

Builder Bulletin 45

Issue Date: March 2009

Effective Date: May 1, 2009

AGGREGATE MAXIMUM COVERAGE AMOUNTS FOR ONE YEAR, TWO YEAR AND MAJOR STRUCTURAL DEFECT WARRANTIES

This Bulletin replaces Builder Bulletin 45, issued June, 2006.

WHAT THIS BULLETIN IS ABOUT

This Bulletin confirms that the coverage limit for homeowners is now up to \$300,000 in the aggregate for homes with a date of possession on or after July 1, 2006. Builders are required to indemnify Tarion for claims paid under the *Ontario New Home Warranties Plan Act* (the "Act") and such indemnity is no longer limited to \$150,000.

COVERAGE LIMIT FOR HOMEOWNERS

The total maximum payable to a homeowner in respect of freehold home or a condominium dwelling unit (excluding common elements) under the Act is as follows:

- \$100,000 if the claim relates to a purchase agreement, or construction contract, entered into before September 1, 2004 and the home has a date of possession before July 1, 2006;
- \$150,000 if the claim relates to a purchase agreement, or construction contract, entered into on or after September 1, 2004 and before July 1, 2006 and the home has a date of possession before July 1, 2006; and
- \$300,000 if the claim relates to a purchase agreement, or construction contract, under which the home has a date of possession on or after July 1, 2006.

AMOUNT PAYABLE BY THE BUILDER

Builders (which term includes both builders and vendors as defined in the Act) are required to indemnify Tarion for claims paid in regard to claims reported to Tarion in accordance with the Act to the full amount for which Tarion is liable as follows.

The maximum total amount a builder is obliged to indemnify Tarion for all claims paid on a home is as follows:

- \$100,000 if the claim relates to a purchase agreement, or construction contract, entered into before September 1, 2004 and the home has a date of possession before July 1, 2006;
- \$150,000 if the claim relates to a purchase agreement, or construction contract, entered into on or after September 1, 2004 and the home has a date of possession before July 1, 2006; and
- \$300,000 if the home was enrolled on or after May 1, 2009;

plus applicable interest, administrative fees, legal costs and applicable taxes.

EFFECTIVE DATE

Builders are required to indemnify Tarion to the full \$300,000 value for all homes enrolled on or after May 1, 2009. Tarion will remain liable for claims over \$150,000 up to \$300,000 for homes for which the purchase agreement is entered into on or after July 1, 2006 and the home is enrolled before May 1, 2009.

signed
"Howard Bogach"
Registrar