

The 2-10 Home Buyers Warranty (2-10 HBW)

Builder Handbook



Your guide to the industry's leading structural home warranty products.

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LONG LIVE HAPPY HOMES®



smile, you know what to expect
when the unexpected happens.®

1 OUT OF 7

New Homes has a 2-10 HBW 10 Year Structural Warranty



ALMOST 1 MILLION

2-10 HBW warranties in force

Covering over

5.5 MILLION HOMES

Risk Management

SHIFT YOUR LIABILITY

OVER 37 YEARS

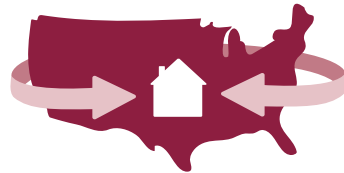
in the industry

FHA, VA, HUD and USDA

LOANS APPROVED

Fulfill

HOMEOWNER REQUESTS



NATIONWIDE RISK MANAGEMENT SPECIALISTS

covering 48 states.

2-10 HBW RISK MANAGEMENT EXPERIENCE

The 2-10 HBW Risk Management team consists of risk management experts throughout the United States that are knowledgeable in home building, construction practices, geotechnical and structural engineering.

With over 37 years of forensic data pertaining to geographic claim activity, 2-10 HBW has a broad understanding of structural warranty requirements, regulations and a well-rounded perspective of the technical aspects of the home building industry.

Our products and services have been designed and are continually refined to reduce the risk of our builder members, making 2-10 HBW a strong warranty partner.



revel in the fact that we provide
the industry's leading home warranty coverage
and customer service experience.

 **Wherever you see this symbol, it indicates our recommendation for maximum value and protection.**

2-10 Home Warranty

Our 2-10 warranty provides third party insurance-backed coverage for qualifying structural defects on newly constructed homes.

- Commencing the day of closing or first occupancy
- HUD-Approved
- 1 year of surety coverage against defects in workmanship and materials
- 2 years of surety coverage for defects in wiring, piping and ductwork in electrical, plumbing, heating, cooling, ventilating and mechanical systems
- 10 years of coverage for qualifying structural defects to load-bearing components

Texas warranty uses TAB construction standards

Front Line Warranty Service*

2-10 HBW is the first point of contact on builder's behalf for all homeowner warranty questions to alleviate expensive homeowner call-backs and keep you focused on what you do best.

New Construction Home Warranty Service Agreement

Our New Construction Home Warranty Service Agreement provides coverage for the home's systems and appliances, including central heating systems, water heaters, plumbing, electrical, attic and exhaust fans, central air conditioning and kitchen appliances.

Coverage is effective at closing or one year after the home closed, whichever you choose, and one or two years of coverage is available.



FRONT LINE WARRANTY SERVICE*

It's like having an extra person in the office to filter out any non-qualifying warranty issues and process qualifying claims. Designed by warranty professionals to alleviate expensive homeowner call-backs, Front Line Warranty Service leaves you with more time to do what you do best — building and selling homes.

** Available in select states.*

WHY DO BUILDERS CHOOSE 2-10 HBW?

Years of Experience

✔ **36+ YEARS**

Claims Paid

✔ **\$286.7 MILLION**

NAHB Defined Construction Standards

✔ **YES**

Covers Soil Movement

✔ **INCLUDED**

Day One Insurance-Backed Coverage

✔ **INCLUDED**

Binding Arbitration

✔ **INCLUDED**

Online Enrollments
through Builder Portal

✔ **INCLUDED**

Resale Division

✔ **YES**

10 Year Structural Home Warranty

- 10 years of coverage for qualifying structural defects to designated load-bearing components

Remodeler's Home Improvement Warranty

Our 10 year warranty provides insurance-backed coverage for defects in home improvements.

- 1 year of surety coverage for defects in workmanship and materials
- 2 years of surety coverage for systems defects
- 10 years of coverage for qualifying structural defects to load-bearing components

Manufactured/Modular Home Warranty

Our 10 year warranty provides insurance-backed coverage for manufactured and modular homes.

- The Manufactured Home Warranty provides 10 years of coverage against qualifying structural defects in load-bearing components from the frame up
- The Modular Home Warranty provides 10 years of structural coverage from the sill plate up

🏠 Both products can be upgraded to the full 2-10 warranty if the home is placed on a permanent foundation by a Builder/Dealer, and the Builder/Dealer is a member of the 2-10 HBW program.

Strategic Insurance Alliances*

We have formed strategic alliances with a number of commercial general liability carriers that offer discounted premiums for builders that are members of 2-10 HBW and use insurance-backed structural warranties on all of their homes.

Construction Lender Warranty

Our 10 year warranty provides insurance-backed coverage for qualifying structural defects in new homes taken back by the lender.

