

★ TEXAS TIMES

Fall 2014 • The Newsletter for Members of HOME of Texas

follow the RULES

Ah, Fall is the air. Are you ready for brilliantly colored leaves, pumpkin flavored treats, apple cider, or, ARE YOU READY FOR SOME FOOTBALL? George Will once said "Football combines the worst two things about America: violence punctuated by committee meetings". What that means is that for the next five months many Americans who tune in to NFL games will be watching a lot of TV but, in actuality, very little football. Several studies including one by the Wall Street Journal have calculated that although an NFL game lasts about 3 hours and 12 minutes there are only a mere 11 minutes of actual play time that takes place. Why is that? One big culprit is the rules. The paperback version of the NFL rulebook is close to 300 pages in length and filled with rules and regulations that address almost every possible scenario that could take place during a game. And while the rules may seem excessive and overbearing, they serve to ensure the uniformity, integrity and safety of the game and its players.



Just as rules are needed in a football game, you, as a builder, are also subject to a unique set of rules that address every aspect of your homebuilding from development through settlement.

Rules impact nearly every aspect of our lives. We can't get away from them, nor should we. There are rules for governance, conduct, mathematics, grammar, driving, even cooking and the list goes on and on. It is fair to say that without rules there would be anarchy. Rules provide a society with structure and accountability. As a builder you too are subject to a unique set of rules that address every aspect of your homebuilding from development through settlement. And, if the rules aren't followed, there can be big problems. Without

Continued on page 2

HOME's Online Home Enrollment Validation is Right Around the Corner

If you've been "keeping score", HOME's been fairly busy lately trying to improve our programs and our efficiency for our Members. That trend continues as we get ready to implement an online process for home enrollment validation. We are almost there with an anticipated launch date of mid-October, 2014.

Today, you have your buyers sign an "Application for Warranty" form at closing. After HOME receives the signed copy and warranty fee, we send a validation sticker on a postcard through regular "snail mail" to the homeowner. Depending on how quickly we get information back from clos-

Continued on page 4

IN THIS ISSUE

Pay Online and Save	2
2014 Membership Drive	3
Searching for an Answer?	3
Order Sample Warranty Books Today	5
Know Your Warranty	6
RWC Insurance Advantage - Protection for the Long Haul.....	7
HOME Continues to Streamline the Membership Application Process	7
Employees-of-the-Month.....	7
Tradeshow Schedule.....	7
Case Study.....	8

Follow The Rules

Continued from front cover

proper site preparation, foundations can fail. Without proper flashing, homes will leak. Without proper placement of beams, loads won't be supported. Without proper spacing between joists, floors will sag. And this list too goes on and on.

The good news is that you're a HOME member builder and HOME only ac-

cepts the best of the best into their program...builders that follow the rules. Your homebuyers can be assured that you have met HOME's high standards of quality workmanship, financial stability and ethical customer dealings. And, then there's the HOME rulebook... The Limited Warranty Agreement. Your homeowners are given a set of rules, in

writing, that explain what's acceptable, what's not and what steps to follow. What a great way to show them your integrity and how much you care about the product you deliver. Vince Lombardi once said "Perfection is not attainable, but if we chase perfection, we can catch excellence". The chase is on...have a great Fall!



The vast majority of HOME of Texas Builders utilize our online enrollment system, Warranty Express. But did you know that if you also pay for your homes online, you will **SAVE MONEY** too? Enroll your homes on Warranty Express and pay for them online by credit card or I-check, and HOME waives the \$6.95 processing fee* for each one. Think about it. If you enroll 100 homes per year, that \$6.95 fee morphs into a nifty \$695.00 pretty quickly.

If you still enroll your homes manually, switch to Warranty Express and take advantage of this online method for enrollment and payment. The system is secure, your closing documents are ready for you quickly, but best of all you save not only the \$6.95 per home but also a lot of time!

** Does not apply to Building System Manufacturers, Remodelers, Commercial Builders, or HUD-Code (Manufactured) Manufacturers.*



What else can you do on Warranty Express besides enroll a home?

