontractors;
- (f) alterations to the New Home by anyone other than the Residential Builder or its employees, agents or subcontractors;
- (g) changes to the grading of the ground by anyone other than the Residential Builder, or its employees, agents or subcontractors;
- (h) insects, rodents or other animals, unless the damage results from non-compliance with a building code by the Residential Builder or its employees, agents or subcontractors;
- (i) acts of nature;
- (j) bodily injury, disease, illness or death resulting from any cause;
- (k) damage to personal property or real property that is not part of a New Home;
- (l) contaminated soil, except where supplied by or through the Residential Builder and the Residential Builder knew or ought to have known that the soil was contaminated;
- (m) subsidence of the land around a New Home or along utility lines, not including subsidence beneath footings of a New Home or under driveways or walkways;
- (n) diminished value of a New Home or any component of a New Home;
- (o) deficiencies that have been agreed to between a Residential Builder and the Insured prior to or at the time of possession;
- (p) defects that have been caused or substantially contributed to by a change that is material to the risk and is within the control and knowledge of the Insured;
- (q) fire, explosion, smoke, flooding or sewer back-up;
- (r) loss of income or opportunity;
- (s) loss of enjoyment, use or benefit of the New Home;
- (t) inconvenience or distress to the owner; and
- (u) any professional fees, including legal, consulting or medical costs.

F. POLICY TERMINATION

The Warranty Provider may only terminate this Policy before coverage begins by giving the Residential Builder 15 days' notice of termination by Recorded Mail or 5 days' written notice of termination personally delivered. Notwithstanding anything contained herein, the 15-day period starts to run on the day the notice is sent by Recorded Mail or notification of it is delivered to the Residential Builder's postal address.

In the event the Warranty Provider terminates this Policy:

- (a) the Warranty Provider must refund the excess of premium actually paid by the Residential Builder over the prorated premium for the expired time; and
- (b) the refund must accompany the notice unless the premium is subject to adjustment or determination as to amount, in which case the refund must be made as soon as practicable.

G. TRANSFER OF WARRANTY INSURANCE COVERAGE

In accordance with Policy Condition K.(g), the Warranty Provider acknowledges and agrees that no notice to the Warranty Provider is required upon transfer of title of the New Home to a subsequent homeowner or, in the case of Common Property or Common Facilities, a change in the condominium corporation.

The remaining coverage under this policy shall be automatically transferred to the subsequent owner or condominium corporation, as applicable, subject to the terms and conditions of this policy, at which point such subsequent owner or condominium corporation shall be considered the Insured and shall be bound to comply with all obligations of the Insured and be subject to all provisions of this policy.

Whether or not it is disclosed to a subsequent Insured by the Insured and notwithstanding any other provision of this Policy, prior actions or obligations of the Insured shall be binding upon any subsequent Insured and, in particular, any previous acts, omissions, defaults, or agreements of any kind made by the Insured with the Residential Builder or the Warranty Provider shall be binding upon any subsequent Insured.

H. INSURED OBLIGATIONS

The Insured shall:

- (a) adhere to all timelines outlined in this policy;
- (b) notify the Warranty Provider of any change in the Municipal Address and/or the Legal Description of the New Home in accordance with section J below;
- (c) with the exception of Policy Condition K.(c) regarding mitigation, the Insured will not undertake any unilateral action or remedy regarding the repair or replacement of any Defect or Structural Defect without the specific prior written consent of the Warranty Provider; and
- (d) further to Policy Condition K.(d) regarding entry and control, when necessary, allow the Warranty Provider or their Accredited Representatives access to the New Home for the purpose of assessing, repairing and/or replacing any Defect or Structural Defect, Monday through Friday, excluding statutory holidays, from 8:00 am to 5:00 pm, or at an alternate time as mutually agreed between the Warranty Provider or their Accredited Representatives and the Insured.

The Warranty Provider shall be subrogated, with respect to any payment made to repair a Defect or Structural Defect, to all the rights of recovery of the Insured against any person who may be responsible for the Defect or Structural Defect and may bring an action in the name of the Insured to enforce those rights. The Insured shall cooperate with the Warranty Provider and do whatever is necessary to secure and exercise those rights.

I. CLAIM ASSESSMENT AND DISPUTES

In the event the Insured considers a Defect or Structural Defect exists, the Insured must complete and submit a Request for Assistance (the "Claim") through the Homeowner Portal or in writing to the Warranty Provider either electronically or by mail.

