

HOME WARRANTY GUIDE

Protect yourself from unexpected
appliance repair or replacement costs

FAQ ANSWERS
INSIDE



▶ FIRST THINGS FIRST



What is a home warranty?

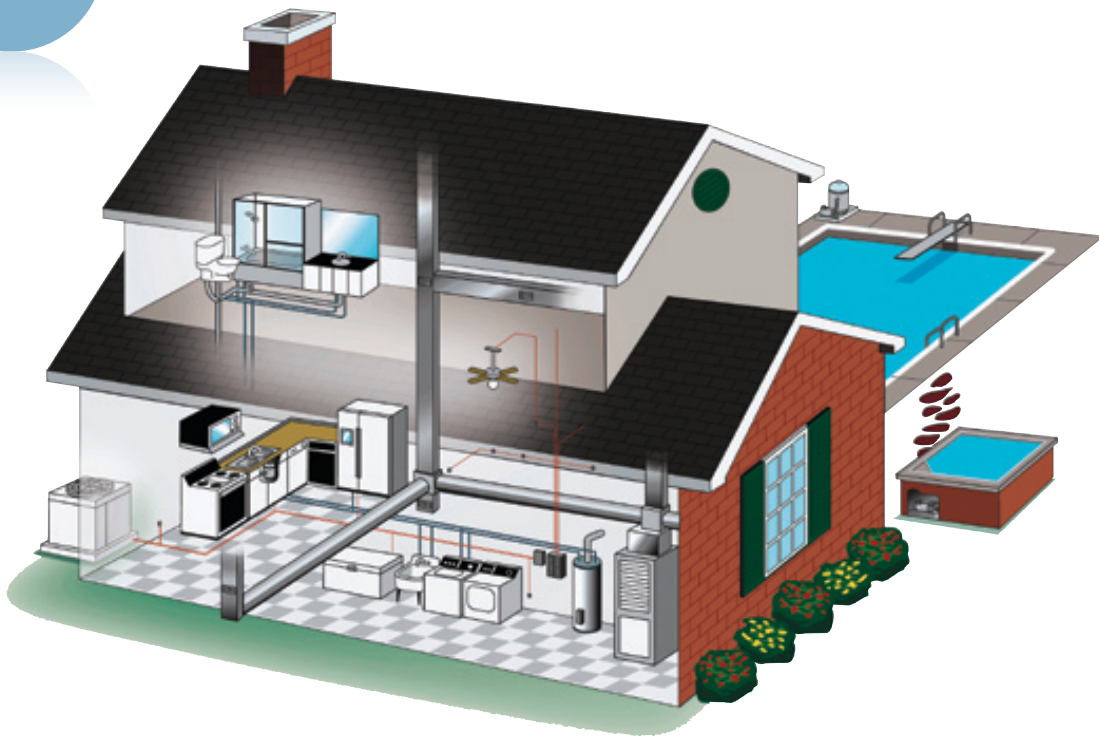
A home warranty is a service contract that covers the repair or replacement of many of the most frequently occurring breakdowns of home system components and appliances.



▶ COSTS WITHOUT COVERAGE

WHAT YOU NEED TO KNOW

Costs without coverage can be significant and the odds are stacked against you.



DISHWASHER

Average replacement cost: **\$423**¹
Average repair cost: **\$164**¹



AIR CONDITIONER

Average replacement cost: **\$2,069**¹
Average repair cost: **\$368**¹



CLOTHES WASHER

Average replacement cost: **\$509**¹
Average repair cost: **\$88**¹



REFRIGERATOR

Average replacement cost: **\$985**¹
Average repair cost: **\$157**¹



FURNACE

Average replacement cost: **\$2,671**¹
Average repair cost: **\$270**¹



RANGE/OVEN

Average replacement cost: **\$569**¹
Average repair cost: **\$162**¹



MAIN ELECTRICAL PANEL

Average replacement cost: **\$475**¹
Average repair cost: **\$131**¹



WATER HEATER

Average replacement cost: **\$587**¹
Average repair cost: **\$104**¹



CLOTHES DRYER

Average replacement cost: **\$449**¹
Average repair cost: **\$110**¹

¹: As reported in the survey *A Study of Homeowners' Appliance and Home System Service Experiences*, Decision Analyst (2008) and reprinted with their written permission. Further reproduction is expressly prohibited. Remember, your AHS Home Warranty covers the repair or replacement of many system and appliance breakdowns, but not necessarily the entire system or appliance. Please refer to your contract for details.

▶ HOME WARRANTY FREQUENTLY ASKED QUESTIONS

QUESTION 1

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 an approved and independently insured contractor 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.

QUESTION 2

How does a home warranty work?

When a covered item breaks down, request service by calling 1-800-776-4663 to speak with a highly trained AHS customer service representative or visit us online at www.ahs.com. We're here 24 hours a day, 7 days a week, 365 days a year to accept your service request. After your service request is received, one of our approved and insured contractors will contact you to schedule a time to diagnose your problem. A low Trade Service Call Fee, per trade, is due when the contractor arrives to diagnose the problem. 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.

We're available:
24 hours a day,
7 days a week,
365 days a year!



