

# YOUR INVESTMENT

## What is a home warranty?

A home warranty is a service contract that covers the repair or replacement of many of the most frequently occurring breakdowns of home systems and appliances.

## Why do I need a home warranty?

Your home is most likely one of your biggest investments. Unexpected repair or replacement costs can easily strain your budget. Plus, finding a qualified professional to solve your problem can be stressful and inconvenient. A home warranty cannot prevent systems or appliances from breaking down, but it can help make covered repairs or replacements easier and less costly.

The AHS® Home Warranty FlexPlan® offers an unprecedented level of choice when it comes to selecting a home warranty. Homeowners choose the house that fits their family best. Now they can do the same with their home warranty coverage—it's flexible!

## How does the AHS Home Warranty FlexPlan work?

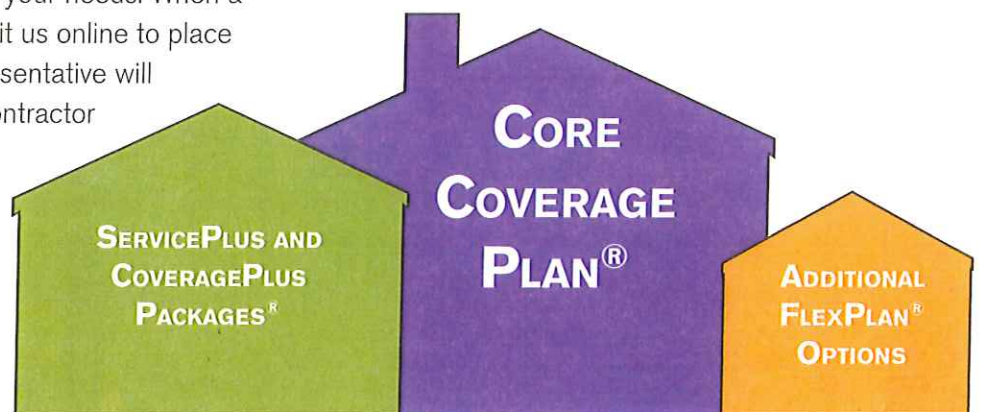
With the AHS Home Warranty FlexPlan, you build the protection plan that best fits your needs. When a covered item fails, just call or visit us online to place a service request. An AHS representative will assign a professional, insured contractor to handle your request.

The contractor will schedule a mutually-convenient time to assess the problem and make a repair or replacement.

Upon arrival, you'll pay your Trade Service Call Fee to the contractor. Once repair or replacement is complete, and as long as we have your proper e-mail address on file, AHS will send you a follow-up customer satisfaction survey regarding the service performed.

## How do I benefit from the AHS Home Warranty FlexPlan?

- With FlexPlan you can customize your coverage plan to fit your individual budget and lifestyle.
- Our highly-trained customer service representatives are available 24 hours a day, 7 days a week, 365 days a year to accept your service requests by phone or online.
- After your service request is received, you'll receive prompt, professional service from one of our approved and insured contractors. The contractor will call you to schedule a mutually-convenient time to diagnose your problem.
- Provide us with your proper e-mail address and you'll receive an automatic follow-up after each repair or replacement.



# OUR COMMITMENT

AHS founded the home warranty industry in 1971 and today we have over 1.2 million home warranties in force. Because our company focuses all resources and efforts on home warranty service, we lead the industry in listening to our customers' wants and needs in order to provide the most innovative products available. Our FlexPlan is yet another example of our innovation—customers asked for it, and we delivered!

“ **AHS CURRENTLY PROVIDES OVER 1.2 MILLION HOME WARRANTIES NATIONWIDE, AND THE AVERAGE CUSTOMER MAKES OVER 2 SERVICE REQUESTS A YEAR.** ”

Our customer service centers are staffed with highly-trained representatives 24 hours a day, 7 days a week, 365 days a year. Whenever you have a problem with a covered item in your home, we are available to take your request for service. The local contractor will contact you and schedule a mutually-convenient time to assess the problem and make a repair or replacement.

We've created a comprehensive network of screened and approved contractors to serve our homeowners. We consistently monitor their performance and grade them based on our

customer satisfaction survey program.

At AHS, we believe that customers who are educated about their home's systems and appliances, especially the recommended maintenance, have a higher degree of satisfaction. That's why we strongly promote homeowner education. As an AHS customer, you will receive:

- Quarterly e-newsletters with useful information related to caring for your home
- Heating and cooling system reminders
- Seasonal maintenance information

The AHS logo is rendered in a large, white, stylized font against a red background. The letters are bold and blocky, with the 'H' and 'S' having rounded, interconnected shapes. The logo is positioned in the bottom right corner of the page, partially overlapping a large red triangular graphic that points upwards from the bottom left.

