

Information and Frequently Asked Questions About Home Warranty Insurance Coverage

What is a home warranty plan?

A home warranty is an annual service contract that protects systems and appliances in the home when they break down or malfunction due to normal wear and tear.

What's the difference between a home warranty and homeowners insurance?

A home warranty is different from homeowners insurance in that it covers damage on systems and appliances only. Homeowners insurance covers structural damage on your home due to theft, natural disasters, or fire.

How long do home warranty plans last?

Typical plan period is 1 year. Some companies offer 3 or 5 year plans for a more affordable price.

What does a home warranty plan cover?

A home warranty typically covers both systems and appliances. Some companies split coverage options into systems plans, appliance plans, and combination plans. The most common systems and appliances covered include air conditioning, heating, electrical, plumbing, duct work, refrigerators, water heaters, built-in microwaves, dishwashers, ovens, clothes washers, clothes dryers, and garbage disposals.

How much does a home warranty plan cost?

Around \$300–\$600 per year. Plans come with service fee deductibles that range between \$65–\$125.

How does a home warranty plan work?

When a home system or appliance breaks down due to normal wear and tear, you can call your home warranty company to file a claim or submit a service request online. Your company should send a trusted technician to your home within 48 hours or allow you to choose an approved contractor of your choice. In your home, the contractor assesses the issue and can recommend a repair or replacement. Before they leave, you'll pay the service fee set by your company.

Do I need a home warranty plan?

A home warranty plan isn't mandatory. Having coverage is an extra layer of protection on your home systems and appliances. If you have new appliances that are all under manufacturer's warranties, you may not need a home warranty. Having home warranty coverage could protect you if one of your systems or appliances breaks down beyond the existing warranty period.

How can I cancel my home warranty?

Typically, you can cancel your policy and receive a full refund within the first 30 days of coverage. After the first 30 days, you may still be able to cancel, but you'll likely receive a prorated amount based on how much of your contract you have remaining. Check your policy to figure out what the cancellation process looks like.

Top-Rated Home Warranty Insurance Companies for 2021

American Home Shield:

<https://www.ahs.com>

First American Home Warranty:

<https://homewarranty.firstam.com/>

Select Home Warranty:

<https://quote.selecthomewarranty.com/affiliate/2db4d6?subid=svF111kHnSXQ>

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