



Warranty coverage for new home buyers

TRAVELERS CANADA | ALBERTA NEW HOME WARRANTY

Protecting your investment in a new home

Congratulations on your decision to purchase a new house, townhome or condominium. A new home is likely the largest investment of your life. Therefore, we encourage you to carefully research all aspects of your new home purchase and to seek the appropriate professional advice. In order to receive the benefits of new home warranty coverage from Travelers Canada, consumers must purchase a new home built and sold by one of our approved builders. Prior to signing an agreement of purchase and sale, contact Travelers Canada to verify that your proposed builder is registered and that home warranty coverage has been issued on your prospective new home.

New Home Buyer Protection Act – Strong protection for new home buyers

The New Home Buyer Protection Act and Regulations (the “Act”) becomes effective February 1, 2014. In order to obtain a building permit for a new home all residential builders must provide proof of 1-2-5-10 Year Home Warranty from an approved warranty provider. For further information about the Act, please contact the New Home Buyer Protection office at: 1.866.421.6929 or visit their website at www.homewarranty.alberta.ca.

What is 1-2-5-10 Year Home Warranty Coverage?

The Act is a consumer protection statute designed to ensure that all new homes sold in Alberta have a minimum level of insurance against certain prescribed construction defects. Home warranty coverage is the insurance contract issued by the warranty provider in favour of the new home buyer. The insurance contract must stipulate the following coverages.



Coverage limits

The Act requires builders to provide a home warranty backed by a licensed insurer covering:

- One year for defects in materials and labour
- Two years for defects in materials and labour related to delivery and distribution systems (which include plumbing, gas, heating, electrical and air conditioning systems to which the *Safety Codes Act* applies)
- Five years coverage for defects in the building envelope (a warranty provider must offer the option to purchase two years of additional coverage for defects in the building envelope)
- 10 years coverage for structural defects

Stringent underwriting

Travelers Canada thoroughly reviews all builder applicants, focusing on track record, technical expertise, financial capacity and after-sales customer service. Only those builders who meet our stringent underwriting criteria, construct quality homes and carry out timely after-sales service, are selected to offer Travelers Canada home warranty coverage. In order to further ensure quality construction, our technical staff and/or external consultants approved by us review certain components of all new home construction prior to and during actual construction. These reviews are designed to ensure that critical components of the new construction meet building code requirements and other industry standards.

Home warranty documentation

Our approved builders are responsible for having their new home buyers sign and date a Warranty Commencement Date Certificate at the time of either the title transfer or the actual occupancy of the home (whichever is earlier). Upon receipt of this completed certificate from the builder, Travelers Canada issues the owner a 1-2-5-10 Year Home Warranty Certificate. Be sure to read this document carefully and keep it in a safe place. It explains home warranty coverage and the process for reporting defects in your home or common property. Upon review, if you have questions or require clarification, please contact Travelers Canada.

Committed to excellence

Travelers Canada is a leading provider of surety products in Canada, and was the first warranty provider to enter the home warranty market in British Columbia after legislation similar to the Act



was introduced in 1999. Superior underwriting, risk and claims management and unsurpassed customer service are the hallmarks of Travelers Canada's new home warranty business. As the market leader in British Columbia, we are excited to be expanding into the new home warranty market in Alberta.

As a part of The Travelers Companies, Inc., Travelers Canada has access to the unmatched capacity of the largest writer of surety in North America; we combine this with local knowledge and authority to successfully meet the unique needs of companies from small and mid-sized to some of the largest construction companies in the country.

Travelers Canada

- A leading surety provider in Canada
- The largest supplier of new home warranty in British Columbia
- Member of Canadian Home Builders Association, Urban Development Institute, Independent Contractors and Business Association and Vancouver Regional Construction Association
- For a full list of services and products, visit our website at travelerscanada.ca

Great homes are built on strong foundations



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