# THE STRUCTURAL WARRANTY FOR NEW AND EXISTING HOMES

## WELCOME TO YOUR

# NXT

## STRUCTURAL WARRANTY POLICY

*BROUGHT TO YOU BY RESIDENTIAL WARRANTY SERVICES & YOUR HOME INSPECTION COMPANY*

**6 MONTH POLICY STARTING FROM INSPECTION DATE**

Certain items and events are not covered by this contract.
Please refer to the exclusions listed on pages 4-8 of this document.

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# *Welcome*

The NXT Structural Warranty (the "Policy") is exclusively offered by Residential Warranty Services, Inc. ("RWS") on homes inspected by a qualifying Certified Inspection Expert ("CIE"). This policy covers only those items that were noted in the CIE Inspection Report as being free of defects or which had any listed defects repaired by a licensed contractor, so long as docu-mentation of the same is provided to RWS with your claim submission and so long as the repairs were properly completed and repaired in full. The policyholder is responsible for regular maintenance of the property, including not planting trees and/or shrubs close enough to the home's foundation to cause damage and establishing and maintaining negative grading away from the home, and must follow the claims procedures listed below in order to be eligible for coverage. This policy covers only those items and/or occurrences expressly specified herein and excludes all others – while some commonly excluded items are included for transparency purposes, these lists are not inclusive and only those items specified as covered herein are within the scope of the Policy. Please read this entire policy for coverage terms as this policy is one of adhesion; payment indicates your acceptance of coverage and of its terms and conditions, and limitations.



# Terms and Definitions

Here are some important terms to know, and the definitions you see here are how they are used throughout the contract;

## Terms

**Aggregate Limit of Liability**
Unless otherwise specified, the maximum aggregates are as follows:

- NXT 1 - $3,000 per claim and $13,500 for the duration of the 6 (six) month policy.

The maximum aggregate per claim is the maximum amount the Contract Holder is eligible to receive for any single, covered claim, noting that the Contract Holder is not entitled to the maximum aggregate limit for any single claim, even if the claim submitted is for an amount higher than the aggregate maximum. The maximum aggregate for the duration of the policy consists of all claims made in a single contract term. Any payment will be deducted from the aggregate maximum limits of coverage for the duration of the policy's term.

**Certified Inspection Expert**
A certification available to all home inspectors, requiring they met certain qualifications and were granted the official certification of 'Certified Inspection Expert' or 'CIE'. If your home inspector does NOT have this certification, you will NOT have coverage under this policy. Please call 1-800-544-8156 for a list of eligible home inspectors or information to see if you qualify.

**Claim**
Any time a current, covered single structural failure is reported to RWS by the contract holder. Each and every distinct covered failure of any part or component as determined by an authorized contractor, constitutes a distinct claim for which the Contract Holder will be responsible for a deductible or the actual cost, whichever is lower.

**Contract Holder**
The person or persons to whom the benefit of this contract from RWS is owed.

**Contract**
This term is only used to describe your limited structural warranty for new and pre-existing homes and should not be given any additional meaning or interpretation beyond that given here. This is not a contract of insurance, it is a service agreement.

**Deductible**
A deductible is incurred by the Contract Holder each time a claim is made and applies to each structural failure repaired under the contract terms. At times, multiple structural failures may be discovered within a single claim and a deductible would apply for each repair or the actual cost to repair, whichever is less. RWS is responsible for the cost of approved repairs beyond the deductible, subject to the limitations of liability. Please see your policy notice to confirm your specific deductible. Deductibles are payable to the contractor at time of service.

**Immediate Repairs.**
If it is outside of normal business hours and a reasonable person would determine that there is a substantial and immediate risk of bodily injury or property damage if the structural failure is left alone, it is the policyholder's responsibility to mitigate the damages by implementing temporary fixes to allow licensed contractors to repair issues on a regular time frame. This policy will apply up to $500 worth of temporary repairs towards the applicable deductible on any claim where substantial and immediate risk existed so long as all receipts for the temporary work are delivered with your claims procedure documents.