The Warranty Provider will make all reasonable efforts to avoid delays in responding to a Claim, inspection of the Defects identified in the Claim, and scheduling any required repairs.

Upon receipt of the notice of Claim, the Warranty Provider shall promptly make reasonable attempts to contact the Insured and arrange an inspection, to be completed by the Warranty Provider or its Accredited Representatives.

After completion of the inspection, but prior to the release of the Claims Assessment Report, a deductible fee will be requested and payable by the Insured.

The amount of the deductible fee payable by the Insured is:

- (a) for claims related to the Common Property, Common Facilities and other assets of a condominium corporation:
 - (i) \$100.00, not including applicable taxes, for claims relating to Defects in the material and labour not related to Delivery and Distribution Systems; and
 - (ii) \$500.00, not including applicable taxes, for all other claims; and
- (b) for all other claims, \$50.00, not including applicable taxes.

The Warranty Provider will issue a Claims Assessment Report in a reasonable time after the inspection setting out its assessment decision in respect of the Defects identified in the Claim. The Claims Assessment Report will also set out the dispute resolution process available to the Insured.

Every action or proceeding against the Warranty Provider for the recovery of insurance money payable under the contract is absolutely barred unless commenced within the time set out in the *Insurance Act*.

If it is determined that repairs of the Defects are to be completed, the repairs will be completed by the Warranty Provider or its Accredited Representatives in a timely manner, with reasonable consideration given to weather conditions and the availability of materials and labour.

The Warranty Provider or its Accredited Representatives may conduct inspections of the Defect repairs until any and all repairs have been completed to the Warranty Provider's satisfaction.

In the event the Insured desires to have the decision in the Claims Assessment Report reviewed, the Insured may elect to proceed with the dispute resolution process set out in Policy Condition K.(f).

J. NOTICE

Unless indicated otherwise in this policy, any notice which may be or is required to be given under this policy must be given in writing and may be delivered in person, sent by registered mail postage prepaid or by courier, or delivered electronically either by electronic communication or to the Warranty Provider Homeowner Portal and shall be addressed:

If to the Insured:

Attention: Homeowner
Email:
Facsimile:

If to the Warranty Provider:

The New Home Warranty Insurance (Canada) Corporation
c/o The Alberta New Home Warranty Program
301, 30 Springborough Boulevard SW
Calgary, Alberta, T3H 0N9
Attention: Contact Centre
Email: contactcentre@anhwp.com
Facsimile: (403) 253-5062
Homeowner Portal Address: www.anhwp.com/homeowner

Any notice shall be conclusively deemed to have been given or made on the day upon which such notice is delivered, or if mailed, then on the third business day following the date of the mailing as the case may be, provided that in the case of interruption in the ordinary postal service, any notice given hereunder shall be delivered and not mailed. The parties shall give notice in writing of any change of municipal address or email address, and from and after the giving of such notice, the municipal address or email address therein specified shall be deemed to be the municipal address or email address of the parties for the giving of notices hereunder.

K. POLICY CONDITIONS

In these Policy Conditions, unless the context otherwise requires "Insured" means a person insured by the Home Warranty Insurance Policy whether named in the Home Warranty Insurance Policy or not.

(a) REQUIREMENTS AFTER DISCOVERY OF DEFECT

Within a reasonable time after the discovery of a Defect in a New Home, the Insured must, if the Defect is covered by the Policy, give notice of the Defect in reasonable detail to the Warranty Provider.

The Warranty Provider may require that the notice from the Insured be in writing.

(b) WHO MAY GIVE NOTICE AND PROOF

Notice of a Defect under Policy Condition (a) may be given:

- (i) by the agent of the Insured if:
 - (A) the Insured is absent or unable to give the notice or make the proof; and
 - (B) the absence or inability is satisfactorily accounted for; or
- (ii) by any person who has an insurable interest in the New Home, if the named Insured fails or refuses to do so, or in the circumstances described in clause (i) of this Condition.

(c) MITIGATION

In the event of loss or damage to a New Home resulting from a Defect, the Insured must take all reasonable steps to prevent further loss or damage to the New Home as a result of the Defect.

The Warranty Provider must pay to the Insured all reasonable and proper expenses incurred in connection with steps taken by the Insured under this Condition.

(d) ENTRY AND CONTROL

After a Defect has been reported to the Warranty Provider, the Warranty Provider has an immediate right of access and entry to the New Home by itself and by its Accredited Representatives, who may include the Residential Builder, sufficient to:

- (i) enable them to determine if a Defect exists;
- (ii) make an estimate of the repairs required to rectify the Defect; and
- (iii) make the repairs necessary to rectify the Defect.

