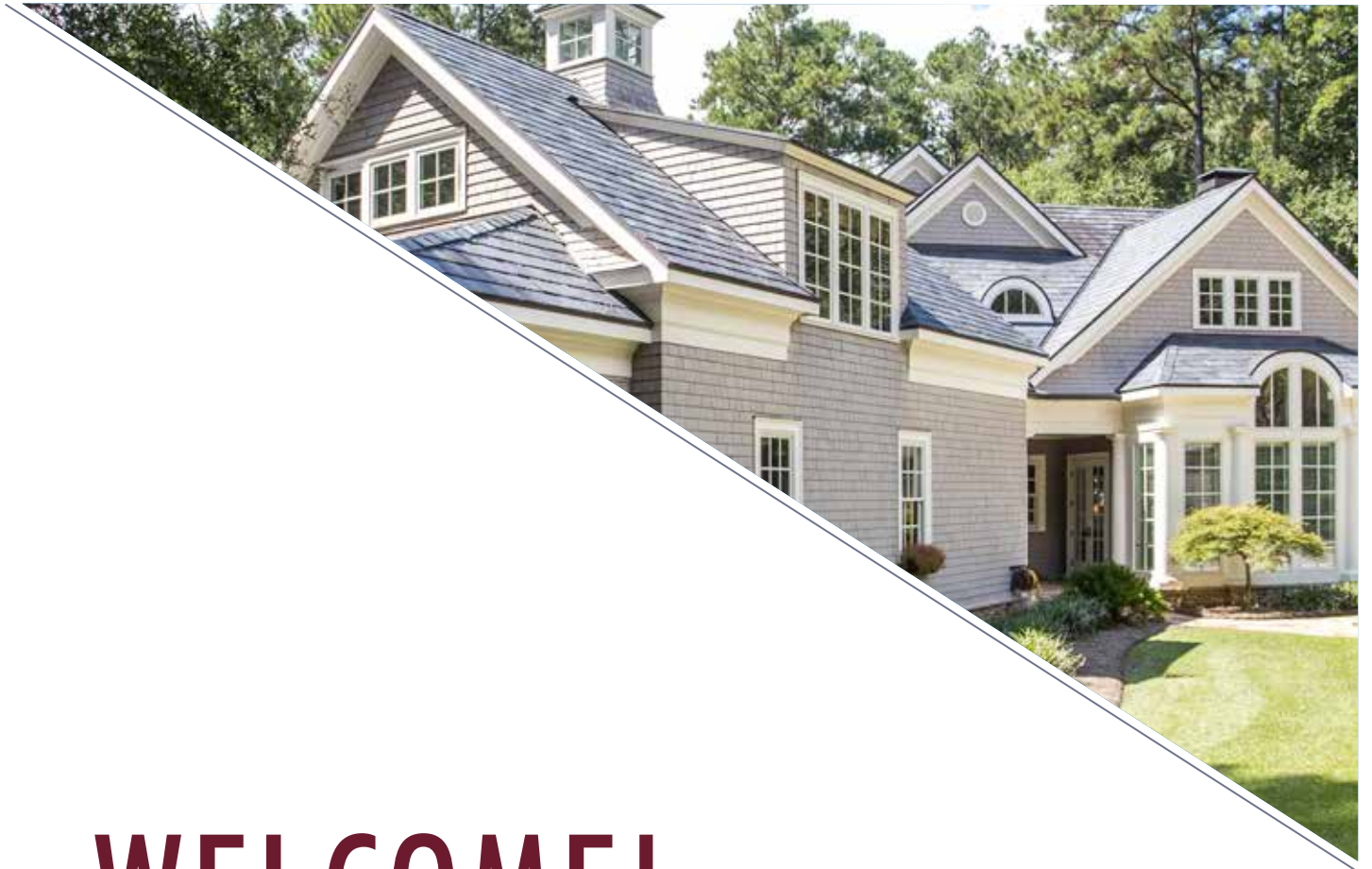


BUSINESS SOLUTIONS

For The Successful Builder, Remodeler, and Manufacturer



RESIDENTIAL WARRANTY COMPANY, LLC



WELCOME!

