

Home System Protection Coverage vs. Home Warranty Comparison



Features	Home Warranty Contract (Multiple Contracts Reviewed)	Home Systems Protection Coverage (Personal Property - Cov C - Included)
Product intent.	Maintenance coverage, intended to cover mechanical breakdowns caused by wear and tear in home's major systems - i.e. plumbing, electrical, heating, air conditioning and major appliances.	Endorsement for accidental mechanical or electrical breakdowns in home's major systems and other home equipment and appliances. Tenant policies include Coverage C only. Condo policies include Coverage A, B and C where applicable.
Base price.	Typically runs hundreds of dollars per year.	Coverages A, B, C: \$20 Coverages A, B: \$11 Coverages A, C: \$20 Coverage C: \$10
Deductible.	\$0, but \$50 per-trade service fee charged per loss.	\$500 per Home Systems Breakdown.
Definitions	Definitions	Definitions
Breakdown.	Failure of covered system, component or appliance to work as designed, in normal service.	Defined as part of the definition of Home System Breakdown.
Home system breakdown.	Not defined, excluded cause of loss.	Sudden and accidental mechanical or electrical breakdown, bursting, cracking or splitting of "covered home equipment" that results in direct physical damage requiring repair or replacement of all or part of the damaged "covered home equipment."
Covered home equipment.	Equipment is specifically scheduled in the contract as included or excluded.	Any equipment covered under Coverage A, B or C: That generates, transmits or uses energy, or during normal usage, operates under vacuum or pressure, other than the weight of its contents. Tenant policies include Coverage C only. Condo policies include Coverage A, B and C where applicable.
Common Causes of Loss	Common Causes of Loss	Common Causes of Loss
Breakdown caused by wear and tear.	Covered \$2,000 max aggregate for rust and corrosion of plumbing and electrical.	Not covered. However, if wear and tear leads to a home system breakdown as defined above, that loss would be covered up to the HSP limit.
Breakdown caused by a home system breakdown.	Excluded.	Covered up to the HSP limit.
Breakdown caused by misuse, abuse, failure to clean or maintain as specified by the manufacturer.	Excluded.	Not covered. Must be a loss of functionality to be a covered Home System Breakdown.
Breakdown caused by mechanical or electrical failure.	Excluded.	Covered up to HSP limit.
Breakdown caused by equipment inadequacy or capacity issues.	Excluded.	Covered up to HSP limit if cause results in a loss of functionality.
Breakdown caused by improper installation, design or previous repair.	Excluded.	Covered up to HSP limit if cause results in a loss of functionality.
Breakdown caused by manufacturers defect.	Excluded. Included if during warranty period.	Covered up to HSP limit if the cause results in a loss of functionality. Coverage is in excess of warranty coverage.

Shenandoah Mutual | 660 N. Main Street | Woodstock, VA 22664 | 800 757-6342 | info@shenandoahmutual.com

This document is intended for information purposes only and does not modify or invalidate any of the provisions, exclusions, terms or conditions of the policy and endorsements. For specific terms and conditions, please refer to the coverage form.

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Spoilage resulting from an accident to covered equipment.	Not covered.	Covered up to the sublimit shown in the HSP endorsement:\$500
Loss of use resulting from an accident to covered equipment.	Not covered.	Covered up to the sublimit shown in the HSP endorsement.
Expediting expense.	Not covered.	Covered up to HSP limit.
Restrictions/Limitations	Restrictions/Limitations	Restrictions/Limitations
Use of network contractor.	Required.	Not required
Pre-existing condition.	Ineligible for coverage.	Covered if damage results in a home system breakdown to covered home equipment during the policy period.
Square footage limitation.	Base package covers homes under 5,000 square feet.	No restriction.
Age of equipment.	Varies by product.	No restriction.
Building code upgrades and violations.	Not responsible for paying cost of repairs for upgrades or violations. \$250 limit per claim available on premium package.	Upgrades to meet current building codes are included in claim costs following the 150% improvements condition in the form, allowing for a model upgrade if the upgraded model improved the environment or is more efficient.
Contract aggregates.	\$5,000 per claim, \$25,000 per term.	Coverage limits apply per home system breakdown.
Waiting period.	30 days.	No waiting period.
Commercial grade equipment.	Excluded.	No restriction.
Advance payment.	Contract must be paid in full at time of loss.	Not applicable, premium part of HO premium.
Contract eligibility for renewal.	Varies by product.	Follows carriers underwriting guidelines.
Service guarantee.	Parts 90 days/labor 30 days.	Not applicable, insured selects contractor of choice.
Equipment (Base Contract)	Equipment (Base Contract)	Equipment (Base Contract) All coverage is subject to the HSP deductible
Heating system.	Main heat source only, excludes many appurtenances, excludes solar heating systems, portable heaters, humidifiers. \$2,500 aggregate per claim.	Covered up to HSP limit.
Air conditioning system.	Central A/C only, 5 ton maximum, excludes many appurtenances. \$2,500 aggregate per claim.	Covered up to HSP limit.
Duct work.	Excludes many appurtenances.	Not covered.
Plumbing.	Excludes many appurtenances, excludes backup sump pumps, excludes saunas or steam rooms. \$500 aggregate per claim.	Domestic water piping not covered. Mechanical, electrical components covered up to HSP limit.