# FAQ's and Regular Maintenance

## How many times can I use my home warranty?

Unlimited during your contract term. Currently, we have over 1.2 million active warranties in place nationwide. And on average, over 2 service requests are made by our customers each year. In 2007 that resulted in over \$304 million spent nationwide to take care of our customers by repairing or replacing covered items.

## Is everything in my home covered by the AHS Home Warranty FlexPlan?

No. While not everything is covered, the FlexPlan allows you to select additional coverage packages and options. Please review the sample contract in this brochure for specific covered items, terms and conditions, limitations and exclusions.

## What out-of-pocket expenses will I have?

For each service request, you will pay a Trade Service Call Fee to each contractor of a different trade (plumber, electrician, etc.) who visits your home to diagnose a problem or perform service. There may be additional costs associated with the repair or replacement of covered items. Please review your contract for more information.

## What are undetectable, pre-existing conditions?

These are conditions that existed prior to the warranty and could not be detected by either a visual inspection

or a mechanical test. You may want to consider our ServicePlus Package which provides you with additional coverage for many of these circumstances. Please read your contract for more information.

## What are mismatched home systems?

This is when a system or appliance is not properly matched in size or efficiency. This can shorten the life of the system or appliance. The ServicePlus Package will cover this instance provided it happens prior to or during the contract term. Please be sure to read the enclosed sample contract.

## Are common service problems expensive?

They certainly can be. In fact, the retail replacement cost for just one system or appliance can cost on average \$1,388\*. Some of the most expensive items for homeowners to repair or replace are also some of the most common service requests. For instance, AHS often receives service requests related to heating and air conditioning units. The breakdowns that frequently affect these systems can be complex, time-consuming and expensive. The FlexPlan covers many of the components in these units to help protect you against unnecessary burdens on your budget.

\*The average of the dollar amount shown on the chart within this brochure, Marshall & Swift, L.P., 2005.

## Keep your home in the best condition and get the most out of your home warranty with these helpful tips!



### Central Air Conditioning

- To ensure efficient operation, check filters every month. Clean or replace as needed.
- Have annual system maintenance service performed one month before the cooling season begins.
- Keep the condensing unit free of debris.
- Trim shrubs and plants near condensing unit to ensure proper air flow/circulation.



### Furnace (Hot Air)

- Check filters every month.
- Smell around the appliance for gas odors.
- Visually inspect exhaust vent for rust, damage or deterioration.
- Have annual system maintenance service performed one month before the heating season begins.



### Garbage Disposal

- To clean the disposal, feed a full tray of ice cubes through it while running cold water.
- To prevent stoppages, remember to run water during use and for at least twenty seconds after you finish.
- Make sure rubber splashguard is not damaged or missing.
- Avoid using a garbage disposal if you are on a septic system.



### Plumbing

- Toilet paper should be the only paper product flushed down a toilet.
- Maintain water softener according to manufacturer's recommendations.
- Water filters and icemaker filters should be changed according to manufacturer's recommendations.
- Drain sediment from water heater tank according to manufacturer's recommendations.

# YOUR COMFORT

Few things are worse than a sleepless night spent worrying about what will break in your home and how you will pay to repair or replace it. With our FlexPlan, you can sleep easy. We help reduce the costs of covered repairs and we locate a qualified, professional contractor for you.

With our unique packages and options, we can even help cover unexpected costs related to

permits, code violations, mismatched systems, septic systems and geothermal conditions. Check out some of the average retail replacement costs for many common home systems and appliances in the chart below. Remember, your AHS Home Warranty covers the repair or replacement of many of the most frequently occurring breakdowns of home systems and appliances, but not necessarily the entire system.

## Can you afford **NOT** to have an AHS Home Warranty FlexPlan?

AHS can help you reduce these potential costs on covered items.

System / Appliance	Replacement Costs <sup>+</sup>
Plumbing <sup>1</sup>	\$726 - \$990
Water Heater	\$456 - \$520
Electrical <sup>2</sup>	\$811 - \$1,255
Pool/Spa Equipment <sup>3</sup>	\$1,361 - \$1,900
Heating	\$1,751 - \$4,075
Air Conditioning	\$2,461 - \$4,400
Range	\$531 - \$915
Refrigerator	\$691 - \$975

<sup>+</sup>This chart shows retail replacement costs for equipment considered "average quality," as determined by Marshall & Swift, L.P., 2005, and was reprinted with their written permission. Figures presented may be higher or lower in your area. Further reproduction is expressly prohibited.