**Non-Claim**
Any time an incident outside of coverage is reported to RWS by the contract holder. In the event of a "non-claim," whereby a contractor is requested and the structural failure is not covered by the policy, the trip charge from the contractor will be payable by the Contract Holder. RWS claims representatives are well-trained and will do everything within their power to ensure the right contractor is dispatched the first time. However, the ultimate determination of whether to request service and by what type of contractor is up to the Contract Holder. Should the trade of the contractor requested not be the trade necessary to fix a covered issue, it will be treated as a "non-claim."

**Policy Notice**
The policy notice, found on the first page, will verify the details of your policy, including the start and expiration date, the address, the contract holder, price, etc. This notice must be signed, dated, and returned to RWS prior to your policy start date as any delay to do so by the Contract Holder may cause delays on RWS's ability to process future claims. Note that your signature thereon is indicative of your acceptance of the terms, conditions, and limitations of this contract and your express acknowledgment that you have read the contract in its entirety and understand all of the terms clearly.

**RWS**
Acronym used to describe Residential Warranty Services, Inc., your policy provider.

COVERAGE. UNMATCHED.

WWW.NXTWARRANTY.COM

# Coverage

**Coverage Details**
The coverage in this contract applies only to items falling within the perimeter of the foundation of the home and attached garages. This contract only applies to homes on permanent foundations and covers structural malfunctions and failures as follows: footings and foundation systems, beams, girders, lintels, masonry arches, columns, load-bearing walls, partitions, roof framing systems, and floor systems, subject to the following limitations and exclusions: this policy does not cover any item within, attached to, or affected by any modifications to the property made by the policyholder after the date of Inspection by the Certified Inspection Expert and it covers only those items and elements required to ensure the home's structural stability.

Any repair of a covered failure is limited to the repair of the damage to load-bearing structural components solely to restore any load-bearing function as existed prior to the malfunction. Where a non-load bearing structural component was damaged and repair is necessary to restore safety, sanitation, or livability – these repairs would also be covered. Any repairs involving cosmetic correction consequential to the malfunction or otherwise, are not covered under this policy.

**Examples of Covered Occurrences.**
The following is a sample list of covered occurrences in a home's structural systems under this policy. Included in each sample is the covered repair procedure: footings and foundation systems, beams, girders, lintels, masonry arches, columns, load-bearing walls, partitions, roof framing systems, and floor systems.

**Examples of Non-Covered Occurrences.**
Examples of items that are not covered include, but are not limited to: flooring and sub-flooring materials, stucco, stone veneers, siding of any kind, drywall, plaster, wall tile, floor tile, wall paper/coverings, shower enclosures, roof shingles, roof coverings, roof tiles, sheathing, tar paper, mechanical systems, heating and/or cooling systems, ventilation, plumbing, electrical systems, appliances, plumbing fixtures, electrical fixtures, doors, cabinets, trim, hardware, insulation, paint, stains (cosmetic or otherwise), mold, and/or basement or other interior floating, ground-supported concrete slabs.

**Exclusions.**
This policy does not provide coverage for any of the following, specifically excluded, items:

1. Insurance claims or any issues caused by a peril,

2. Damage or defects outside the perimeter of the home or in swimming pools, tennis courts, driveways, retaining walls, landscaping, sprinkler systems, patios, decks, stoops, steps, porches, outbuildings, detached carports, or any other appurtenance;

3. Loss or damage when/if the property was utilized for non-residential purposes;

4. Changes in the level of the underground water table;

5. Failure of any repairs or further evaluation from an inspection report to be followed through on (including any consequential damages therefrom),

6. Any cause including physical damage from an outside source (whether covered by insurance or not) as only normal wear and tear is covered,

