

IS THERE REAL VALUE IN THIRD-PARTY, NEW-HOME WARRANTIES?

Risk management is of critical importance to builders, not only from a financial and legal perspective, but also from a sales and customer satisfaction perspective. Business-minded builders 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, builders 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, new-home 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 builder and the homebuyer for the long term. Below are 10 key points that illustrate the real, long-term value in third-party, new-home warranties offered by StrucSure Home Warranty.



1. StrucSure’s new-home warranties don’t just protect a builder’s bottom line, they help add to it by building buyer confidence (which helps builders sell more homes). ***More than a great risk management tool, our home warranties are also a proven sales and marketing tool.***
2. StrucSure strives to accept quality and reputable builders into our program. Builder members are screened during our registration process in an effort to understand their building history and dedication to a positive homebuyer experience. ***As a member of StrucSure, we not only help protect a builder’s reputation, but will help promote them as a quality, reputable builder.*** This third-party verification and validation helps provides “reputation value” among their customers, colleagues, and peers.
3. Each new-home warranty program offered by StrucSure is regulated by the U.S. Department of Housing and Urban Development (HUD), and ***because our warranty programs are regulated by the government, builders and homeowners can have confidence in the security and protection they provide.***
4. At StrucSure, we really do pay claims. ***StrucSure sets aside a high percentage of every dollar received for the purpose of covering claims on workmanship and materials; wiring, piping, and ductwork; and major structural defects.*** 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 part 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.
5. At StrucSure, we’re not just paper pushers, we’re professional warranty administrators that also act as a layer of protection between a builder and an unhappy homeowner. As a builder’s risk management partner, we handle calls regarding coverage and act as a liaison between them and their homeowners. ***By managing homeowner inquiries, claims, and other administrative items, we help builders free up resources so they can focus on building and selling quality homes.*** In addition to being a part of a builder’s warranty service team, we’re also an extension of their sales and marketing department. Builder members receive free, customized marketing materials to help them promote the benefits of warranty coverage to their homebuyers. In addition, we provide sales staff with complimentary training so they fully understand our programs and can promote the benefits and sell more homes.



6. 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 builder or insurer's responsibility and what actions are necessary to bring the variance within the standard in order to remedy defects.
7. Each warranty issued by StrucSure also includes a mediation and arbitration clause. **This helps keep builders out of the courthouse if a construction defect were to occur in one of the homes they've built.** 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 builder 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 builders 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. 
8. Warranties are one of the main reasons there is an advantage to buying a new home vs. a used home as they give homebuyers peace-of-mind about their purchase decision. **When homebuyers have warranty coverage from StrucSure, they don't have to wonder about defects or costly repairs,** but can instead have confidence that their builder has sold them a quality-built home, that they will stand behind their work, and they will ensure any warranty items are resolved quickly and professionally.
9. Unfortunately, construction and structural defects can—and do—happen. **Insurance doesn't always protect builders against these kinds of risks; warranties do.** Without third-party warranty protection, builders 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 (typically a small percentage of the sales price of a home) and the financial rewards and return on investment are invaluable. 
10. **Transferring risk to a third-party warranty company is a smart risk management strategy that can help builders safeguard their company's assets, protect their resources, reduce their liabilities, and minimize their costs.** Third-party warranty coverage also protects a builder'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 builders receive through our warranty products and services is not only shown by the number of builders we have warranted since 1997, but also the happy homeowners who have benefitted from our coverage. The facts, data, and experiences from builders and homebuyers 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 or risk analysis, please call 1.877.806.8777, email info@strucsure.com, or visit www.strucsure.com.

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StrucSure Home Warranty is How the Nation's Best Builders Protect Their Buyers