<sup>1</sup> Replacement of toilet.

<sup>2</sup> Replacement of 200-amp service panel.

<sup>3</sup> Replacement of pool/spa heater.

**Please read your contract for specific coverages, exclusions and limitations.**

### Disclaimer

Not all home systems and appliances are covered. Please read the enclosed contract that details specific coverages, exclusions, and limitations. A Trade Service Call Fee applies to the initial visit by a technician for each covered trade. This initial fee covers any additional technician visits required for the same breakdown within 60 days of original service date. Additional charges may apply to some repairs and replacements. AHS may provide cash back in lieu of repair or replacements in the amount of AHS's actual cost to repair or replace such item, which in most cases may be less than retail pricing. System and appliances: a) will be replaced with units having comparable features, not necessarily the same dimension, color, and/or brand; b) must malfunction due to normal wear and tear during the contract term; and c) designated by the manufacturer as commercial are not covered. Refer to contract for state specific cancellation provisions.

# FlexPlan Resources

## To purchase your AHS Home Warranty FlexPlan:

- Call 1-800-735-4663
- Visit [www.AHSwarranty.com](http://www.AHSwarranty.com)
- Tell your Real Estate Professional
- Ask at closing

## Get to know your AHS Home Warranty FlexPlan.

To get the most out of your AHS Home Warranty FlexPlan, please read the sample contract. We want you to understand the full value of the coverage provided. Make sure you understand what your home warranty covers and what it doesn't. Your home warranty does not cover all systems and appliances and coverage varies from state to state. Please read your contract carefully so you know what's covered and what's not. Below are some of the most common customer inquiries.

### Conditions that may result in a DENIAL.

- Improper installation, repair or modification of an item that results in damage will result in a denial of service or incur additional costs.
- Code violations of a home system or structure such as outdated electrical or faulty plumbing may result in denial of service or incur additional costs.

To provide coverage for the services above, you may purchase the ServicePlus Package. See the summary of coverage page for more information.

- Misuse, abuse, or mistreatment of items will result in a denial of service.

### Examples of items which are NOT COVERED.

- Plumbing faucets, heating system registers and grills, air conditioning registers, grills and window units are not covered.

To provide coverage for the items above, you may purchase the CoveragePlus Package. See the summary of coverage page for more information.

- Wood stoves, even if only source of heating, as well as fireplaces, key valves and chimneys are not covered.
- Common electrical breakdowns such as power failure/surge and circuit overload are not covered.
- Optional pool accessories such as pool liners, ornamental fountains and waterfalls are also not covered.

### AHS IS NOT LIABLE for hazardous materials.

- AHS is not liable for the diagnosis, repair, removal or any damages resulting from mold, mildew, bio-organic growth, rot or fungus, even when caused by or related to the malfunction, repair or replacement of a

covered system or appliance. AHS will not contract to perform service nor pay costs involving hazardous or toxic materials such as asbestos, mold, lead paint and sanitation of sewage spills.

These coverage examples are merely illustrations to assist you in understanding your contract. Coverage will be determined based on your FlexPlan selections and the actual terms and conditions listed in your contract.

## AHS Service Made Simple!

### 1. Easy to contact us:

When a covered item breaks down, you can request service by calling 1-800-776-4663 or visiting our web site at [www.AHSservice.com](http://www.AHSservice.com). To determine if your breakdown is covered, review the limitations and exclusions sections of your contract.

### 2. We assign:

Our AHS representative assigns a local contractor to handle your request as soon as you make it. Providing your e-mail address allows us to send you updates on the progress of your service.

### 3. Schedule, diagnose and repair:

Generally within four hours of your request, a contractor in good standing with our evaluation process will schedule a time to diagnose and repair your problem. Upon arrival, you'll pay the contractor a Trade Service Call Fee.

### 4. Follow-up:

We want to hear about your service experience! AHS may follow-up with you by phone or e-mail. Providing us with your e-mail address allows you to simply reply to our e-mail and tell us about your experience.

Additionally, even when you're not in need of service, AHS keeps in touch with you through our seasonal mail and e-mail reminders to help you care for your home systems and appliances year-round. It's another way AHS provides value to our customers.

More questions?

Visit [www.AHSwarranty.com](http://www.AHSwarranty.com) or ask your Real Estate Professional.