

# UNDERSTANDING THE DIFFERENCES

among your home coverages



## COVERAGE TERMS AND FEE STRUCTURE

	TERM LENGTH	RENEWABLE	DEDUCTIBLE/FEE
 <b>Homeowners insurance</b>	1 year, with annual premium	Yes*	Deductible of \$500 or more**
 <b>Home Warranty Service Agreements for systems and appliances</b>	1-5 years, with annual or monthly payments	Yes*	Service Fee of up to \$100**
 <b>New-construction structural warranties</b> <small>Only builders who are or become 2-10 HBW Builder Members may purchase a structural warranty.</small>	10 years, one-time payment	No	Investigation fee of \$250 or less** (fully refundable after claim acceptance)

Each of these products provides unique coverage, which you can use to complement each other for the most comprehensive coverage

\*Both homeowners insurance and Home Warranty Service Agreements are generally renewed at the company's discretion.

\*\*Service Fees and deductible vary by company.

## HOMEOWNERS INSURANCE



Homeowners insurance provides coverage for damage or loss to your home and personal belongings from events like fire, lightning, windstorms, hail, explosions, smoke, vandalism, and theft. It also protects against many types of liability claims and lawsuits brought by others for accidental bodily injury or damage to their property while in your home.



### COVERED EVENTS

- Damage caused by natural and other disasters, such as lightning, wind, hail, fire, vandalism, and theft
- Resultant bodily injury and property damage

### COVERED ITEMS

Basic homeowners insurance policies typically cover everything inside and outside the home that may be lost or damaged as the result of a covered loss. This may include components of the home and personal belongings. Homeowner claims are resolved or settled by repair, restoration, or replacement of your property that was damaged, lost, or stolen.

### UNCOVERED EVENTS

- Failures to systems and appliances caused by normal wear and tear
- Structural failures caused by naturally occurring soil movement or settlement



**DID YOU KNOW?** Most lenders require you to purchase homeowners insurance as a condition of the loan to protect themselves.

## HOME WARRANTY SERVICE AGREEMENTS



A Home Warranty Service Agreement from 2-10 HBW helps reduce the cost to repair or replace covered systems (like your heating and cooling) and appliances (like your refrigerator) when they break down due to normal wear and tear (subject to agreement limits and exclusions).



### COVERED EVENTS

- Breakdowns to covered systems and appliances caused by normal wear and tear from regular, proper use

### COVERED ITEMS

Coverage may vary based on the plan you choose, but comprehensive coverage from 2-10 HBW may include the following:

- Heating and air conditioning systems (HVAC)
- Electrical systems
- Plumbing
- Major appliances, such as your refrigerator, dishwasher, oven, and range

### UNCOVERED EVENTS

- Damage or failures as the result of improper use or treatment of eligible systems and appliances



**DID YOU KNOW?** 7 out of 10 homes will experience a system or appliance failure in any given year.

## NEW-CONSTRUCTION STRUCTURAL WARRANTIES



An insurance-backed structural warranty from 2-10 HBW protects builders and homeowners against failures in a new home's load-bearing elements, subject to warranty limits.



### COVERED EVENTS

- Actual physical damage to a designated load-bearing element caused by a failure of such designated load-bearing element, resulting in the home being unsafe, unsanitary, or otherwise unlivable

### COVERED ITEMS

Structural warranties cover designated load-bearing elements, including but not limited to:

- Roof framing
- Load-bearing walls
- Beams
- Columns
- Foundation
- Floor framing

### UNCOVERED EVENTS

- Damage or failures of structural components due to natural or other disasters



**DID YOU KNOW?** The average structural claim costs between \$42,000 and \$113,000.