7. Any damage that is caused (or made worse by) the following: negligence, improper maintenance, failure to comply with notices of any kind, failure by the policyholder to report a structural failure promptly, change of the grading or lack of draining maintenance that results in foundation water issues, riot, civil commotion, war, vandalism, hurricane, tornado, explosion, blasting, smoke, water, fire, tidal wave, flood, hail, snow, ice storm, lightning strike or surge, falling trees or other objects, aircraft, vehicles, mudslide, landslide, avalanche, earthquake, volcanic eruption, sinkhole, or geographical phenomena, abuse of any part of the home beyond the capacity of such part, microorganisms, fungus, decay, wet rot, dry rot, soft rot, rotting of any kind, mold mildew, vermin, termites, insects, rodents, birds, wild or domestic animals, plants, corrosion, rust, radon, radiation, formaldehyde, asbestos or any other environmental issue, pollutants, contaminants/toxins, irritants, carcinogens, electromagnetic field, any other claimed health risk of uninhabitability, failure to minimize or mitigate any failure or condition as soon as practical,

8. Any loss or damage caused by anything underground,

9. Any damage known before the policy start date,

10. Any loss covered by a third party outside this policy (all alternative coverage must be exhausted before this policy),

11. Consequential costs to repairs (including hotels and transportation),

12. Diminishment in market value of property,

13. Personal property, pain and suffering, emotional distress,

14. Any defect or malfunction reported after the policy's expiration date.

15. Any structural failure or settlement where the indicated deflection is under 1" from condition at time of inspection.



# Claim Procedure

## Making a Claim

All claim types can be made during normal business hours, from 8:00 AM to 5:00 PM, EDT, by calling 1-800-544-8156 and must be made between the date of contract commencement at noon and the date of expiration at midnight. The Contract Holder is entitled to service beyond the date of the warranty's expiration so long as the claim has been filed within the warranty period.

A claims processor will field your call and ask you to provide contact numbers, an email address, and a description of the problem. If the claim appears to not be covered under the warranty contract, we will do our best to inform you so that you do not have to pay a deductible for a non-claim. If the claim appears to fall under the warranty coverage provided, then the claims processor will forward your claim to a contractor, who will then call you to schedule an appointment time. RWS will make every reasonable effort to get a contractor dispatched within 24 business hours of contacting RWS.

## Do Not Call a Contractor Before You Call RWS.

RWS will not be liable for any costs associated with a contractor selected by the Contract Holder without prior authorization. Contract Holder's contractors contacted prior to making a claim with RWS and without prior authorization will not be eligible for service, or reimbursement, hereunder. RWS does not cover components damaged by outside contractors. Before you have work done, call RWS to find out if it is covered

## Contractor Availability

RWS is not a contractor. However, all third party contractors in RWS' network are screened for mandatory qualifications, insurance, and references. Most RWS contractors have served hundreds if not over a thousand RWS claims. RWS does not guarantee the work of our network contractors, nor do we insure them for liabilities they may incur in the course of offering service. Should a Contract Holder or Contract Holder's property sustain any sort of damage resultant from the work of a contractor, the contractor should be notified immediately.

RWS will make every reasonable effort to get a contractor dispatched within 24 business hours. During certain exceptional high volume claim periods, these times may be exceeded. RWS is not responsible for damage caused by delays in service.

## Deductible

The Contract Holder must pay their applicable deductible to the service contractor at the time of repair noting that more than one deductible may ultimately apply to a single claim.

## Return Service Calls

RWS has a single deductible per structural failure contract. If the contractor does not adequately rectify the issue reported by the Contract Holder on the first visit, and a similar problem persists shortly after a service call, please call RWS to inform them of the unsatisfactory repair. If the problem is related to inadequate repair, the contractor will come back out to commence further repairs at no additional cost to the Contract Holder when that contractor is in the RWS network. The circumstances under which the component failed must be covered by the contract and RWS reserves the right to send the same contractor to the home if the problem persists during the same contract term. Furthermore, it is our policy that our contractors leave a copy of the invoice for work performed at the warranted property for any repair. Each contractor has their own contract on how long they guarantee their workmanship and parts, which may extend beyond the term of your contract with RWS. Call the contractor for further details or inquire about their guarantees at the time service is performed.

