



What is a home warranty?

A home warranty is not home insurance. It is an annual service contract that covers the repair or replacement of important appliances and systems components that break down over time. Generally, a home warranty is only purchased if the home you are buying is existing construction. New construction homes come with builder warranties by law.

What do home warranty plans cover?

Most home warranties cover the parts and components of major home systems and appliances. They will either come to your home and repair them, or, if repair is not feasible, they will replace them...usually no matter their age. From HVAC systems to kitchen appliances, home warranty plans help cover damage caused by everyday wear and tear.

What are some of the benefits of a Home Warranty?

- Flat-rate fixes save you money
- Peace of mind
- Easy - One phone number does it all
- Avoid the cost of major fixes
- The warranty could be free
- Get only the protection you need
- Great incentive for when you sell
- Big savings on common repairs
- Variable plans with enhanced coverage
- Renewable every year

What are the drawbacks?

As with anything, there are some negatives as well. Some warranties exclude certain types of repairs. Sometimes, the warranty will repair an item that you may want replaced. Your choices of contractors to do the work must be in the home warranty's network. Some pre-existing conditions may not be covered.

Final thoughts:

All that said, I have seen home warranties save my clients tens of thousands over the years. I have also seen several who opted out who greatly regretted it later.

All things considered, I know the value far outweighs the cost and encourage you to discuss home warranty options with your agent. Try to negotiate to have the seller pay for it. But if you can't, buy it yourself.

