



## Sales of Home Warranties Increase

June 17, 2010 (Tallahassee, FL) — The [Service Contract Industry Council \(SCIC\)](#) is reporting an increase in home warranty or service contract sales in 2009. Growth was fueled by annual contract renewals, while sales by realtors to home sellers and buyers held nearly steady.

In a trend developing nationwide, many sellers are adding a home warranty to their property's amenities and many buyers are insisting on one before a sale.

One of the largest [home warranty providers](#) nationwide, American Home Shield, saw renewals increase last year by almost 2.5 percent, with new sales increasing by more than 18,000. In California, where the great majority of homes sell with a warranty, sales rose by 8,000 (source: Home Warranty Association of California).

"The positive home warranty sales trend is an encouraging indicator for the residential market and overall economy," said SCIC Executive Director Timothy Meenan.

Available for purchase at any time during homeownership, home warranties cover most appliances and home systems and help homeowners manage unexpected repair costs and get easy access to pre-qualified service professionals. Most warranties are transferable from homeowner to buyer.

Florida broker/owner Ed Smith of RE/MAX Coastal Properties says [home warranties](#) are an effective marketing tool, good protection policy for buyers and sellers, and have become more popular over the past five years. "Buyers and sellers have come to understand the benefits of home warranties and there are plenty of customer testimonials demonstrating their value," Smith said. "I encourage sellers to add a warranty to the home's amenities during the listing cycle."

Lisa Santucci has moved several times over the past few years, most recently from Florida to Kansas and back again – each time with a home warranty a key part of the transaction. "As first-time residents of Kansas, our home warranty helped us identify local repair professionals and gave us less worry as we settled in," Santucci said. The buyers of the Santucci's Florida home also requested a home warranty "for their financial protection and peace of mind since they were inheriting her appliances and home systems."

According to the [SCIC](#), a home warranty, also called a home service contract, offers many benefits to buyers and sellers, including:

- Repair or replacement coverage of most major appliances and home systems including heating, plumbing, and electrical;
- Toll-free access to technical support and prequalified repair professionals;
- Low price with annual renewal terms;
- Comfort for new owners and protection for sellers while their property is on the market;
- Optional coverage for structural components such as roofs, recreational equipment such as swimming pools, etc.;
- Ability to transfer the contract from homeowner to buyer.

For additional information about extended warranties or service contracts and tips on buying and using them visit: <http://www.go-scic.com> .

### **About SCIC**

The [Service Contract Industry Council](#) is a national trade association whose member companies collectively offer approximately 80 percent of the service contracts sold in the U.S. for home, auto, and consumer goods. The SCIC educates consumers about service contracts, encourages its members to pursue high standards of customer satisfaction, and has developed and promoted model legislation to regulate the industry.

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