- Order Marketing Materials including Sample Warranty Books
- Get your enrollment history
- Get duplicate copies of closing documents
- Print FHA Acceptance Letters or State Required Affidavits
- Renew your warranty membership

Need more details? Contact us today! 800-445-8173, Ext 2107 or info@homeoftexas.com

2014 Membership Drive



The 2014 Membership Drive is in the books and goes down as the most successful drive HOME of Texas & Affiliates has held to date. Over 165 new Members joined the ranks of the HOME family (which also includes RWC and MHWC). Those new Members represent an additional 4,000+ homes (63% increase over 2013 results) to be warranted. For several years, our Warranty Group endured the same economic storm that pummeled all of our members. As the economic horizon began to brighten, HOME made a concerted effort to seek out the builders who had navigated the rocky housing waters to emerge on the other side, maybe a bit wind-blown and battered but still floating. For the first time in quite a few years, there were more companies sailing into much more peaceful financial waters.

And that was very welcome news to a group of hard-working and loyal Account Executives! As you all know, HOME, RWC and MHWC are selective when it comes to admitting new members. In order to protect the integrity of the group, manage overall risk and maintain a competitive pricing structure, the warranty companies review applicants thoroughly for quality, financial stability and customer satisfaction. You need more than just a toolbox and a pickup truck to gain entry into this exclusive warranty group. So while our Membership may be growing, our standards remain high. Discerning builders understand the difference and choose HOME, RWC and MHWC for their warranty & risk management needs.



Searching for an Answer?

First and foremost, know that your Account Executive is ready, willing and able to help you with all of your warranty and insurance needs. Contact them directly and let them do the legwork for you.



Who is My Account Executive?

Linda Hepler
800-683-6833
linda.hepler@homeoftexas.com

**All Manufacturers & MHWC
Builder/Dealers
Tifanee McCall**
Nationwide
800-247-1812 x2132
tifanee.mccall@mhwcconline.com



Questions on the RWC Insurance Advantage Program? Call 866-454-2155 or Email Us:

Bonds, GL Ins, Bldrs Risk, Contractors Equip.
Bohdan, x2190
bohdan.hoh@theparmergroup.com

GL Ins, Bldrs Risk, Contractors Equip.
Roberta, x2272
roberta.woodhall@theparmergroup.com

Certificates, Loss Runs
Elaine, x2108
elaine.bixler@theparmergroup.com

Audits
Ron, x2358
ron.sweigert@theparmergroup.com



Questions on RIA Insurance Claims? Call 866-239-2455 or Email Us:

Give Us a Call - We'll do Our Best to Help!



Questions on the Warranty Program? Call 800-445-8173 or Email Us:

Enrollments (HOME)
Rickey, x2188
rickey.shatto@rwcwarranty.com

Building Systems Enrollments
Dana, x2212
dana.myers@rwcwarranty.com

Remodeling & Garages, Warranty Express
Sandra, x2107
sandra.sweigert@rwcwarranty.com

Membership/Renewal Questions & Membership/New Application Status
Donna, x2148
donna.foose@rwcwarranty.com

Warranty Resolution
Ann, x2200
ann.cooper@rwcwarranty.com

FREE Marketing Materials
Susan, 800-683-6833
susan.duncan@homeoftexas.com

Logos for Websites
Ron, x2169
ron.bostdorf@rwcwarranty.com

Accounting/Invoicing
Shirley, x2173
shirley.poligone@rwcwarranty.com

Accounting/Incentive
Scott, x2102
scott.longer@rwcwarranty.com

Claims
James, x2455
james.haley@integrityadministrators.com

Diane, x2238
diane.esser@integrityadministrators.com

HOME's Online Home Enrollment Validation is Right Around the Corner

Continued from front cover

ing, when the enrollments are processed, and how quickly the mail is delivered, it can take several weeks until that validation sticker arrives in your buyer's mailbox.

So what's the "plan" to improve this system? Just like everything else these days, we're making the process more electronic to save time and reduce paper.

WHAT STAYS THE SAME?

If you're using Warranty Express, you already get PDFs of the warranty book and Application for Warranty in time for closing. That part won't change. Buyers will still need to sign the Application for Warranty. The form needs to be returned to HOME along with payment if you didn't pay for it online. (But why not pay online and save \$6.95?)