We offer HUD-approved warranty coverage plans for:

- Single-family homes
- Attached homes
- Condominiums
- Manufactured/Modular homes

Light Commercial Warranty

Our Light Commercial warranty provides 10 years of coverage for structural defects from the earliest closing date, first title transfer or the date of first occupancy for the building and is tailored for the commercial builder.

Builder Backed Service Program*

Utilizing NAHB's Residential Construction Performance Guidelines, this program provides a platform for quick resolution and warranty administration services for builders and home buyers, and education about what is and isn't covered to help avoid costly disputes.

* Available in select states.

BENEFITS OF BEING A 2-10 HBW BUILDER MEMBER

Gain access to industry leading warranty products.

Shift your financial responsibility for a structural defect loss to our 10 year insurance-backed warranty.

Reduce unnecessary call-backs to your warranty department.

2-10 HBW administers disputes in conciliation and arbitration, minimizing frivolous lawsuits.

We offer a variety of complimentary print and web materials to educate home buyers on the value of a home warranty.



relax, your business is on solid ground.

With a 2-10 Home Buyers Warranty Insurance-Backed Structural Warranty
you're protected from soil movement.

A Structural Claim Case Study by 2-10 Home Buyers Warranty

A Department of Energy Certified Builder strictly followed local building codes. The company built 8,800 homes over a 20 year period and prided themselves on being a community builder. They built homes in locations across their territory and had never received a claim. Even with their good claims history, the builder enrolled all of their homes in the 2-10 HBW program and provided a 10 year insurance-backed structural defect warranty to their homeowners. This was a builder doing things the right way.

After 20 claim-free years, something happened. The builder received over 20 claims in one year with the bulk of the claims coming from one subdivision.

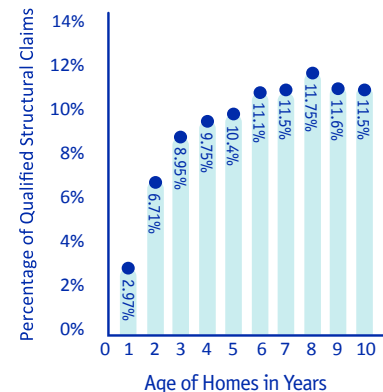
The builder had conducted a geotechnical investigation of the soil prior to building; however, standard testing did not detect critical soil conditions. About four years after the homes had been built, the builder received notice that foundation damage was occurring in over 20 homes. The builder immediately filed multiple structural claims with the warranty insurer for the 2-10 HBW warranty program. The warranty insurer's investigation revealed that soil settlement was occurring throughout the subdivision because subterranean water was entering the soil underneath the homes. This particular soil, known as hydro-collapsible soil, collapsed in the presence of water. The failure of the soil to support the load of the home resulted in extensive structural damage to each home. The rest of the homes in the subdivision were investigated and more signs of distress were revealed.

Typically, 20 claims in one year would destroy the builder's reputation and company. Fortunately, this builder was a 2-10 HBW builder member who had placed structural warranties on every home built. As a result, the warranty insurer for the 2-10 HBW warranty program was able to pay for the repair of many homes. The builder avoided this expense because he had shifted risk to their warranty insurer; over 30 claims have been received to date and many are still open and being investigated. To date, the warranty insurer for the 2-10 HBW Warranty program has incurred several millions of dollars in costs related to the settlement of these claims on behalf of the 2-10 HBW builder.

The average structural claim costs more than

\$42,500

When do most structural claims occur?





brag about the confidence your home buyers have knowing they are protected for a full ten years.

Defining the Structural Warranty from 2-10 Home Buyers Warranty.

1 Year Workmanship Warranty

The 1 year workmanship warranty provides surety coverage from the day of closing. It provides clearly defined construction standards for defects in materials and workmanship for the first year. If the builder defaults on their obligation, the warranty insurer fixes the defect.

- 1 Roof Covering
- 2 Cabinets
- 3 Countertops
- 4 Door Panels
- 5 Exterior Siding
- 6 Hardwood Floor
- 7 Ceramic Tile
- 8 Drywall
- 9 Interior Trim
- 10 Carpet
- 11 Paint
- 12 Fireplace



2 Year Systems Warranty

The 2 year systems warranty provides surety coverage from the day of closing. It provides clearly defined construction standards for defects in the distribution of electrical, plumbing and mechanical systems for a full two years if the builder defaults on their obligation

- 13 Supply Piping
- 14 Waste Piping
- 15 Ductwork
- 16 Electrical Wiring

10 Year Structural Warranty

The 10 year insurance-backed structural warranty provides 10 full years of structural defect coverage from the day of closing. It protects designated load bearing elements of the home caused by failure that affects their load bearing function to the extent that the home becomes unsafe, unsanitary or otherwise unlivable.

