



Travelers Guarantee Company of Canada

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. Travelers Guarantee Company of Canada ("Travelers 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.

In order to receive the benefits of Home Warranty Coverage from Travelers Guarantee Company of Canada ("Travelers Guarantee"), 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 Travelers 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* & its *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 HPO at: (604) 646-7050 or visit their website at 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.

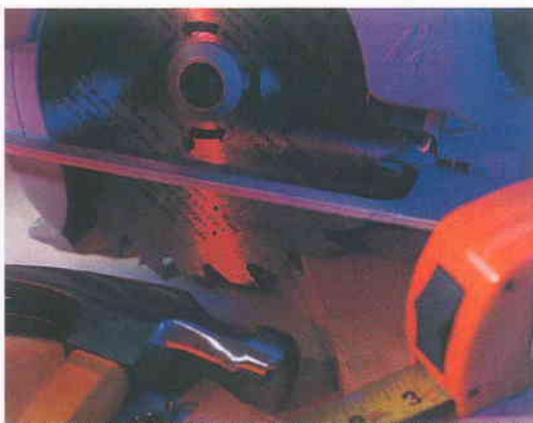
Stringent Underwriting Criteria

The Homeowner Protection Act requires builders to 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



Stringent Underwriting

Travelers 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, and carry out timely after sales service, are able to provide Travelers Guarantee's Home Warranty Coverage. All new construction is subject to review by Travelers Guarantee staff or third parties, and there is a thorough annual renewal of builder performance issues as a condition of the builder maintaining their registration. HPO also regulates builders throughout the province and investigates consumer complaints.

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 Guarantee issues the owner a 2/5/10 Home Warranty 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 Travelers Guarantee.

Committed to Excellence

Travelers Guarantee Company of Canada is the leading provider of surety products in Canada. Superior expertise in underwriting, risk and claims management enables Travelers Guarantee to deliver unsurpassed customer service. As a strategic subsidiary of St. Paul Travelers, Travelers Guarantee has access to the unmatched capacity of the largest writer of surety in the industry, and the local knowledge and authority to successfully meet the unique needs of companies from small to mid-size to some of the largest construction companies from coast to coast.

Travelers Guarantee Company of Canada

- ⇒ 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)
- ⇒ branch 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).



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Great homes are built
on strong foundations.