## Overtime fees

If you choose to have a claim addressed outside of normal business hours, additional fees may apply as assessed by the contractor and will be the responsibility of the policy holder. Any claim, regardless of classification, may be handled after normal business hours based on the availability of RWS authorized contractors. RWS shall only be liable for the standard costs of repairing the failure; the Contract Holder would be responsible for any overtime charges imposed by the contractor.

## Right of the Contract Holder

The contractor selected by RWS does not have to be the contractor to perform the repair. After diagnosis and before any repair actions have commenced, the Contract Holder may request cash in lieu of repair for that claim. RWS is not responsible for the work of contractors outside of our network under our "single deductible" contract (see next section). This contract covers only items as described and excludes all others. All repairs will be made/offered in a manner determined by RWS. RWS shall have the sole option of determining in what manner the structural failure will be corrected. Contract Holder has the option of taking a cash payment in lieu of repair on any claim, a decision that must be made after diagnosis and approval of the claim by RWS and before any repairs have commenced and/or costs incurred on their behalf.

## Second Opinions

RWS reserves the right to a second opinion after the diagnosis of a covered issue by an approved RWS contractor, at the cost of RWS and at no further cost to the Contract Holder. In the case of a Contract Holder opting to utilize their own contractor, RWS reserves the right to a second opinion after diagnosis and estimates, at the cost of RWS less the deductible that applies to that claim.

## Cancellation

RWS may cancel this contract without refund to the Contract Holder under any of the following circumstances: (1) In the event of fraud or misrepresentation by the Contract Holder or any related parties, (2) If the Contract Holder fails to pay any fee associated with this contract including, but not limited to; deductible and payments for the service contract itself, or (3) If the home is vacated or has been left vacant in the past.

# Limits of Liability

1. On any claim, at any time prior to work commencing, either RWS or the policyholder may elect to pay/receive cash in lieu of repair, keeping in mind the cash payment will be for the reasonable cost of repairing the failed part at RWS's cost, and may be less than retail. The cash payment will reflect RWS negotiated cost for service and may be less than retail.

2. Wherever an Engineer's opinion is required for a repair (i.e. Manufactured Truss Systems) this policy will cover up to $500 worth of Engineering Expenses.

3. RWS does not cover items where environmental issues arise such as lead, mold, or asbestos. RWS is not responsible for the presence of lead, mold, asbestos or any other environmental hazard nor the removal of the same.

4. RWS does not cover consequential or secondary damage caused by failures of covered items except where specified. RWS is not an insurer.

5. RWS does not pay for the costs of permits except where specified.

6. RWS, at its sole discretion, may provide a repair, replacement, or buy-out payment for the reasonable cost of repair for the covered failure, noting that the design, method, and manner in which any repair is made is at the sole discretion of RWS. The buy-out will reflect RW negotiated cost for services and may be less than retail

7. Repairs necessary as a result of any act of nature, misuse, abuse, lack of maintenance, improper installation, wind, rain, tornado, fire, hurricane, riots, civil commotion, or any other outside influence, natural or unnatural, including a previous contractor's work, are not covered under this contract.

8. RWS will make commercially reasonable efforts to fulfill its obligations under this contract. Certain causes and events out of RWS's control may result in RWS' inability to perform, in whole or in party. If this occurs, RWS's obligations shall be suspended to the extent necessary by such event and, in no way, shall RWS be liable to the Contract Holder or any party for its failure to fulfill its obligations or for damages caused. Events include, but are not limited to, acts of god, fire, war, flood, earthquake, hurricanes, tornadoes, other natural disasters, acts of terrorism, acts of any governmental agency, accidents, strikes, labor troubles, shortages in supply, changes in law, rules, or regulations of any governmental authority, and any other cause beyond RWS's reasonable control.