Residential Warranty Company, LLC is a leading provider of written, insured warranties to builders and remodelers nationwide. Since 1981, RWC has issued over four million warranties and is considered an expert in the field of risk management. For decades, we have developed a wide range of products and services to meet various industry needs.

Thank you for taking the time to investigate the Business Solutions brought to you by RWC & Affiliates. We know that maintaining a level of success is an ongoing challenge. That's why we put together this guide to show you how we can be of service. Inside you will find descriptions of various programs and services which can aid you in maintaining or improving your customer service, define and limit your liability, and provide the warranty and insurance products your company needs.

Take a few moments and peruse the following pages. Then contact us for more information on the programs mentioned. We wish you the best of luck in all your future endeavors.

NEW HOME WARRANTIES



› 10 Year Major Structural Defect Full Coverage Warranty

Knowing that one single warranty format may not fit every Builder's needs, RWC provides you with options – our “Menu of Choices.” Historically, the standard ten year Major Structural Defect (MSD) warranty is what this industry has provided and is the coverage Builders have become accustomed to. Ten year warranties have been an effective way to deal with a variety of issues including customer service, marketing, and mandated new home legislation.

- The “traditional” warranty offered by RWC since 1981.
- Clearly written set of warranty standards to spell out coverage.
- 1 Year of Coverage on Workmanship & Materials.
- 2 Years of Coverage on Selected Portions of Mechanical Systems.
- 10 Years of Coverage on Major Structural Components.
- Effective dispute resolution system includes free mediation and binding arbitration if needed.
- Builder liability is limited to 2 years.
- Option available for Day 1 Structural Coverage for 10 years provided by RWC's Insurer.
- A “Structural Only” version is also available.

› Customized State Warranty Program

The Customized State Warranty (CSW) Program is the most unique and specialized warranty program in the industry. Each individual state warranty is crafted to meet that state's statutes regarding new home warranties. For example, statutes in Indiana require that roof systems be warranted by the Builder for 4 years so the RWC Indiana Warranty includes that coverage. In Iowa, the statute of repose is 10 years, so in that state, the warranty term is 10 years.

- Day 1 Structural Coverage provided by RWC's Insurer.
- Clearly written set of warranty standards to spell out coverage.
- Workmanship, Materials and Mechanical Systems are covered for 1 year (unless otherwise mandated by state statute).
- Coverage on Structural Components varies based on state statutes.
- Individual state requirements for coverage are included if applicable.
- Effective dispute resolution system includes free mediation and, if needed, binding arbitration.
- Builder liability is limited to 1 year only (unless otherwise mandated by state statute).

› 10 Year Designated Structural Element Warranties

The Designated Structural Element (DSE) variety of warranties is an innovative approach to coverage which uses specific measurements and tolerance limits to determine the ten year structural coverage. Under this format, both “full coverage” and “structural only” programs are available.

- Clearly written set of warranty standards to spell out coverage.
- 1 Year of Coverage on Workmanship and Materials (Full coverage version only).
- 2 Years of Coverage on Selected Portions of Mechanical Systems (Full coverage version only).
- 10 Years of Coverage on Designated Structural Elements (Included in both full and structural only versions).
- Effective dispute resolution system includes free mediation and binding arbitration if needed.
- Builder liability is limited to 2 years.
- Option available for Day 1 Structural Coverage for 10 years provided by RWC's Insurer.

NEW HOME WARRANTIES FOR TEXAS BUILDERS



› 6 Year Major Structural Defect (MSD) Full Coverage Warranty

Warranties are an effective way to deal with a variety of issues including customer service, marketing, and mandated home legislation. Recently, Texas revised the Statute of Repose under HB 2024. HOME's 6-year warranty complies with this legislation enabling you to take advantage of protections afforded under the law.

- Clearly written set of warranty standards to spell out coverage.
- 1 Year of Coverage on Workmanship & Materials.
- 2 Years of Coverage on Selected Portions of Mechanical Systems.
- 6 Years of Coverage on Major Structural Components.
- Effective dispute resolution system includes free mediation and binding arbitration if needed.
- Builder liability is limited to 2 years.
- Insured by a Texas Property & Casualty Insurance company.

