

Is a Home Warranty Right For You?

When buying a home, many people are given the “incentive” of a home warranty. But home warranty companies also pitch their products to home owners as added protection for their aging homes. It’s important to remember that not all home warranties are alike or offer the kind of coverage you might believe is included.

- A home warranty is not the same thing as an insurance policy. A home warranty is more like a service contract that covers repairs for specific items in your home under specific conditions.
- Review the warranty carefully to see what it covers and what it excludes. Most include the mechanical systems in the home – heating and air conditioning, plumbing, electrical systems. Some also cover appliances.
- Review the costs associated with the warranty. In addition to the cost of the warranty itself, the plan may also require a fee for each repair visit. Also, the warranty may not pay for the entire repair. Some require you to pay a “deductible,” some cap the amount that will be paid for the repair, while others may require you to pay other out of pocket expenses.
- Beware of exclusions. Many warranties require that systems be maintained a certain way before it covers a repair. For example, if you have an issue with your air conditioner, but the filters haven’t been changed as required by the manufacturer, the warranty company may decline to pay for the repair.
- Before deciding if a home warranty is right for you, assess your needs. Think about the age of the systems or appliances covered and how much it will cost to repair or replace them. How do those costs compare to the price of the warranty and additional fees you’ll need to contribute? A warranty may save you money but only if you need a major repair that is covered under its terms.

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consumer@howardcountymd.gov

410-313-6420 (voice/relay)