9. RWS is not the servicing contractor; all RWS network contractors are independent, third parties to RWS, though all are screened for mandatory qualifications, insurance, and references. As as a risk management company, we cannot guarantee the work of our contractors, or take responsibility for liabilities they may incur through the course of work. Any statement made by a contractor, whether or not they are an RWS network contractor, is their personal opinion and not binding on RWS, including any statements regarding coverage or extent of coverage under the contract.

10. If a repair is not available without additional improvements to the property, the cost of those improvements (whether cosmetic or simply additional costs associated with bringing an older property up to code or repairing the covered failure) are the sole expense of the policyholder.

11. RWS is only responsible for standard repair costs of the covered failure, even if the best option for the Contract Holder is more extensive. Should the Contract Holder wish to authorize a more extensive repair, the Contract Holder may choose to receive a cash payment in lieu of repair. In such cases, the cash payment shall be made in accordance with RWS negotiated service and repair rates and may be less than retail.

12. Coverage may be voided if the correct square footage, including finished and non-finished spaces, was not reported to RWS and was not appropriately ordered.

13. This contract is a service contract and not a reimbursement contract. You must call for service at 1-800-544-8156.

14. Only pre-existing conditions that were not known to any party involved in the transaction are covered. As a part of the verification process, the Contract Holder will be required to provide RWS with a copy of any home inspection reports and seller's disclosure statements. No other pre-existing conditions are covered under this policy, unless specified.

15. Reimbursement rates for Contractors NOT in RWS's network: up to $75 per hour for labor charges, up to 10% over distributor cost for material costs, shipping costs up to $50, where applicable, and up to $30 for trip charges.



# *Additional Terms and Conditions*

All Claims and disputes arising from or related to this home warranty policy shall be governed, construed, and enforced in accordance with, and shall have sole jurisdiction and venue in, the state and federal courts of Hamilton County in the State of Indiana, with the policyholder expressing their consent to the same and expressly waiving personal jurisdiction for any alternate court or venue, regardless to conflict of law provisions. Contract holders may have other legal rights that vary from state to state and so are responsible for informing themselves to the laws of their jurisdictions and compliance therewith. Disputes must be made, in writing, within 30 days of the dispute arising and sent via certified USPS to: NXT Structural Warranty, Attn: Legal, PO Box 797, Carmel, IN 46082

The administrator name and name of the provider and servicer of this policy is: Residential Warranty Services, Inc. located at 698, Pro Med Lane, Carmel, IN 46032 ("RWS"). Toll-Free 1-800-544-8156.

The contract terms expressly listed herein constitute the entire agreement between RWS and the contract holder. Any claim, dispute, or controversy regarding this contract or the relationship among the parties, by or on behalf of a contract holder, will take place on an individual basis. Class actions, collective actions, and other similar representative proceedings of any kind or nature are not permitted. By entering into this contract, you agree that you may bring claims against RWS or its affiliates only in your individual capacity.

Any failure by RWS to assert a right or enforce a requirement under this contract shall not be deemed a waiver of that or any other right or requirement and shall not preclude RWS from asserting any right or enforcing any requirement at any time. If any provision of this contract is held to be illegal, invalid, or unenforceable, for any reason, that provision shall be limited or eliminated to the minimum extent necessary so that this contract shall otherwise remain in full force and effect and enforceable.

The policy is fully transferable so long as the property address remains the same. To transfer a policy, you must notify RWS at the above mailing address with the name of the new policyholder, their signed consent, and the date on which the property transfers to the new policyholder. Successive owners may benefit from the policy but, upon their consent of the transfer, are also consenting to their being bound by the policy's listed terms and conditions.

Please find on the cover sheet of this warranty the name(s) of the service contract seller and the service contract holder, as well as the price of this service contract. The total purchase price of this service contract can be found on your invoice. All pricing for RWS policies are clearly enumerated on our order forms. For a copy of your invoice, or copies of any of our printed materials, please call our offices at 1-800-544-8156. Any contract not paid in full is invalid.

This contract is transferable. A transfer fee of $35 may apply.