WHAT'S CHANGING?

Validation Stickers are going away.

On the Application for Warranty form, and on the front cover of the warranty books, there will be instructions telling the homeowner to go to confirm.homeoftexas.com to validate their warranty. They will answer a few short questions to confirm they are the purchasers and then they will receive a full color PDF of their new "Warranty Confirmation" form.

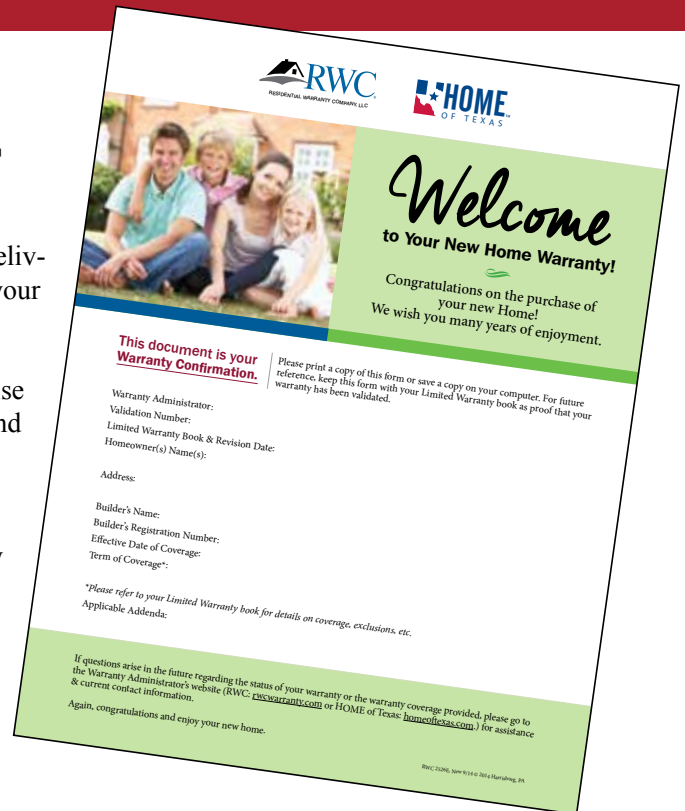
The Warranty Confirmation will include their Validation Number, Effective Date of Warranty, Term of Coverage and any applicable Addenda. No waiting for it to arrive in the mail; no requesting a duplicate if the original gets lost; and immediate validation of their warranty whenever they choose to logon. Additionally, they will be able to view the warranty book that was issued for their home in the future online. These PDFs may be saved directly onto their computer for easy future reference.

Paper Copies of "Live" Books are going away.

If you currently use printed copies of the "live" warranty books (in other words, books that are not stamped "sample"), you will no longer use them. Instead, we encourage* all Members to provide each and every home buyer with a "sample" warranty book. Sample books are available to you at no charge and may be requested from our Houston Office at 800-683-6833 or by ordering online through Warranty Express.

**Both your Membership Agreement and the Application for Warranty form reference the fact homeowners are to receive a copy of the warranty from you prior to closing. Using the FREE "sample" books we provide to you fulfills this requirement, as well as provides you with an additional layer of defense should a dispute with a homeowner arise.*

Thank You for Choosing HOME of Texas as your Warranty Provider!



If you already have a supply of sample books in your office, just let us know how many you have. We have created a sticker with the appropriate language & web address that can be affixed to the front cover. Whenever you run out of your supply of books, we will gladly send you more.

QUESTIONS? CONTACT US!

Call your Account Executive through our Houston Office
800-683-6833 or
home@homeoftexas.com

OR

Sandra Sweigert, Enrollments Manager
800-445-8173, Ext. 2107 or
sandra.sweigert@rwcwarranty.com

THIS CHANGE DOES NOT APPLY TO:

- Building Systems Manufacturers (Modular, Log or Panelized);
- Remodelers;
- Detached Garage Builders;
- Commercial or Conversion Builders; or
- HUD-Code Manufactured Homes.

Order Your New Sample Warranty Books Today!



We encourage all Members to provide each and every home buyer with a “sample” warranty book. Sample books* are available to you at **no charge** and may be requested online, by phone or by email.