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Water heater.	Fired or electric only. Covers mechanical parts and components of one water heater only. (Excludes solar and heat recovery units). \$1,500 aggregate per term.	Covered up to HSP limit.
Sump pump.	Varies; included on some, optional on others.	Covered up to HSP limit.
Electrical system.	Covers wiring and standard mechanical parts or components located within the perimeter of the outer load bearing walls consisting of main breaker or fuse panel/box: garage door openers, interior standard light switches, receptacles and general line voltage wiring, ceiling fan motors and their controls. \$1,000 aggregate per term.	Covered - breaker panels and wiring up to HSP limit.
Dishwasher.	Excludes racks, baskets, rollers.	Covered up to HSP limit.
Garbage disposal.	Not specified.	Covered up to HSP limit.
Permanently attached microwave.	Excludes meat probes, rotisseries, racks, handles, knobs.	Covered up to HSP limit.
Range/oven/cook top.	Excludes meat probes, rotisseries, racks, handles, knobs.	Covered up to HSP limit.
Trash compactor.	Excludes various appurtenances.	Covered up to HSP limit.
Exhaust fan.	Excludes various appurtenances.	Covered up to HSP limit.
Whirlpool tub.	Excludes various appurtenances.	Covers heating and filtration equipment up to HSP limit.
Door bells.	Excludes various appurtenances.	Covered up to HSP limit.
Ceiling fans.	Excludes belts, shutters, filters.	Covered up to HSP limit.
Garage door openers.	Excludes all attached items.	Covered up to HSP limit.
Central vac.	Varies; included on some, optional on others. Always excludes ducts and accessories.	Covered up to HSP limit.
Burglar and fire alarm systems.	Excludes anything outside perimeter and water damage. \$400 aggregate per claim.	Covered up to HSP limit.
Refrigerators.	Excludes ice maker and other appurtenances.	Covered up to HSP limit.
Washer/dryer.	Varies; included on some, optional on others.	Covered up to HSP limit.
Electronic equipment (e.g. AV).	Ineligible.	Covered up to HSP limit.
Electronic or computerized energy management, or lighting and appliance management systems.	Excluded.	Covered up to HSP limit.
Solar heating systems.	Excluded.	Covered up to HSP limit.
Optional Equipment	Optional Equipment	Optional Equipment
Premium package: Includes window A/C units and pays up to \$250 for building code upgrades.	\$40.	Covered up to HSP limit. Part of standard coverage (not an option).

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Home square footage between 5,000 to 8,000.	\$176 surcharge.	Covered per base premium, no square footage restriction.
Ice maker.	\$15.	Covered in base premium.
Freezer.	\$35.	Covered in base premium.
Septic tank pumping.	\$30.	Not covered.
Well pump.	\$85.	Covered in base premium.
Pool/spa.	\$150.	Covered in base premium provides coverage for heating and filtration equipment.
Additional pool/spa.	\$150.	Base premium provides coverage for heating and filtration equipment.
Washer/dryer.	\$80.	Covered in base premium.
Additional refrigerator.	\$25.	Covered in base premium.