› 10 Year Major Structural Defect (MSD) Full Coverage Warranty

Knowing that one single warranty format may not fit every Builder's needs, HOME strives to provide you with options – our “Menu of Choices.” Historically, the standard ten year Major Structural Defect (MSD) warranty is what this industry has provided and is the coverage Builders have become accustomed to over the years.

- The “traditional” warranty offered by HOME since 1981.
- Clearly written set of warranty standards to spell out coverage.
- 1 Year of Coverage on Workmanship & Materials.
- 2 Years of Coverage on Selected Portions of Mechanical Systems.
- 10 Years of Coverage on Major Structural Components.
- Effective dispute resolution system includes free mediation and binding arbitration if needed.
- Builder liability is limited to 2 years.
- A “Structural Only” version is also available.

› 10 Year Designated Structural Element (DSE) Warranty

The Designated Structural Element (DSE) variety of warranty is an innovative approach to coverage which uses specific measurements and tolerance limits to determine the ten year structural coverage.

- Clearly written set of warranty standards to spell out coverage.
- 1 Year of Coverage on Workmanship and Materials.
- 2 Years of Coverage on Selected Portions of Mechanical Systems.
- 10 Years of Coverage on Designated Structural Elements.
- Effective dispute resolution system includes free mediation and binding arbitration if needed.
- Builder liability is limited to 2 years.
- A “Structural Only” version is also available.

ADMINISTRATION ONLY WARRANTY

Administered by Residential Warranty Company, LLC



The Administration Only Warranty is an economical way to utilize the clearly written warranty standards and warranty resolution process of RWC while retaining control over the ultimate warranty decision and repair.

- This is an Administration Only (or Builder-Backed) Warranty and RWC provides assistance in determining coverage and resolving disputes.
- Clearly written set of warranty standards to spell out the Builder's coverage.
- 1 Year Standards Provided for Workmanship and Materials.
- 2 Year Standards Provided for Select Portions of Mechanical Systems.
- 10 Year Standards Provided for Load-Bearing Structural Components.
- Effective dispute resolution system includes free mediation and binding arbitration if needed.
- Builder retains ultimate control over warranty coverage decisions and repairs.
- This is an uninsured option with the Builder remaining the Warrantor throughout the term.
- To be eligible for this plan, Builders must enroll 50 homes or more annually.

1 YEAR RENEWABLE STRUCTURAL WARRANTY



There are times when the traditional 10-year warranty is not a good fit, either for the builder or the project. For those unique times, RWC's affiliate, Residential Structural Warranty (RSW) offers 1 one-year renewable coverage.

- An innovative approach to written warranties available under the trademark name of Residential Structural Warranty.
- 1-year structural coverage is available on designated structural elements.
- Nominal administrative fee of \$25 for the first year of coverage.
- Option to pre-purchase future years of coverage.
- Additional years of coverage are offered directly to homeowners by RSW.

Please note: Some warranty, insurance and reporting options may not be available in all states. Check with your Account Executive for availability in your area.

REMODELER WARRANTY



In today's market, your customer's sense of security is critical. Homeowners want to be sure the work being done to their home is by a quality contractor. The RWC Remodeler's Warranty sets you apart from your competition and provides the much needed security customers crave. RWC offers two warranty options to better fit the nature and scope of each project.

- > **Option A:** 3 years of coverage for defects in workmanship & materials
- > **Option B:** 1 year of coverage for defects in workmanship & materials PLUS 5 years of coverage for defects to Designated Structural Elements

Why use RWC's Remodeler Warranty?

- Remodelers who offer the RWC Warranty provide their clients with written insurance-backed protection.
- Provides a process to resolve disputes about the quality of the work.
- Having a written warranty effectively reduces misunderstandings resulting from a verbal agreement and a handshake.
- The Remodeler's liability is limited to the 1st year only.
- RWC Remodeling coverage applies exclusively to the work performed by the Remodeler.
- Effective dispute resolution system includes free mediation and binding arbitration if needed.
- Programs including state mandated coverage are available for Indiana and Minnesota.