*If you already have a supply of sample books in your office, let us know how many. We have a sticker with the appropriate language & web address that can be affixed to the front cover. Whenever you run out of your supply of books, we will gladly send you more.

What Else is Available?

In addition to sample warranty books, we have many other **FREE** point-of-sale materials for you to use:

- ▶ Consumer Brochure
- ▶ Brochure Holders
- ▶ Document Folders
- ▶ Logo Slicks
- ▶ Lot Signs
- ▶ Rider Signs
- ▶ Model Home & Sales Office Easels

How can I order?

Online

Go to www.homeoftexas.com and logon to Warranty Express. Still need a password? Email sandra.sweigert@rwcwarranty.com or call 800-445-8173, Ext 2107.

By Phone

800-683-6833

By E-Mail

info@homeoftexas.com



Know Your Warranty: Online Validation Changes

The changes being made to the warranty validation process necessitate a few text revisions in the affected Warranty Books and the Application for Warranty forms. The books and forms affected by these changes are: Warranty Book Form #'s 8319, 8389 & 8387 and Application for Warranty Form # 8316. The form # may be found in the bottom right corner of each item.

Warranty Book Changes

1. Front Cover, boxed-in section, the text was revised:

Warranty Confirmation

Your Warranty consists of your Limited Warranty book and your Warranty Confirmation. Please go to confirm.homeoftexas.com to obtain your Warranty Confirmation within 60 days of your closing. You do not have a warranty without the Warranty Confirmation. If you do not have access to the Internet, please contact the plan Administrator to obtain your Limited Warranty book and Warranty Confirmation.

2. References to the term "Validation Sticker" were changed to "Warranty Confirmation" on the Front Cover and in the **Definitions** Section, under "Application for Warranty" and "Effective Date of Warranty".

3. In the Definitions Section, an item was added: **Warranty Confirmation**. The document you obtain by going to confirm.homeoftexas.com and then following the directions to validate your warranty. It includes your Validation Number, Effective Date of Warranty, Term of Coverage and any applicable Addenda.

Application for Warranty Form Changes

1. In the right column, text was added: To validate your Warranty and obtain your Warranty Confirmation, go to confirm.homeoftexas.com. If you do not have access to the Internet, please contact the plan Administrator to obtain your Limited Warranty book and Warranty Confirmation.

2. Similar language was added to the back of the form under **Notice**.

What can the HOME Remodeler's Program do for you?

Call 1-800-445-8173 Ext. 2149
for more information or visit
www.homeoftexas.com

It takes lots of tools both to complete a remodeling project and to build a business. HOME offers you a selection of great tools to choose from; including the **Remodeler's Program**. This flexible warranty allows for customization based on each project and specific needs of the customer.

- Provide Security to Your Customers
- Economically Priced
- Effective Risk Management/Mediation Process
- Various Warranty Options Available



RWC Insurance Advantage: Protection for the Long Haul!

By Doug Davis, Integrity Underwriters

To say that being a builder in recent times has been a challenge is bit like saying there's sand at the beach. You've survived the tough times and things are getting better. In fact, you might be looking forward to retirement. Imagine that day arrives and you are at last able to enjoy the fruits of long years of hard work and dedication. Then, one day you're named in a lawsuit involving your old company only to find you are not covered even though the claim happened on your watch. Your retirement and all you've worked for is suddenly and unexpectedly at risk. How did this happen? What do you do?

The RWC Insurance Advantage* has already thought of this nightmare scenario and has you covered. Our ADDITIONAL INSURED – FORMER OFFICERS, MEMBERS OR OWNERS endorsement protects you in the event some past act or omission, that happened while you were still active in your business, comes back to haunt you later. Even if someone acting on your behalf was the cause of the loss, you're still covered. We think this coverage is so important to you that we make it standard on every policy we issue.