▶ HOME WARRANTY FREQUENTLY ASKED QUESTIONS

QUESTION 3

Why should I choose American Home Shield?

We lead the home warranty industry with more than 39 years of experience caring for our customers, and today we have more than 1.3 million home warranties in place nationwide. AHS is committed to, and solely focused on, helping provide relief from home repair hassles, and continues to deliver innovative home warranty products to our customers.

Your home is likely one of your largest investments – don't trust the covered repairs or replacements to just anyone. There are more than 11,000 approved and independently insured contractors in our network and each is monitored and graded by our customers to help ensure satisfaction.

QUESTION 4

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

No. While not everything is covered, we do offer coverage for many of the most frequently occurring breakdowns of home system components and appliances. Please review the contract for specific covered items, terms and conditions, limitations and exclusions.

QUESTION 5

How many times can I use my AHS Home Warranty?

There is no limit to the number of calls you can make during your contract term. Currently, we have more than 1.3 million active warranties in place nationwide, and on average, over 2 service requests are made by our customers each year. In 2009, that resulted in more than \$319 million spent nationwide to take care of our customers by repairing or replacing covered items.

▶ HOME WARRANTY FREQUENTLY ASKED QUESTIONS

QUESTION 6

What if I have an appliance that just can't be fixed?

If AHS determines your covered home system component or appliance can't be repaired by a service contractor, it will be replaced.*

QUESTION 7

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. Details will be included in your contract.

QUESTION 8

How do I know my service contractor is qualified?

The approved and independently insured contractors in our network are monitored and graded on their performance through our customer satisfaction survey program.



Worry not...
If your covered home
system or appliance
can't be repaired it
will be replaced.*

To ensure customer
satisfaction, approved
contractors in our network are
monitored on their performance.

▶ HOME WARRANTY FREQUENTLY ASKED QUESTIONS



Is the AHS Home Warranty renewable?

Yes, warranty holders may renew their AHS coverage (at the option of AHS). We will notify the homeowner in advance of the expiration date, and will offer a variety of convenient payment plans.



I'm in the market for a home. What's the benefit of buying a home protected by an AHS Home Warranty?

An AHS Home Warranty helps provide confidence during and after a home purchase. An unexpected, covered breakdown can be devastating to your budget. Enjoy your home without the hassles of covered breakdowns.

When a covered system component or appliance breaks down, call one number or go online 24 hours a day, 7 days a week, 365 days a year to request service.



I'm selling my home. Why would I want an AHS Home Warranty?

An AHS Home Warranty helps give buyers additional confidence in the real estate transaction—they'll know that AHS stands behind the covered systems or appliances in the house. An added benefit is that we can also protect your home while it's on the market, which can help you avoid investing more money into a home you're trying to sell.

▶ HOME WARRANTY FREQUENTLY ASKED QUESTIONS

QUESTION 12

My home systems and appliances are old. Does that matter to AHS?

No. The age of a home or its system components and appliances is not important to AHS. The covered items must be in good working condition and properly maintained at the time coverage is purchased.*

QUESTION 13

Does AHS need to inspect my home systems and appliances before I purchase?

No. A home inspection is not necessary in order to purchase an AHS Home Warranty.*



Covered items must be in good working condition and properly maintained (not new) at the time coverage is purchased.

▶ HOME WARRANTY FREQUENTLY ASKED QUESTIONS

QUESTION 14

What is a Trade Service Call Fee?

A Trade Service Call Fee is the amount due when a contractor visits your home.

With AHS coverage, when a service contractor is called, upon arrival you'll pay a Trade Service Call Fee for each service contractor of a different trade (plumber, electrician, etc.) who visits your home to diagnose a problem or to perform service. Keep in mind that there may be additional costs associated with the repair or replacement of covered items. Please review the contract for details. *

QUESTION 15

Is there a limit to the number of repairs AHS covers?

American Home Shield allows an unlimited number of covered repairs during your contract term.

* Your AHS Home Warranty covers the repair or replacement of many system and appliance breakdowns, but not necessarily the entire system or appliance. To receive a copy of the contract that details specific coverages, exclusions and limitations, please call AHS at 1-866-634-1442. Covers single-family homes under 5,000 sq. feet. The Trade Service Call Fee applies to the initial visit by a contractor for each covered trade. This initial fee covers any additional contractor visits required for the same breakdown within 30 days of the original service date. Additional charges may apply for some repairs and replacements. AHS may provide cash back in lieu of repair or replacement in the amount of AHS' actual cost to repair or replace such item, which in most cases may be less than actual retail pricing. System components and appliances 1) will be replaced with units having comparable features, not necessarily the same dimension, color, and/or brand; 2) must be in good working condition on the effective date of the contract; 3) designated by the manufacturer as commercial are not covered. Improper maintenance of any covered system component or appliance may result in denial of coverage for lack of maintenance. Refer to contract for specific cancellation provisions. Offer valid for new AHS customers only. Not valid in conjunction with a real estate transaction or current AHS contract renewal. Limited time offer.