MANUFACTURER WARRANTIES



New home ownership is the great American Dream. Building Systems housing is helping make that dream come true especially because of its affordability and advancements in construction techniques and designs. One of the changes seen over the last several years is the awareness of and increased need for written warranties on homes of all types, including Building Systems. Warranties have become an essential ingredient in any new home purchase. Consider adding a ten-year Manufacturers warranty from RWC for an extra measure of security for you and your buyers.

The options RWC offers to Manufacturers of systems-built housing and their Builder networks have all been tailored specifically to meet the unique needs of the industry.

- 10 Year MSD Full Coverage Warranty.
- 10 Year MSD Structural Only Warranty.
- 5 Year MSD Structural Only Warranty for Additions.
- 10 Year MSD Full Coverage Commercial Warranty.
- 10 Year MSD Structural Only Commercial Warranty.
- Manufacturer's liability is limited to 1 Year.
- Available to modular, log, and panelized Manufacturers.
- Coverage applies exclusively to the work provided by the Manufacturer.
- Work supplied by the Builder on site, including foundations, is excluded.
- Separate program available to Builders at a discounted rate to protect work they supply.
- Effective dispute resolution system includes free mediation and, if needed, binding arbitration.

WARRANTY EXPRESS



Warranty Express allows Builders to enroll homes online. With the click of a button, Builders can submit their enrollments, print out closing documents and even pay for the warranty fees. Builders save both time and money spent on manual form preparation and postage. Marketing materials and enrollment reports may be ordered online. Warranty Express also enables Builders to renew their membership online.

The enrollment feature of Warranty Express is not yet available for MHWC.

SPECIALTY WARRANTIES



Builders often incorporate specialty types of construction in order to create new revenue streams, keep employees busy and wait out any periodic down turn. RWC offers warranties for builders working on commercial projects or even building detached garages.

> 5 Year Commercial Warranty

- 1 Year of Coverage on Workmanship & Materials.
- 2 Years of Coverage on Selected Portions of Mechanical Systems.
- 5 Years of Coverage on Major Structural Components.
- Fees are based on square footage, type of construction and usage.

> Conversion Warranty

(For residential projects being converted from commercial buildings)

- **Option A:**
 - 2 Years of Coverage on Workmanship & Materials.
- **Option B:**
 - 1 Year of Coverage on Workmanship & Materials.
 - 5 Years of Coverage on Major Structural Components.

> 5 Year Detached Garage Warranty

- 5 Years of Coverage on Designated Structural Elements.
- Includes specific and measurable standards to evaluate structural defects.

Please note: Some warranty, insurance and reporting options may not be available in all states. Check with your Account Executive for availability in your area.

NEW HOME WARRANTIES FOR HUD-CODE BUILDERS



> 10 Year *Full Coverage* Warranty for HUD-Code Builders

MHWC is another sister company of RWC and is a leading provider of third-party, insured manufactured home warranties. Through MHWC, 10 year warranties are available on HUD-Code homes for both Builders and Manufacturers. The options MHWC offers to HUD-Code Manufacturers and Builders are all tailored specifically to meet the unique needs of the industry.

- The “traditional” warranty offered by MHWC since 1989.
- Clearly written set of warranty standards to spell out coverage.
- 1 Year of Coverage on Workmanship, Materials and Selected Portions of Mechanical Systems.
- 10 Years of Coverage on Major Structural Components.
- Effective dispute resolution system includes free mediation and binding arbitration if needed.
- Builder liability is limited to 1 year.

> 10 Year *Structural Only Coverage* Warranty for HUD-Code Builders

The Structural Only format is an excellent option for those Builders looking for additional warranty coverage only on the structural portions of the home. Workmanship, materials and mechanical systems are not included in this version.

- Clearly written set of warranty standards to spell out coverage.
- 10 Years of Coverage on Major Structural Components.
- Effective dispute resolution system includes free mediation and binding arbitration if needed.
- Builder liability is limited to 1 year.

HUD-CODE MANUFACTURER WARRANTIES



Manufactured housing is both affordable and high in quality due to advancements in construction techniques and designs. The increased need for written warranties on homes of all types, including manufactured housing makes the MHWC Manufacturer's Warranty an essential ingredient in the home purchasing formula.

