



Home Warranties Protect Homeowners During Extreme Weather; Attract Buyers in Competitive Real Estate Market

March 30, 2011 -- (Tallahassee, FL) – Extreme temperatures across the nation contributed to a record-breaking year for home warranty claims, and now with a glut of homes for sale across the country, home warranties to cover major systems (HVAC, plumbing, electrical) and built-in appliances are even more appealing to sellers and prospective buyers.

Home warranty provider American Home Shield, with 1.4 million customers, said it responded to nearly three million service requests in 2010, approximately half related to HVAC malfunctions. The company received increased calls from homeowners in areas of the country, such as the Northeast, that experienced extreme summer heat (stressing AC systems), and record cold and icing during winter (stressing heating systems).

Meanwhile, with an abundance of homes for sale, sellers and buyers are reaping benefits from home warranties:

“For the past 28 years, I have encouraged home sellers and listing agents to add a home warranty during the listing cycle to protect sellers against unexpected repair expenses if a system or appliance malfunctions after the home goes on the market,” said Dominic Cardone, a real estate broker for Keller Williams in the suburbs of Philadelphia.

“Perhaps even more importantly, the home warranty can help keep together a transaction by easily and inexpensively resolving many of the issues sometimes discovered during the home-inspection stage.”

According to many home warranty providers, the highest rate of homeowner claims encompasses water heaters, furnaces and central-air conditioning, while major appliances covered by a home warranty generally start to require servicing at five years of age. Since home systems and large or built-in appliances are acquired during a home sale, there are many unknowns, such as how things previously have been used and maintained.

“A home warranty offers immediate financial protection for new homeowners, who generally purchase a new home without working knowledge of the age or functionality of its infrastructure and equipment,” said Timothy J. Meenan, executive director, Service Contract Industry Council (SCIC). “The repair and replacement coverage of a home warranty is cost effective and provides peace of mind, particularly during the first years of ownership if the inherited, unfamiliar home systems and appliances malfunction.”

Home warranties can be purchased anytime during homeownership, renew annually, and most are transferable with the sale of a home. They provide 24-7 phone support and access to pre-qualified repair professionals, a particularly useful benefit for owners new to a neighborhood or region.

About the SCIC:

The Service Contract Industry Council, a national trade association, has been instrumental in working with state legislators and regulators across the country to develop consumer protection laws. Currently, 32 states have enacted regulations for home warranty providers based on the SCIC's Model Law, which calls for service contract (extended warranty) providers to be licensed in the states in which they do business and to incorporate enhanced financial solvency standards.

For more information, visit www.go-scic.com.

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