



Homeowners Equipment Breakdown vs. Warranty coverage

Warranty Weaknesses & Maintenance Contract Restrictions

Warranty and maintenance contracts may offer homeowners a sense of some security but, in fact, the protection they provide does have limitations.

Weaknesses with warranties:

- Manufacturer warranties are included in the product cost and cover manufacturer defect. These are limited to a specific item or part for a period of time, generally six months to one year. The contract terms specify the equipment, parts and labor that are covered. Not all replacement parts and labor are always covered.
- Extended warranties and home warranties are service contracts that typically cover breakdown caused by ordinary use but do not cover breakdown caused by human error such as improper installation, operating error or lack of maintenance.
- Faulty installation by a contractor and lack of maintenance are common causes of equipment breakdown that would leave the homeowner with a bill to pay. Similarly, if a breakdown occurs to an item other than the one under warranty or to equipment with a warranty that has expired you are left with the bill.
- Warranty contracts are expensive. Extended warranties cost 20% of the product cost. Home warranties cost \$400 or more. Since you can not predict which equipment will breakdown and when that might occur. You would need to spend hundreds of dollars per year on warranty contracts for peace of mind that all of the critical home equipment is covered. .
- Warranty contracts require the use of the warranty administrator's repair providers for coverage to apply. The administrator determines if the item needs to be shipped to the manufacturer, returned to a store or if a repair person will be sent. If the item needs to be shipped out or returned it is at your expense.

Maintenance contracts have issues too:

- Maintenance contracts, often sold by a contractor, provide periodic maintenance and necessary repairs for specified equipment only.
- Maintenance contracts obligate you to use that contractor for repairs. What if they aren't able to get over when you need service in the middle of the night or on a weekend? Shouldn't they have the flexibility to be able to call someone else who can?
- Maintenance contracts also expire. And many contractors leave it up to you to remember when they do. With your busy life you shouldn't have to keep track of such details.
- Plus, sometimes the contractors that issue maintenance contracts go out of business. What good is a maintenance contract with no contractor?

Why you need Homeowners Equipment Breakdown

- Your Homeowners policy provides a broad spectrum of insurance, yet almost all standard Homeowners policies do not cover mechanical, electrical or heating equipment breakdown.
- When key equipment breaks down like your boiler, heat pump, hot water heater, central air, the costs fix them can add up quick to thousands.
- That's why you need our special Homeowners Equipment Breakdown coverage. It fills that gap.

Benefits of Homeowners Equipment Breakdown

- You can get protection for pennies a day.
- Our coverage is designed to cover a wide range of critical home equipment and provide your with financial protection should a major loss occur that could cost thousands.
- Homeowners Equipment Breakdown covers accidental breakdown even if caused by human error, improper installation or lack of maintenance.
- Loss of Use, if you need to move out because your furnace is down in the middle of winter, the cost is covered.
- There is no age restriction for Equipment. Many warranties have expired by the time a breakdown occurs.

- We don't require naming of covered equipment as in warranties. The only requirement is that the equipment be covered property under coverage A or B of the Homeowners policy.
- Unlike warranties, Homeowners Equipment Breakdown provides coverage for other expenses that can crop up when repairs are needed, including:
 - Losses resulting from changes in codes or laws that make repairs more extensive and costly. That happens a lot.
 - Expediting costs to rush parts and the extra cost of removing and disposing damaged equipment.
 - Homeowners Equipment Breakdown pays an additional 25% for claims on repairs requiring environmental and efficiency improvements.

Freedom to select the contractor you want for repair services

- Homeowners Equipment Breakdown coverage allows you to select the repair provider of your choice.