▶ PROVIDING PROTECTION FROM THE UNEXPECTED

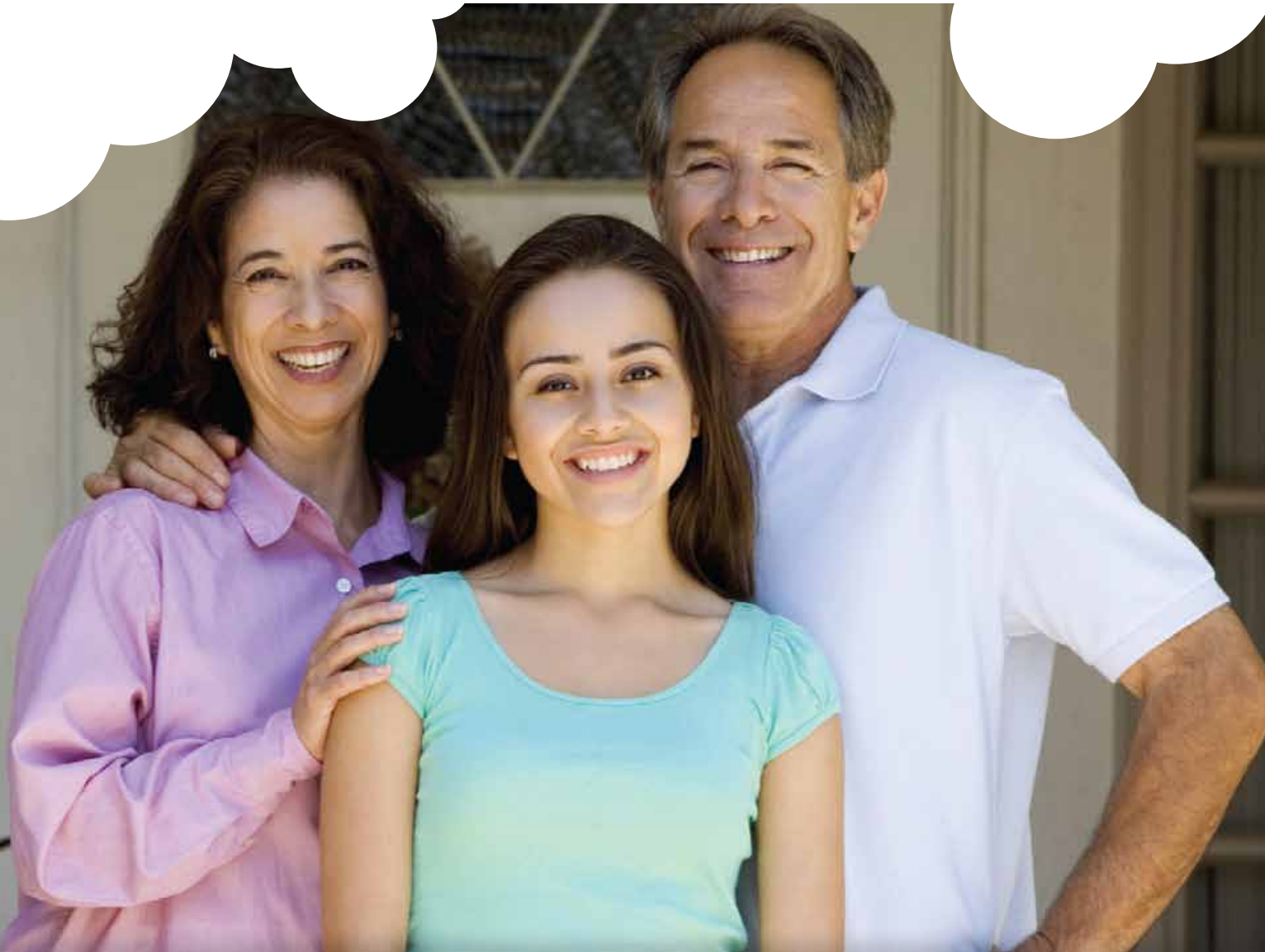
YOU
HEARD
IT HERE

What are our customers saying about their AHS Home Warranties?

"AHS took the hassle out of home repairs. I simply made a call and AHS had a repairman right out to the house to make the repair. And it definitely saved money!"

Sam Basile* – Chicago, IL

* Not pictured here.



▶ PROVIDING PROTECTION FROM THE UNEXPECTED

AHS SPENT **\$319,766,000** IN 2009

PROVIDING PROTECTION FOR OUR CUSTOMERS

In addition to spending a record amount to honor our service promise, we are proud to have made **more than 2.7 million service calls** last year alone. At American Home Shield®, we want homeowners to use their warranties so they can experience for themselves the value, convenience and service excellence that AHS® protection brings. We like the fact that AHS clients use their warranties an average of 2+ times a year. We see each service call as an opportunity to deliver on our commitment and to build customer loyalty.

Over the past five years, AHS has spent more than **\$1.5 BILLION** protecting our customers covered items.

2005	\$269,598,723
2006	\$297,872,796
2007	\$304,574,131
2008	\$318,013,814
2009	\$319,766,000

TOTAL **\$1,509,825,464**



For more information about an AHS Home Warranty please visit www.ahs.com or call 1-800-735-4663.