

## A Special Message:

**Do You Need a Home Warranty?**

When Lisa Santucci moved from Kansas to Florida last December, she was happy to learn that her 16-year-old home carried a warranty. "We felt like it was an incentive for us to purchase," she says. "We were new to the area, and we wanted to be sure that if something did go wrong, we had something to fall back on."

Santucci hasn't had to use her warranty yet. But she says she has peace of mind knowing it's there.

A home warranty is a renewable service contract that covers the repair or replacement of many of the most frequently occurring breakdowns of home system components and appliances, according to Heather Wilson, a spokeswoman for American Home Shield, one of the nation's largest home warranty sellers. These breakdowns are usually not covered by homeowners insurance.

According to the Service Contract Industry Council, home warranty sales increased in 2009. Many sellers added home warranties to help distinguish their properties from others on the market, and many buyers insisted on a warranty before completing their purchase, the SCIC said.

Items covered by a typical home warranty include major systems such as the HVAC and plumbing, as well as appliances. Some warranties offer additional coverage for pools, spas, extra air conditioners, etc. The average cost of a home warranty is \$300 to \$500, Wilson said. It must be renewed annually.

Home warranties can provide both financial and emotional security for buyers of existing homes. But they may not be necessary for every purchase. New homes, for example, carry a homeowners warranty directly from the builder. In addition, home warranties are limited in scope. Buyers need to read their contract carefully to understand what the warranty covers and does not cover.

Want to learn more about home warranties? Give our CENTURY 21 office a call today.