

# Warranty Coverage for new home buyers

## 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 lifetime. Therefore, we encourage you to carefully research all aspects and to seek professional advice when required. St. Paul Guarantee was the first warranty provider to enter the home warranty market in British Columbia following the introduction of new legislation to protect homeowners in 1999.

### To obtain the benefits of St. Paul Guarantee's Home Warranty Coverage

- Consumers must purchase a new home built and sold by one of our approved builders
- Prior to signing a Contract of Purchase and Sale, it is also prudent to contact St. Paul Guarantee to verify that the builder is officially registered *and* that Home Warranty Coverage has been issued on your prospective new home

## Homeowner Protection Act – Strong Protection for New Home Buyers

- The *Homeowner Protection Act & Regulations* (“Act”) became effective July 1, 1999
- Prior to the issuance of a building permit, the *Act* requires all residential builders to be licensed by the Homeowner Protection Office (HPO) and to provide the “2/5/10” warranty from an approved third party warranty provider
- For further information, please contact the HPO at: (604) 646-7050 or visit their website at [www.hpo.bc.ca](http://www.hpo.bc.ca)

## What is Warranty?

The *Act* outlines specific details about the mandatory warranty commonly referred to as a “2/5/10” warranty. We believe it is the most comprehensive third party warranty available in North America.

## Stringent Underwriting Criteria

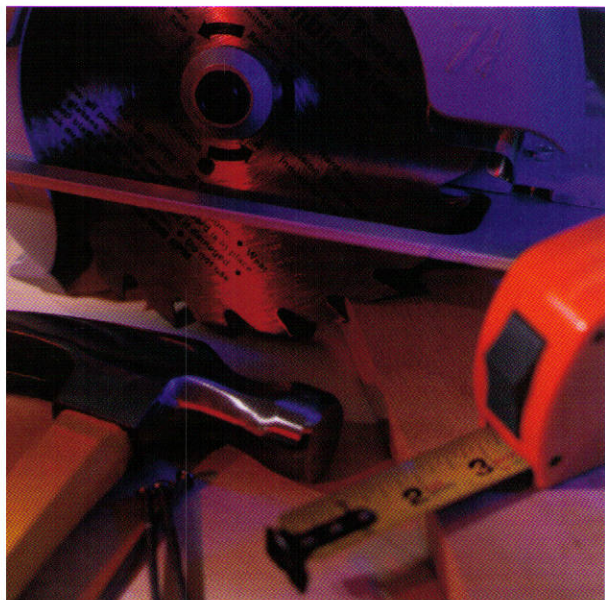
By law, builders must provide a third party warranty covering:

### 2 Year Materials & Labour Warranty

- *First 12 months* – coverage for any defect in materials and labour
- *First 15 months* – coverage for any defects in materials and labour in the common property of a multi-unit building
- *First 24 months* – coverage for any defect in materials and labour supplied for the electrical, plumbing, heating, ventilation and air conditioning delivery and distribution systems. In addition, 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

### 5 Year Building Envelope Warranty

### 10 Year Structural Defects Warranty



## St. Paul Guarantee Insurance Company

St. Paul Guarantee thoroughly reviews all builder applicants in the areas of track record, technical expertise, financial capacity and after sales customer service. Not every applicant qualifies. Only those builders who meet our stringent underwriting criteria, construct quality homes that conform to the Building Code, and carry out timely after sales service, are able to provide warranty coverage from St. Paul Guarantee. All new construction is subject to review by St. Paul Guarantee staff or third parties, and there is a thorough annual review of builder performance issues as a condition of the builder maintaining their registration.

### 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, St. Paul Guarantee issues the owner a Home Warranty Coverage Certificate. Be sure to read this document carefully and keep it in a safe place. It explains 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 St. Paul Guarantee.

### We're Here To Stay

The merger of St. Paul Guarantee Insurance Company, St. Paul Surety and Travelers Bond in April 2004 created the largest writer of surety and related products in the industry. Both St. Paul Travelers Companies and St. Paul Guarantee are fully committed to the continued growth and development of our chosen business lines, including those related to the home building industry in Canada.

#### **The St. Paul Travelers Companies, Inc.**

- provides commercial property-liability insurance and nonlife reinsurance worldwide, and asset management through its subsidiary, The John Nuveen Company
- a world leader in surety bonding and one of the largest providers of construction insurance in the United States
- offices and subsidiaries throughout United States, Canada, Australia, Mexico and the United Kingdom

#### **St. Paul Guarantee Insurance Company**

- the leading surety provider in Canada
- largest supplier of new home warranty in British Columbia
- members of Canadian Home Builders Association (CHBA), Urban Development Institute (UDI), Independent Contractors and Business Association (ICBA), Vancouver Regional Construction Association (VRCA)
- offices in Toronto, Vancouver and Montreal
- full list of services – Contract Surety, Commercial Surety, Developer Surety, New Home Warranty, Title Insurance, Risk Solutions (alternative transfer-of-risk programs)

Great homes  
are built on  
strong  
foundations.

#### **Contact Information**

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#### **Homeowner Protection Office**

Tel 604.646.7050 [www.hpo.bc.ca](http://www.hpo.bc.ca)