(e) MATERIAL CHANGE IN RISK

The Insured must promptly give notice in writing to the Warranty Provider or its agent of any change that is:

- (i) material to the risk; and
- (ii) within the control and knowledge of the Insured.

The Warranty Provider may require that the notice from the Insured be in writing.

(f) **IN CASE OF DISAGREEMENT**

In the event of disagreement as to whether a Defect exists, the nature and extent of the repairs or replacements required, the adequacy of repairs or replacements made or the amount of loss or damage, those questions must be determined using the applicable dispute resolution process set out in section 519 of the *Insurance Act* whether or not the Insured's right to recover under the Home Warranty Insurance Policy is disputed, and independently of all other questions.

There is no right to a dispute resolution process under this Condition until:

- (i) a specific demand is made for it in writing; and
- (ii) the proof of loss has been delivered to the Warranty Provider.

(g) **TRANSFER OF TITLE**

If title to the New Home is transferred at any time during the protection period, the Home Warranty Insurance Policy is transferred to the new owner and the new owner is deemed to have given good and valuable consideration to the Warranty Provider under the Home Warranty Insurance Policy.

(h) **ADDITIONAL LIVING EXPENSES**

If a New Home is uninhabitable as a result of a Defect or during the rectification of a Defect, then reasonable living expenses incurred by the Insured will be payable by the Warranty Provider to the Insured to a maximum of \$150.00 per day or such greater amount as may be established from time to time by the Superintendent of Insurance.

The total amount payable under this Condition shall not exceed \$15,000.00 for each period of time the home is uninhabitable while warranty coverage is in effect.

(i) **WARRANTY OF REPAIRS OF DEFECTS**

All repairs and replacements made to rectify Defects are warranted against Defects in materials and labour until the later of the first anniversary of the date of completion of the repair or replacement and the expiry of coverage for that type of Defect under the Home Warranty Insurance Policy.

If an Insured accepts payment from the Warranty Provider in lieu of repairs or replacements to rectify a Defect, then no further warranty coverage applies to the Defect covered by the payment.

(j) **NOTICE**

Written notice to the Warranty Provider may be delivered, or sent by Recorded Mail, to the head office of the Warranty Provider in the province.

Written notice to the Insured may be personally delivered, or sent by Recorded Mail addressed, to the address of the New Home covered by the Home Warranty Insurance Policy.

L. WARRANTY INSURANCE COVERAGE AND POLICY LIMITS**(a) Detached Single Self-Contained Dwelling Unit**

The following warranty insurance coverage and Policy limits apply to a New Home that is a detached single self-contained dwelling unit:

PROTECTION PERIOD OF WARRANTY INSURANCE COVERAGE

The 10-year period beginning on the earlier of:

- (i) the date a New Home is first occupied;
- (ii) the date an accredited agency, accredited municipality, or accredited regional services commission grants permission to occupy a New Home; and
- (iii) the date that the transfer of title to the New Home is registered.

WARRANTY INSURANCE COVERAGE

The warranty insurance coverage for this type of New Home provides for the following repair or replacement of Defects or Structural Defects:

- (i) Defects in materials and labour for a period of at least one year starting on the date on which the coverage begins;
- (ii) Defects in materials and labour related to Delivery and Distribution Systems for a period of at least 2 years starting on the date on which the coverage begins;
- (iii) Defects in the Building Envelope for a period of at least 5 years starting on the date on which the coverage begins;
- (iv) Defects in the Building Envelope for a period of at least 7 years starting on the date on which the coverage begins, if Extended Building Envelope Coverage has been purchased; and
- (v) Structural Defects for a period of at least 10 years starting on the date on which the coverage begins.

POLICY LIMITS

- (i) Subject to (iii), the aggregate limit of liability of the Warranty Provider, with respect to the New Home if constructed by a Residential Builder, is the lesser of:
 - (A) the original purchase price paid to the Residential Builder; and
 - (B) \$265,000.00,not including land value, interest and costs.
- (ii) Subject to (iii), the aggregate limit of liability of the Warranty Provider, with respect to the New Home if constructed by an Owner Builder, is the lesser of:
 - (A) the appraised value of the New Home at the time of commencement coverage; and
 - (B) \$265,000.00,not including land value, interest and costs.