> 10 Year *Full Coverage Warranty*

- Clearly written set of warranty standards to spell out coverage.
- 1 Year of Coverage on Workmanship, Materials and Selected Portions of Mechanical Systems.
- 10 Years of Coverage on Major Structural Components.
- Effective dispute resolution system includes free mediation and binding arbitration if needed.
- Manufacturer's liability is limited 1 Year.
- Coverage applies exclusively to the work provided by the Manufacturer.
- Work supplied by the Builder on site, including foundations, is excluded.
- Separate program available to Builders at a discounted rate to protect work they supply.

> 10 Year *Structural Only Coverage Warranty*

- Clearly written set of warranty standards to spell out coverage.
- 10 Years of Coverage on Major Structural Components.
- Effective dispute resolution system includes free mediation and binding arbitration if needed.
- Manufacturer's liability is limited to 1 Year.
- Coverage applies exclusively to the work provided by the Manufacturer.
- Work supplied by the Builder on site, including foundations, is excluded.
- Separate program available to Builders at a discounted rate to protect work they supply.

INCENTIVE PROGRAM



RWC has issued warranties on over 4 million homes throughout the United States since its inception in 1981. Providing highly competitive rates and innovative programs has been an RWC hallmark of service ever since. In keeping with our history as “The Innovative Leader,” our exclusive Incentive program was unveiled in 1986.

Qualifying Members effectively reduce their overall warranty costs by maintaining a high level of quality construction and customer service. Members receive cash distributions based on their good warranty claims experience.

Enrollment Requirements*

- Enroll 20 homes or more annually, or
- Enroll \$2 million in sales volume annually

-SAVE on Registration Fees.

-Incentive distributions reduce Members’ overall warranty expense.

-Over \$25 Million in distributions paid out to Incentive Members to date.

**The Incentive Program is not available for Members in Texas at this time.*

GENERAL LIABILITY INSURANCE



Through the RWC Insurance Advantage (RIA), RWC Members (and Members in affiliated programs) have access to various lines of commercial insurance including General Liability, Builder’s Risk and Contractor’s Equipment, just to name a few. Because the RIA program is offered *exclusively* to our Builder members, we are able to avoid the high risks associated with other commercial operations. Thus, we keep the cost of claims low and pass the savings on to you.

- Total risk management for Builders when combined with an RWC (or Affiliate) structural warranty.
- Flexibility of limits.
- Options to meet your specific needs.
- Program is underwritten by insurance carriers rated at least “A- (Excellent)” by A.M. Best.
- Competitive pricing.
- Streamlined underwriting.
- No monthly reporting.
- Free quote available from 866-454-2155.

EXTENDED WARRANTIES



Key Estates Warranty is another RWC affiliated program which was created to offer a line of economically-priced warranty products for appliances and mechanical systems on both new and existing homes. Two programs exist:

> Key Estates Warranty for Real Estate Professionals - Coverage for Existing/Resale Homes

Key Estates Warranty is offered through *Real Estate Professionals* and is an extended warranty for certified appliances and mechanical systems for resale homes. Before certifying warranty coverage on appliances or systems, Key Estates Warranty Professionals review photos/videos of the items to be covered. We're looking for potential trouble spots and searching for recalls that could be helpful to know. Unique to Key Estates Warranty is the opportunity to include economically-priced coverage on true major structural components of an existing home in addition to the traditional appliances and systems coverage. A structural inspection performed by a licensed professional engineer is required. More components are covered as "standard" than most of our competitors' products. Together, these components make Key Estates Warranty excellent coverage for any prospective homebuyer.

- Important to Note: Key Estates allows the homeowner to choose their own repair provider.
- Term Options: 1 or 2 year warranty terms
- Coverage: Select from different combinations of appliances, mechanical systems, major structural components and structural inspection options. See the Key Estates Certified Warranty Coverage book for complete details. If the Structural Coverage is selected, then the Structural Inspection must also be selected.
- Revenue: Real Estate Professionals may earn risk-free income by offering a Key Estates Warranty on their listings.

Availability for Key Estates Warranty: Key Estates does not currently offer the structural coverage option in Colorado or in certain counties in Texas that are designated as active soil areas. In Texas, call for availability. However, the appliance and mechanical systems option is available in both states.

