

IS THERE REAL VALUE IN THIRD-PARTY, CONTRACTOR WARRANTIES?

Risk management is of critical importance to contractors, not only from a financial and legal perspective, but also from a sales and customer satisfaction perspective. Business-minded contractors are constantly thinking about how they can protect their reputation and bottom line, and the financial costs and business implications of the various risk management solutions available are important factors for consideration.



One proven risk management option is warranty coverage from a third-party, insurance-backed warranty provider. Often, contractors face the dilemma of whether they should purchase a warranty and transfer their risk to a third-party provider, or take a chance on assuming the risk themselves. At the end of the day, the question often remains: ***“Is there real value in third-party, contractor warranties?”***

At StrucSure Home Warranty, we understand our warranty products and services must provide more than basic return on investment. They must provide ongoing value that positively impacts both the contractor and their client for the long term. Below are 10 key points that illustrate the real, long-term value in third-party, contractor warranties offered by StrucSure Home Warranty.

1. StrucSure’s contractor warranties don’t just protect a contractor’s bottom line, they help add to it by building buyer confidence (which helps contractors close more deals). ***More than a great risk management tool, our contractor warranties are also a proven sales and marketing tool.***
2. StrucSure strives to accept quality and reputable contractors into our program. Contractor members are screened during our registration process in an effort to understand their history and dedication to a positive experience by their clients. ***As a member of StrucSure, we not only help protect a contractor’s reputation, but will help promote them as a quality, reputable service provider.*** This third-party verification and validation helps provides “reputation value” among their customers, colleagues, and peers.
3. At StrucSure, we really do pay claims. ***StrucSure sets aside a high percentage of every dollar received for the purpose of covering claims on covered components.*** Golden Insurance Company, RRG, insures every warranty issued by StrucSure Home Warranty and is rated by A.M. Best and authorized by HUD. Golden is re-insured in party by Lloyd’s of London, the world’s leading specialist insurance market with a 325-year history and over \$4 billion in assets standing behind policyholders.
4. At StrucSure, we’re not just paper pushers, we’re professional warranty administrators that also act as a layer of protection between a contractor and an unhappy homeowner. As a contractor’s risk management partner, we handle calls regarding coverage and act as a liaison between them and their clients. ***By managing client inquiries, claims, and other administrative items, we help contractors free up resources so they can focus on their services.*** In addition to being a part of a contractor’s warranty service team, we’re also an extension of their sales and marketing department. We offer free marketing materials for many of our contractor warranty programs to help them promote the benefits of warranty coverage to their clients.
5. Our warranties include written performance standards, ***removing any confusion or subjectivity about claims and what is covered and excluded under the terms of the warranty.*** Performance standards also provide information on the contractor or insurer’s responsibility and what actions are necessary to bring the variance within the standard in order to remedy defects.



6. Each warranty issued by StrucSure also includes a mediation and arbitration clause. ***This helps keep contractors out of the courthouse if an issue/defect were to occur with one of their projects.*** Our Express Limited Warranty prohibits class action lawsuits while also prohibiting awards of punitive damages, money damages, or attorney's fees. In addition, our warranty allows the contractor or insurer to make repairs (which greatly reduces a lawyer's ability to collect money on a lawsuit). Finally, our warranty disincentivizes attorneys from targeting contractors since financial awards are not available under express warranty claims. These important features provide a solution to legal situations without the time, energy, and expense of litigation. 
7. Warranties give clients peace-of-mind about their purchase decision. ***When clients have additional third-party warranty coverage from StrucSure, they don't have to wonder about defects or costly repairs,*** but can instead have confidence that their contractor has provided them quality service, that they will stand behind their work, and they will ensure any warranty items are resolved quickly and professionally.
8. Unfortunately, defects can—and do—happen. ***Insurance doesn't always protect contractors against these kinds of risks; warranties do.*** Without third-party warranty protection, contractors could find themselves with a hefty repair bill, or even worse, a legal nightmare resulting in the loss of time, energy, and money. StrucSure's warranty programs are competitively priced and the financial rewards and return on investment are invaluable. 
9. ***Transferring risk to a third-party warranty company is a smart risk management strategy that can help contractors safeguard their company's assets, protect their resources, reduce their liabilities, and minimize their costs.*** Third-party warranty coverage also protects a contractor's hard-earned reputation for quality, reliability, and excellence and will help protect their pocketbook and increase their bottom line.

The success of our business and the value contractors receive through our warranty products and services is not only shown by the number of contractors we have warranted since 1997, but also the satisfied clients who have benefitted from our coverage. The facts, data, and experiences from contractors and their clients across the country validate our claim that there really is value in third-party warranties.



To learn more about warranty coverage from StrucSure Home Warranty and receive a free quote for warranty coverage on your specific contractor program, please call 1.877.806.8777, email info@strucsure.com, or visit www.strucsure.com.

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