- (iii) The aggregate limit of liability of the Warranty Provider set out in (i) and (ii) includes any and all:
 - (A) costs of the repair or replacement of the Defect or Structural Defect;
 - (B) mitigation expenses paid by the Warranty Provider to the Insured;
 - (C) additional living expenses paid by the Warranty Provider to the Insured;
 - (D) costs of any investigation, engineering and design required for the repairs; and
 - (E) costs of adjusting and supervision of repairs, including professional review.
- (b) **Single Self-Contained Dwelling Unit in a Condominium or Multiple Family Dwelling with Warrantable Common Property or Common Facilities**

The following warranty insurance coverage and Policy limits apply to a New Home that is a single self-contained dwelling unit in a condominium or Multiple Family Dwelling with warrantable Common Property or Common Facilities:

PROTECTION PERIOD OF WARRANTY INSURANCE COVERAGE

The commencement of coverage beginning on the earlier of:

- (i) the date a New Home is first occupied; and
- (ii) the date an accredited agency, accredited municipality, or accredited regional services commission grants permission to occupy a New Home.

WARRANTY INSURANCE COVERAGE

The warranty insurance coverage for this type of New Home provides for the following repair or replacement of Defects. For clarity, the warranty insurance coverage does not include the Common Property or Common Facilities:

- (i) Defects in the materials and labour for a period of at least one year starting on the date on which the coverage begins; and
- (ii) Defects in materials and labour in Delivery and Distribution Systems for a period of at least 2 years starting on the date on which the coverage begins.

POLICY LIMITS

- (i) Subject to (ii), the aggregate limit of liability of the Warranty Provider is the lesser of:
 - (A) the original price paid to the Residential Builder; and
 - (B) \$130,000.00,not including land value, interest and costs.
- (ii) The aggregate limit of liability of the Warranty Provider set out in (i) includes any and all:
 - (A) costs of the repair or replacement of the Defect or Structural Defect;
 - (B) mitigation expenses paid by the Warranty Provider to the Insured;
 - (C) additional living expenses paid by the Warranty Provider to the Insured;

- (D) costs of any investigation, engineering and design required for the repairs; and
- (E) costs of adjusting and supervision of repairs, including professional review.

(c) **Common Property and Common Facilities in a Condominium or a Multiple Family Dwelling**

The following warranty insurance coverage and Policy limits apply to Common Property and Common Facilities for which a condominium corporation is responsible in a condominium or a Multiple Family Dwelling:

PROTECTION PERIOD OF WARRANTY INSURANCE COVERAGE

The 10-year period beginning when:

- (i) the title to an inhabitable unit in the building or in a building in a phase of development of a condominium is transferred from the Residential Builder to a purchaser of a unit in an arm's length transaction; and
- (ii) the Residential Builder has entered into an agreement with a qualified person to have the qualified person prepare a building assessment report for the building or for the phase of development within 180 days of the transfer of title described in (i).

WARRANTY INSURANCE COVERAGE

The warranty insurance coverage provides for the repair or replacement of Defects or Structural Defects in the Common Property and Common Facilities for which a condominium corporation is responsible as follows:

- (i) Defects in materials and labour for a period of at least one year starting on the date on which the coverage begins;
- (ii) Defects in materials and labour related in Delivery and Distribution Systems for a period of at least 2 years starting on the date on which the coverage begins;
- (iii) Defects in the Building Envelope for a period of at least 5 years starting on the date on which the coverage begins;
- (iv) Defects in the Building Envelope for a period of at least 7 years starting on the date on which the coverage begins, if Extended Building Envelope Coverage has been purchased; and
- (v) Structural Defects for a period of at least 10 years starting on the date on which the coverage begins.

POLICY LIMITS

- (i) Subject to sections (ii) and (iii), the aggregate limit of liability of the Warranty Provider is the lesser of:
 - (A) \$130,000.00 times the number of self-contained dwelling units in the same Multiple Family Dwelling; and
 - (B) \$3,300,000.00,not including interest and costs.
- (ii) The aggregate limit of liability of the Warranty Provider set out in (i) above includes any and all:
 - (A) costs of the repair or replacement of the Defect or Structural Defect;
 - (B) mitigation expenses paid by the Warranty Provider to the Insured;

- (C) additional living expenses paid by the Warranty Provider to the Insured;
 - (D) costs of any investigation, engineering and design required for the repairs; and
 - (E) costs of adjusting and supervision of repairs, including professional review.
- (iii) In the event that the aggregate limit of liability set out in section (i) above may be exceeded by all claims made, the Warranty Provider reserves the right to apply warranty insurance coverage protection against claims up to but not exceeding such aggregate limit on a pro rata basis, as and when Claims are made.
- (d) **Single Self-Contained Dwelling Unit in a Condominium or a Multiple Family Dwelling without Warrantable Common Property or Common Facilities – No Registered Condominium Plan**