- 17 Roof Framing
- 18 Load-Bearing Walls
- 19 Beams
- 20 Columns
- 21 Foundation
- 22 Floor Framing

 **94%**
**OF PROSPECTIVE
HOME BUYERS**

**are more likely to purchase a new
home from a builder
that offers a structural warranty.**

*According to a co-sponsored survey
by 2-10 HBW and the National Association
of Home Builders*



relax, we offer complimentary marketing tools.



Homeowner Brochure
Bi-Fold
Size: 4"x9"



Co-Branded Builder Brochure
Bi-Fold
Size: 4"x9"



Co-Branded Maintenance Manual
21 page book
Size: 8.5"x11"



Co-Branded Defining the Warranty Flyer
Size: 8.5"x11"



Defining the Warranty Poster
Size: 18"x24"



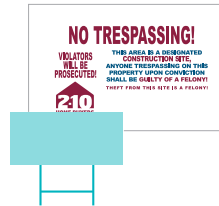
Illustrated Guide to Structural Warranties Flyer
Size: 8.5"x11"



Illustrated Guide to Structural Warranties Poster
Size: 24"x32"



10-Year Yard Sign
Corrugated
Size: 24"x18"



No Trespassing Yard Sign
Corrugated
Size: 18"x12"



Table Tent
Size: 6"x7.5"

Interactive House

In addition to printed marketing materials, 2-10 HBW provides you with digital content for your website. Our Interactive House and web copy will help in explaining the benefits of a structural warranty to your potential buyers and homeowners.



Social Media

2-10 HBW writes articles that you can share with your buyers and homeowners in newsletters, email updates and on social media. Here are just a few sample articles:



DIY Winterize Sprinkler System

SHARE



Winter Home Vacation Checklist

SHARE

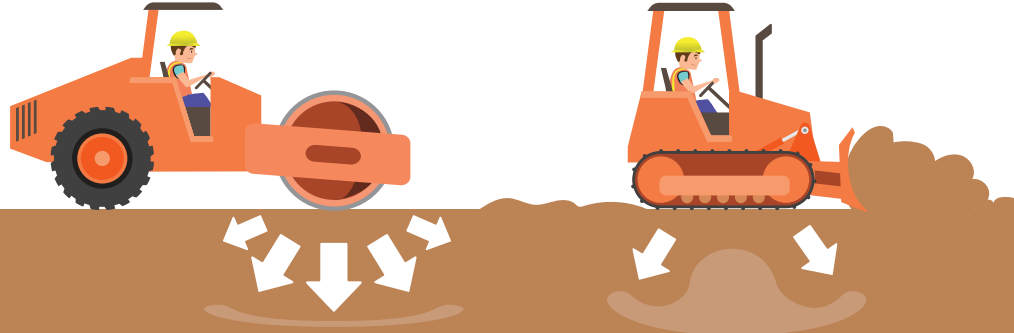
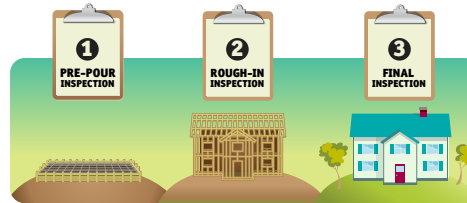
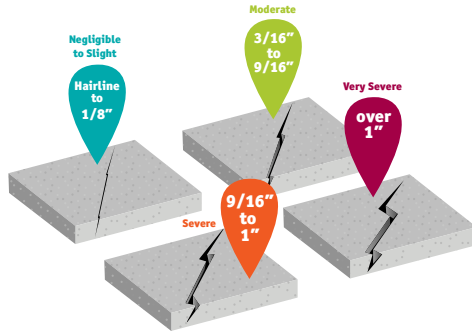


Improve Outdoor Space Home Designs

SHARE

Builder Education Series

Enjoy 2-10 HBW's education series written by our on-staff Risk Managers and Engineers. Learn about Geotechnical Inspections, Early Development and the Effects of Rainwater, Misconceptions of the Common Crack and many others.



INTRODUCTIONS CAN BE REWARDING



CALL
877.777.1344

210sales@2-10.com

SUGGEST A BUILDER

1. Submit the builder information to 2-10 HBW.
2. Builder gets approved as a member of the 2-10 HBW program.
3. YOU RECEIVE A CHECK FOR \$100*.

*To receive the reward, (1) you must introduce a new builder; (2) builder must submit a non-refundable registration fee; (3) builder must be accepted into the 2-10 HBW new home warranty program; and (4) you send us the introduction information before the builder is accepted into the 2-10 HBW program. You will receive the \$100 reward within 30 days of the date if the items (1-4) are completed. If multiple people introduce the same builder, the person who submitted the builder information first will receive the reward.



smile, you have a team ready to support you.

Visit **2-10.com/builder**
or Call **877.777.1344**



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