

# Warranty helps protect homeowner's investment

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For the Journal-Constitution  
Published on: 03/04/05

If you have sold or purchased a home lately, you may have been asked if you wanted to purchase a home warranty. In my experience, most people are not familiar with home warranties, and if they are aware of warranties, they are unsure of what they cover and why they would need one.

Here are some facts about home warranties that may help you decide whether to buy one.

**Q:** What does a home warranty cover?

**A:** Examples of things typically covered by warranties are water heaters, dishwashers, electrical systems, garbage disposals, plumbing systems, heating and air-conditioning systems and ranges/ovens. Examples of items not covered are refrigerators, washers and dryers, pool and spa equipment and septic systems. In most cases, optional coverage in the form of a premium or preferred plan is available for an extra charge.

**Q:** Who can purchase a home warranty?

**A:** Anyone can purchase a home warranty; however, warranties are usually purchased by the buyer or seller of a home. Buyers purchase home warranties to protect themselves against large unexpected repair or replacement costs. Sellers typically purchase warranties as a sales tool. Coverage and costs usually are different for buyers and sellers.

**Q:** How long does the coverage last?

**A:** Typically, coverage lasts for 12 to 13 months. Check individual policies for start and termination dates.

**Q:** How does a warranty differ from my homeowners insurance?

**A:** Homeowners insurance typically covers damages caused by a failed appliance or system but does not cover replacement of the appliance or system itself. Home warranties cover some of those items not included in a typical homeowners insurance policy.

**Q:** How does a home warranty work?

**A:** If you have a warranty and a failed appliance or system, you typically notify the warranty company by telephone or e-mail. The warranty company then notifies the appropriate contractor, who will call you to make an appointment to repair or replace your appliance or system. Contractors are typically selected by the warranty company.

**Q:** How much does a home warranty cost?

**A:** Basic coverage costs \$350 to \$380 for houses smaller than 5,000 square feet. There is also a service fee paid at the time your appliance or system is repaired. These fees range from \$45 to \$65 per visit.

**Q:** How do I know if I need a home warranty?

**A:** The need for a home warranty is based on the likelihood that appliances or systems will fail. For example, a home warranty is not as necessary on a new home, where both manufacturer's and builder's warranties are in effect, as it would be on an older home with older appliances and systems.

**Q:** Can I buy a home warranty if I live in a condominium or townhouse?

**A:** Yes, there are warranties that cover condominiums, townhouses and even mobile homes.

*Send home repair questions to Ask the Inspector at [H&G@ajc.com](mailto:H&G@ajc.com). Because of the volume of mail, not all questions can be answered. Our expert, Bill Garwood, spent 15 years as a building contractor before becoming a home inspector in 1990. He is part owner of a residential inspection firm and a company providing training in building inspection and codes.*