

## **2024 Annual Public Meeting**

### **Additional Questions & Answers**

1. a) Tarion pays “customer service gestures” and “project management fees” to some homeowners. How are these expenses accounted for in Tarion’s published financial statements – e.g., under “general and admin” expenses?
  
- b) Tarion pays some homeowners customer service gestures and project management fees. But when I enter those terms in Tarion website’s search feature, nothing comes up. Why is that? I can’t find anything on your website about these payments.

All payments and compensation that Tarion provides to homeowners, including payments which may be categorized as customer service gestures or project management fees, are included in Tarion’s warranty claims paid in our financial statements which can be found in our annual report.

2. Enbridge has a form called the “Appliance Installer Validation Form”. Does Tarion receive a copy of this form, signed by the builder, certifying that the appliance has been installed correctly and is in safe operating condition? If no, what is Tarion doing about this?

No, Tarion does not receive this form. In general, homeowner purchased or installed appliances are not covered by the builder’s warranty. If an appliance is a fixture and was included in the agreement of purchase and sale, then it may be covered by the builder’s warranty.

Appliances that are chattels, such as refrigerators and stoves, are not covered by the builder’s warranty. However, if the builder installed the appliance,

there may be warranty coverage for deficiencies related to the installation. In particular, the installation of the appliance must be done appropriately with good workmanship. Problems with installation can be listed on the warranty forms filed with Tarion.

If the problem is with the appliance itself, that may be something that is not covered by the builder's warranty under the Ontario New Home Warranties Plan Act, but rather may be covered by the manufacturer's product warranty. If you have questions about this, we recommend you connect with your builder's service department, or you may contact Tarion at [customerservice@tarion.com](mailto:customerservice@tarion.com).

**3. On a recent podcast the CEO of Tarion said we all get a 'kind' of insurance and don't have to buy it. Can the CEO please explain what he meant by a 'kind' of insurance and why he intoned it was free, when most builders that I have heard of charge the home buyer at closing?**

The words "kind of" and "like" was meant to convey that the provincial warranty program has aspects that are analogous to insurance. In terms of the reference to the protection being "free", the point was that all new homeowners benefit from the program whether or not the costs have been passed on to them by the builder.

**4. Tarion now has 13 people listed as its leadership team on your website. This seems to be more people on the leadership team than before HCRA was split off – is that right?**

Yes, that is possible. For example, in 2017, the Corporate Leadership Team of the organization had 12 people listed.

**5. How many employees does Tarion currently have?**

Tarion has 330 permanent employees. We also work with contract employees and consultants for specific projects and for certain roles.

## 6. Does Tarion pay for the costs associated with the New Home Ombuds (e.g. their salaries)?

The New Home Ombuds Office is a statutory position, meaning it is a position independently required by the legislation to provide an independent service to new home buyers. The operating costs, including salaries for the office, are paid out of the Guarantee Fund and annual revenue of the organization.

The New Home Ombuds Office reports directly to the Tarion Board of Directors and not to Tarion Management. The Tarion Board, through an annual budgeting process, approves costs (including salaries and benefits) relating to the New Home Ombuds Office. An external evaluation, completed in 2021, determined that the office has a high level of structural independence from Tarion. You can learn more about the New Home Ombuds Office on their [website](#) and can review their [2023 annual report](#).

## 7. Tarion says that its Temporary Relocation Warranty of \$150/day is to help "defray costs" when homeowners have to relocate for repairs to their home. This is clearly an inadequate amount, for example, for families with children. Why doesn't Tarion pay the full amount when relocation is required?

The amount is meant to be partial reimbursement to assist with those costs. We are open to reviewing the level of coverage over time as we gather data on how the warranty is being applied.

## 8. Why do you give the builder 120 days during the builder repair process?

The 120-day builder repair period is the statutory time limit under the Customer Service Standard to allow builders to organize their trades, order supplies, and coordinate scheduling.

The length of time was initially implemented in 2003 following broad stakeholder consultation. The length of time was intended to ensure that there was enough time available to allow for the repair of the majority of

deficiencies that may be reported, and to accommodate the possibility that either the homeowner or the builder may need some flexibility in terms of scheduling. The timeline was intended to largely apply to non-critical finishing type repairs, with more urgent repair requirements being subject to the emergency rules that would allow for much a faster response time.

## **9. How many staff report to each manager at Tarion?**

Tarion has a variety of teams engaged in different parts of the organization and they range in size based on the type of work they do. The number of staff reporting to a manager could range from 2 to 20.