So, whether you're ready to retire, turn the business over to your kids or find a buyer, your RWC Insurance Advantage general liability policy will continue to protect you for a many years to come.**

**The RWC Insurance Advantage is insured by Western Pacific Mutual Ins. Co., a Risk Retention Group and administered by Integrity Underwriters.*

***The length of coverage after policy termination is determined by whether you purchase our Supplemental Extended Reporting Period endorsement. Call the RWC Insurance Advantage for details today.)*

HOME Continues to Streamline the Membership Application Process

HOME of Texas (HOME) and its affiliates, RWC and MHWC, continue to make strides in streamlining the application process for builders to join the group's elite builder warranty programs. The latest step is to eliminate the inspection requirement* for homes being 'grandfathered' (homes that are either under construction prior to membership approval or completed but not occupied) into the program. Previously the warranty companies required that up to 3 homes be inspected prior to membership approval, at a cost to the builder of \$150 per inspection. By eliminating this requirement, HOME, RWC & MHWC are able to save potential members up to \$450 in inspection/application costs.

While this change may not affect 'current' members, many of our builders bring multiple companies into the fold over the years. If you have another company you wish to obtain HOME membership for, then this change applies. Joining HOME's elite Builder Warranty Program is the best way for today's

builders to deal with customer service and risk management issues. Offering a wide variety of unique warranty options, HOME understands that just one warranty rarely meets everyone's needs. Our "menu" of warranties & services creates comprehensive coverage and effective risk management for the greatest long term stability. Our mission is to provide a high level of security to our Members and to your customers and we have devoted over three decades to that purpose across the country. Being able to provide a variety of services to our members is the result of much hard work and due diligence along the way. HOME has established itself as a rock solid leader in providing home warranty protection. When a builder becomes a member, they benefit from 30+ years of leadership and experience that is unrivaled in the warranty industry.

**Homes over \$1 million in sales volume may still need to be inspected. Prospective members may contact the warranty company for further details.*

HOME of Texas / RWC Employees- of-the-Month

April 2014 – Dana Myers, Research Administrator

May 2014 – Jada Wormsley, Accounting Assistant

June 2014 – Christine Beistline, Claims Representative I

July 2014 – Ceri Lingle, Warranty Advisor

August 2014 – José Alicéa, Contractor



**VISIT US AT THE
FOLLOWING
TRADESHOWS**

- **Product Expo**

Oct. 23, 2014, Houston, TX
Booth #80

- **International Builders Show**

Jan. 20-22, 2015
Las Vegas, NV. Booth #C2556



5300 Derry Street
Harrisburg, PA 17111

Presort STD
US Postage
Paid
Harrisburg, PA
Permit #954



Case Study: Mandatory Arbitration Upheld by Courts

By Diane Naguski, Warranty Resolution Manager

All of HOME and affiliates' warranty programs feature mandatory binding arbitration of Unresolved Warranty Issues.* HOME and its builder members have been very successful at persuading courts to recognize and enforce the warranty's mandatory binding arbitration provision. Courts across the country have removed cases from the courthouse and directed them to arbitration under the Warranty Company's Limited Warranty Program.

A good example can be found in this case study. The Warranty Company had issued a warranty on a home, which was in Year 1 of coverage, and the homeowners filed a lawsuit against the Builder. The Builder was well equipped to defend himself with the warranty book, the application for warranty and his own contract, which

included language that made the warranty, including the warranty's binding arbitration language, applicable to any alleged warranty defects in the home. Even though the homeowners argued that the warranty should not be enforced in that state, the court endorsed it, and the motion brought by the Builder to compel arbitration and dismiss the homeowners' lawsuit was granted in its entirety.

Consequently, the homeowners initiated a request for warranty performance with the Warranty Company. Prior to arbitration the warranty provides for informal mediation. The parties agreed to use our mediation to try to settle the disputes about the alleged warranty defects. We became actively involved mediating between the homeowners and the Builder. Through

this mediation, communication between the homeowners and the Builder has improved and several items have been amicably resolved. We are encouraged that most, if not all warranty items, will soon be resolved in the same way. At the conclusion of mediation, if any items remain unresolved, the homeowners and builder will proceed to binding arbitration under the terms of the warranty.

This is a real case and a great example of how our mandatory binding arbitration provision is an effective tool in preventing litigation. It also supports the value of using our mediation process to resolve disputes about alleged warranty defects in the homes you build.

**Note that the mandatory arbitration provision is removed by the HUD addendum, and thus mandatory arbitration does not apply to warranties placed on HUD homes.*