The following warranty insurance coverage and Policy limits apply to a New Home that is a single self-contained dwelling unit in a condominium or a Multiple Family Dwelling without warrantable Common Property or Common Facilities which has not been registered under a condominium plan:

PROTECTION PERIOD OF WARRANTY INSURANCE COVERAGE

The 10-year period beginning on the earlier of:

- (i) the date a New Home is first occupied; and
- (ii) the date an accredited agency, accredited municipality, or accredited regional services commission grants permission to occupy a New Home.

WARRANTY INSURANCE COVERAGE

The warranty insurance coverage for this type of New Home provides for the following repair or replacement of Defects or Structural Defects:

- (i) Defects in materials and labour for a period of at least one year starting on the date on which the coverage begins;
- (ii) Defects in materials and labour in Delivery and Distribution Systems for a period of at least 2 years starting on the date on which the coverage begins;
- (iii) Defects in the Building Envelope for a period of at least 5 years starting on the date on which the coverage begins;
- (iv) Defects in the Building Envelope for a period of at least 7 years starting on the date on which the coverage begins, if Extended Building Envelope Coverage has been purchased; and
- (v) Structural Defects for a period of at least 10 years starting on the date on which the coverage begins.

POLICY LIMITS

- (i) Subject to (ii), the aggregate limit of liability of the Warranty Provider is the lesser of:
 - (A) the original price paid to the Residential Builder; and
 - (B) \$265,000.00,
- not including land value, interest and costs.

- (ii) The aggregate limit of liability of the Warranty Provider set out in (i) includes any and all:
 - (A) costs of the repair or replacement of the Defect or Structural Defect;
 - (B) mitigation expenses paid by the Warranty Provider to the Insured;
 - (C) additional living expenses paid by the Warranty Provider to the Insured;
 - (D) costs of any investigation, engineering and design required for the repairs; and
 - (E) costs of adjusting and supervision of repairs, including professional review.
- (e) **Single Self-Contained Dwelling Unit in a Condominium or a Multiple Family Dwelling without Warrantable Common Property or Common Facilities – With Registered Condominium Plan**

The following warranty insurance coverage and Policy limits apply to a New Home that is a single self-contained dwelling unit in a condominium or a Multiple Family Dwelling without warrantable Common Property or Common Facilities which has been registered under a condominium plan:

PROTECTION PERIOD OF WARRANTY INSURANCE COVERAGE

The 10-year period beginning on the earlier of:

- (i) the date a New Home is first occupied; and
- (ii) the date an accredited agency, accredited municipality, or accredited regional services commission grants permission to occupy a New Home.

WARRANTY INSURANCE COVERAGE

The warranty insurance coverage for this type of New Home provides for the following repair or replacement of Defects or Structural Defects:

- (i) Defects in the materials and labour for a period of at least one year starting on the date on which the coverage begins;
- (ii) Defects in materials and labour in Delivery and Distribution Systems for a period of at least 2 years starting on the date on which the coverage begins;
- (iii) Defects in the Building Envelope for a period of at least 5 years starting on the date on which the coverage begins;
- (iv) Defects in the Building Envelope for a period of at least 7 years starting on the date on which the coverage begins, if Extended Building Envelope Coverage has been purchased; and
- (v) Structural Defects for a period of at least 10 years starting on the date on which the coverage begins.

POLICY LIMITS

- (i) Subject to section (b), the aggregate limit of liability of the Warranty Provider is the lesser of:
 - (A) the original price paid to the Residential Builder; and
 - (B) \$130,000.00,not including land value, interest and costs.

- (ii) The aggregate limit of liability of the Warranty Provider set out in (i) includes any and all:
- (A) costs of the repair or replacement of the Defect or Structural Defect;
 - (B) mitigation expenses paid by the Warranty Provider to the Insured;
 - (C) additional living expenses paid by the Warranty Provider to the Insured;
 - (D) costs of any investigation, engineering and design required for the repairs; and
 - (E) costs of adjusting and supervision of repairs, including professional review.

M. WARRANTY INSURANCE COVERAGE EXPIRY DATES

The warranty insurance coverage expiry dates are as follows:

Warranty Coverage	Expiry Date