

Are home warranties worth it?

Haley Walters

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Maybe there's a weird noise coming from the garbage disposal in the house you just bought, or there's no hot water in the shower. Chances are, it's not going to be a cheap fix.

That's where home warranties can come in handy. Unlike homeowners insurance, which pays for property that's been damaged or destroyed, warranties help cover the cost of getting something fixed or replaced. But to be sure homeowners are actually getting what they think they're paying

for, some research is recommended.

In Greenville, home warranties range in price from about \$275-\$700 per year, according to consumer research website homewarrantyreviews.com. There are all sorts of plans and providers out there, and most include a service fee of usually less than \$100.

Basic plans can cover home systems such as electricity, plumbing and certain appliances. Upgraded plans can cover more, such as air conditioners, swimming pools and sprinkler systems. Costs also depend on the size of the home.

Who should consider a warranty?

Local experts suggest some factors to consider are the age of the home and its systems, and how much money a household can spend on home repairs.

Amanda Hamet, vice president and broker in charge at Coldwell Banker Caine, said it's probably unnecessary to purchase a home warranty on a brand-new house.

"It might not make sense because the systems and appliances might already have warranties through their manufacturers," she said.

If it's an older home, a buyer should check the seller disclosure for the ages of the systems. A home and HVAC inspection can also assess the condition of the systems, she said.

The International Association of Certified Home Inspectors has published guidelines on the estimated life expectancy of home systems, which can be useful when considering a home warranty.

The decision ultimately boils down to how comfortable a homeowner is paying for potential repairs, she said.

"Home warranties are great for a first-time buyer because they don't tend to have a ton of savings, and they like knowing that if something happens after they own the home, they'll have limited exposure to repair costs," Hamet said.

Hamet purchased warranties for her first two homes. After she got married, she decided a warranty wasn't necessary because her husband could handle the repairs, she said.

Warranties can also help when it's time to sell a home, said Amy Ahearn,

warranty liaison with Allen Tate Real Estate.

A seller with a home warranty, or listing warranty, can transfer it to the buyer upon closing, as long as the home and its components are already in working order. The warranty is then good for a year.

"Money well spent is providing a buyer's warranty. Sure, it's an older home, but it's all new to the buyer and they have no idea what to expect," said Ahearn.

Making an informed purchase

Complaints about home warranty companies are fairly common. Ahearn and Hamet both said in their experience, that's usually because people don't understand what they bought.

"Most people just don't read the terms and conditions. It's tiny print, and if you don't understand the finer points of HVAC systems, it can be hard," Ahearn said.

Stephanie Burger, a Realtor with Allen Tate, said consumers should educate themselves if they don't understand the contract.

"Have a warranty liaison, or contact the person that sold you the home war-

ranty. They can explain it to you. Ask questions. Don't just assume it's \$500 and everything's paid for," she said.

Juliana Harris with the South Carolina Department of Consumer Affairs agreed.

"It's extremely important to know the details of the deal. Consider the cost of the premium, but also any additional fees that may not be as obvious," Harris said.

Harris also suggested using the Consumer Affairs complaint search tool to check if a company has any customer complaints on file. The BBB also publishes complaints online and allows a company to respond publicly.

Red flags and warnings

Some of the more common customer complaints involve warranty companies dragging their feet on repairs, contracting with bad service providers and misleading consumers.

Realtor Jonathan Clark of Travelers Rest said he learned some of these things the hard way.

His warranty provider, American Home Shield Warranty Co., sent a contractor from North Carolina to fix his HVAC system. Something went wrong

Bottom line

Worth it? Home warranties can be worth looking into if one wasn't included when you bought the house and there are older components in the home — remember, newer materials and appliances usually come with their own warranties. Before signing a contract, do research and shop around. But if you've got enough money saved up or someone handy around to deal with fixes, home warranties aren't a "must."

Don't blow it. To make sure you get the most out of your warranty, keep and read your paperwork. Hold onto copies of the warranty contract, repair receipts and maintenance documentation.

What should you pay? Costs will depend on the level of coverage and the size of the home.

with the repair and the equipment failed, leaving Clark and his family without heat for 40 days over the winter, he said.

Clark said he called every day to find out when his heater would be fixed, and finally was taken seriously after he posted about his experience online.

"I kind of started to feel like a ping-pong ball after calling these companies so many times," he said.

Clark got a new heater and ended up paying about \$165 in service fees. American Home Shield also sent him a check for \$1,740 to reimburse the third-party contractor he found to replace the system.

A spokesperson for American Home Shield, in response to questions from *The Greenville News*, apologized in a statement for the "frustration and delay" Clark experienced.

The statement further read, "We reviewed the situation and are disappointed in what occurred. While this situation is not representative of the broader customer experience, it does provide us with valuable insight into opportunities for improvement — and we fully intend to make the most of those opportunities."

Clark now prefers to shop around and hire contractors he can choose himself.

Ahearn also advises homeowners to watch out for misleading advertising. She said some companies claim to cover pre-existing problems, when what they really mean is they cover a system that has already had a problem fixed in the past.

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Jonathan Clark of Travelers Rest said an HVAC tech didn't install this new propane heating system properly, which led to more repairs and a carbon monoxide leak in his home. COURTESY OF JONATHAN CLARK