

Home Warranties: Thanks and no thanks



If you're buying a home and a realtor or the seller gifts you a home warranty plan, you can say, "thank you very much." If it's one of the better plans, it can save you hassles and money on minor home repairs during the life of the plan (normally 12 months). But if you're thinking about buying a home warranty plan for yourself, you may be better off finding a reputable appliance repair pro and a good plumber than paying \$250-\$500 for a plan.

Home warranty plans are commonly sold in connection with real estate sales to cover the first year after a house changes hands, but anyone can buy one. Unlike an insurance policy, which won't cover the cost of fixing your dishwasher or air conditioner if they break down, a home warranty plan may cover these types of repairs. But like an insurance policy, these plans are full of limitations, exclusions and out-of-pocket costs. If an appliance breaks down or your toilet clogs, the plan will send one of their preferred contractors out and you'll pay a flat fee (@\$60 and up) just for the visit. Depending on the fine print in the plan, you may also have to cover the cost of parts and other items. Some home warranty plans are outright fraudulent, according to [pending lawsuits](#). To avoid unpleasant surprises, do your homework: Before you buy, ask questions such as:

- "What will the plan cover if my toilet overflows and what will I have to pay toward the repairs?"

- “How about if my refrigerator’s compressor needs replacing?”

If the answers convince you it’s worth buying, check out various plans and consumer complaints and select the best option for your budget. Most plans offer different levels of protection.

Like [water line warranty plans](#), home warranty plans have the potential to offset some costs that home insurance doesn’t cover, but you need to [research before you buy](#) and know that even the better ones only cover specific repair scenarios and with limitations.