



Home Tips®



• CHRISTIAN BUILDING INSPECTORS, INC., 3697 HABERSHAM LANE, DULUTH, GEORGIA 30096, 770-849-0920 • JUNE 2002 •

Q & A

Home Warranty Misleading?

We purchased an older home last winter and decided to add a little extra protection with a "Home Warranty". When we tried to use it 3 months later, we found out that many of the items we thought were covered, were in fact not covered. Isn't this "False Advertising"?

I experienced the same problem when I sold my home last fall. I purchased an *American Home Shield* home warranty. The policy stated:

Congratulations on owning this outstanding protection!

Nothing can enhance the value of your home — or your home life — like your American Home Shield home warranty. It protects the most complex appliances and systems in your home — saving you time and money on covered repairs. Plus, it provides for replacement of products we can't fix — or the option to receive cash instead. With outstanding protection like this, we think you'll see why U.S. homeowners choose AHS more than any other home warranty company.

This sounded like a pretty good policy to have. Not only does it protect the appliances and systems in the home, if they can't fix it, they will replace it! It further stated which systems were protected:

Your home warranty protects all of these important home appliances and systems:

AIR CONDITIONING SYSTEM	DISHWASHER
DUCTWORK	ELECTRICAL SYSTEM
GARBAGE DISPOSAL	BUILT-IN MICROWAVE OVEN
HEATING SYSTEM	PLUMBING SYSTEM
RANGE/OVEN	COOKTOP
TRASH COMPACTOR	WATER HEATER
SPA ONLY	WELL PUMP

It goes on to say...

For added assurance, you may protect any of the following for a modest fee....

POOL/SPA COMMON EQUIP.	POOL ONLY
REFRIGERATOR	SPA ONLY
SPA-SEPARATE EQUIPMENT	CLOTHES WASHER
CLOTHES DRYER	WELL PUMP

Well, what else is there? That seems to cover everything. At least, that is what you are led to believe.

The buyer of my house had a problem with the "Plumbing System". There was a stoppage in the main drain. Well, that is not a problem because the "Plumbing System" is included. It says so right on the cover of the policy. So they called American Home Shield and scheduled an appointment. When the plumber came out, he stated the blockage in the system is not covered under the policy and they will have to pay the \$35.00 fee even though nothing was done.

What the buyer failed to do is read the fine print of the policy. The front cover of the policy stated "Plumbing System" was covered. However, the fine print stated what actually was and was not covered. Misleading isn't it?

This is what the fine print of the policy actually stated:

COVERED SYSTEMS AND APPLIANCES

The following items are covered for home seller and home buyer. Certain limitations of liability apply to covered systems and appliances (See Section F).

PLUMBING SYSTEM COVERED:

Leaks and breaks of water, drain, gas, waste or vent lines, except if caused by freezing or roots - Toilet tanks, bowls and mechanisms (builder's standard is used when replacement is necessary), toilet wax ring seals - Valves for shower, tub, and diverter, angle stops, risers and gate valves - Permanently installed sump pumps (ground water only)- Built-in bathtub whirlpool motor and pump assemblies.

NOT COVERED:

Stoppages - collapse or damage to water, drain, gas, waste or vent lines caused by freezing or roots - Faucets and fixtures - Bathtubs and showers - Shower enclosures and base pans - Sinks - Toilet lids and seats - Caulking or grouting- Septic tanks- Water softeners - Pressure regulators - Inadequate or excessive water pressure - Flow restrictions in fresh water lines caused by rust, corrosion or chemical deposits - Sewage erector pumps - Holding or storage tanks - Saunas or steam rooms - Hose bibbs - Whirlpool jets.

The policy goes on to say just what is and is not covered under all of the "Covered Systems". Just because the system is listed, it does not mean the entire system is covered. In fact, the Heating and Air Conditioning is listed, but is not covered under the standard package for the "Home Seller". This is an option only.

You don't have to worry about old roof shingles since you have a "Homeowner's Warranty". Look again at the systems covered. Yes, you are right. Roofing is not one of the systems.

Other warranties exclude such items as furnace heat exchangers and air conditioning compressors. It is very important to fully understand all of the fine print in the policies and be able to inform the buyers on what is and what is not covered under a "Home Warranty".

How Do You Find A Qualified Contractor?

We need to replace our roof shingles and gutters this summer. How do you go about finding a qualified contractor?

I cannot begin to tell you how many times I have been asked if I knew of a good contractor. Out of the tens of thousands listed in the phone books, there are many good ones and not so good ones. The trick is finding the good ones.

First I would ask your friend and neighbors for a personal referral. This is the best way to find a contractor by talking to their satisfied clients.

Another way is by using "Home Reports" which is produced by Probox Inc. Right here in Atlanta. According to their literature:

Home Reports is an independent research firm that conducts consumer research to evaluate and document the performance of home service providers, such as heating and air conditioning contractors, roofers, and painters. Through thousands of interviews with homeowners who have direct experience with providers, we produce unbiased, third-party ratings to help consumers select quality contractors in more than two dozen categories.

We track and rate thousands of businesses and showcase Best Pick Companies in our annual report, which is posted online and mailed to homes in many Atlanta communities. Companies cannot "buy" a good rating; the only way contractors can obtain a good rating is to earn it by having many satisfied customers and good reviews.

The reports are broken down by sections of the city. Also, readers should not assume they do not have data about a specific category just because it is not listed in Home Reports.

Visit them at HomeReports.com or contact them at Home Reports, 1750 Peachtree Street, Atlanta, GA. 30309, 404-365-9777.

If you have a question, change of address, comment, home tip or would like to send *Home Tips* to your clients, send your letter to *Home Tips*, Christian Building Inspectors, Inc., 3697 Habersham Lane, Duluth, Georgia, 30096-6111. You can also E-Mail your questions to us at rodharrison@christianbuildinginspectors.com. We reserve the right to edit questions for length.

MOLD TESTING AVAILABLE

**To Have Your Home Tested Contact
Christian Building Inspectors, Inc.
770-849-0920**

Quote Of The Month

"YOU CAN MAKE MORE FRIENDS IN A MONTH BY BEING INTERESTED IN THEM THAN IN TEN YEARS BY TRYING TO GET THEM INTERESTED IN YOU."

- CHARLES L. ALLEN

A Tip Of The Hat To:

Young Sook Park
Metro Brokers Real Estate
2157 Roswell Road
Marietta, Georgia 30062



Thank You

• CHRISTIAN BUILDING INSPECTORS, INC. •

• Member: ASHI, GAHI, MAIA, SBCCI •

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• For Additional Information, Contact Rod Harrison or Terri Whitehead •

• Office: Monday-Friday 770-849-0920, Fax 770-849-0540, Digital Pager 770-890-4503 •

• Web Page: www.christianbuildinginspectors.com E-Mail: rodharrison@christianbuildinginspectors.com •



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