> Key Estates Warranty for Builders - Coverage for New Homes

Key Estates is also offered through *Builders* and is an extended warranty for appliances and mechanical systems for new site built homes. Coverage is flexible and homeowners can use the repair provider of their choice to perform service work if needed. If offered in conjunction with an RWC structural warranty, homeowners will receive the most comprehensive warranty package on the market.

- Term Options: 2, 3 or 5 year warranty terms
- Service Fee Options: \$25, \$50 or \$100 per trade call
- Coverage: Most major home appliances and mechanical systems are covered. See the Key Estates Terms and Conditions for complete details.
- For HUD-Code Homes, the program is also offered under the brand name of 'Platinum Advantage'. Call for availability in your state.

COMPANY CONTACT INFORMATION



> New Construction Warranties

Residential Warranty Company, LLC

Address: 5300 Derry Street
Harrisburg, PA 17111
Toll Free: 800-247-1812
Fax: 717-561-4494
Website: www.rwcwarranty.com
E-Mail: sales@rwcwarranty.com

HOME of Texas

Address: 5300 Derry Street
Harrisburg, PA 17111
Toll Free: 800-445-8173
Fax: 717-561-4494
Website: www.homeoftexas.com
E-Mail: sales@homeoftexas.com

MHWC

Address: 5300 Derry Street
Harrisburg, PA 17111
Toll Free: 800-247-1812
Fax: 717-561-4494
Website: www.mhwconline.com
E-Mail: sales@mhwconline.com

> Extended Warranties

Key Estates Warranty / USHP, LLC

Address: 5300 Derry Street
Harrisburg, PA 17111
Toll Free: 866-394-5135
Fax: 717-561-4494
Website: www.KeyEstatesWarranty.com
E-Mail: sales@KeyEstatesWarranty.com

> Affiliates

RWC Insurance Advantage

Address: 5300 Derry Street
Harrisburg, PA 17111
Toll Free: 866-454-2155
Fax: 717-561-1794
Website: www.rwcinsuranceadvantage.com
E-Mail: sales@rwcinsuranceadvantage.com

ABOUT US



More Than 4 Million Homes Warranted!

In February 1981, Residential Warranty Company, LLC (RWC) embarked on a journey that would ultimately reach millions in the new home warranty industry. Spanning more than four decades, over 4 million homes have been warranted under the third-party insured, structural warranty provided by Residential Warranty Company, LLC and its Affiliates (HOME of Texas and MHWC) since inception.

Our mission is to provide a level of security to homeowners and Builders alike. Being able to provide a variety of services to our customers is the result of much hard work and due diligence along the way. Over the years, RWC has expanded and offered an ever-increasing array of products and services to both homeowners and the home building industry. RWC has established itself as a rock solid leader in providing home protection. When you become part of one of the companies in the RWC “Family”, you benefit from decades of leadership and experience that is unrivaled in the warranty industry.

RWC is a leading provider of third party insured warranties throughout the United States. Builders looking for options in coverage, for reliable warranty protection, and for assistance in dealing with complex customer service issues choose RWC and its Menu of Choices. For more information, please call 800-247-1812 ext. 2188, visit the website at www.rwcwarranty.com, or email sales@rwcwarranty.com.

WPMIC Maintains Over Two Decades of Successive “Excellent” Ratings

Since 2001, Western Pacific Mutual Insurance Company, a Risk Retention Group (WPMIC) has maintained an A.M. Best rating of “A- (Excellent)”. WPMIC is the insurer for new home warranties provided by RWC & MHWC and for general liability insurance provided to home builders through the RWC Insurance Advantage (RIA) program.

A.M. Best is a full-service credit rating organization dedicated to serving the financial services industries, focusing on the insurance sector. The “Excellent” rating is ascribed by A.M. Best to companies that, in their opinion, “have an excellent ability to meet ongoing obligations.”

WPMIC has successfully maintained its “A- (Excellent)” rating by A.M. Best based on its performance to date. The rating reflects the risk retention group’s sound capitalization, historically favorable operating performance, positive cash flow position, and conservative reserve levels. Additionally, the rating recognizes WPMIC’s history of maintaining sufficient capital to support its ongoing obligations and the effective management of its long term exposure to loss.

NOTES



