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NHSCA Serves Up Tips to Media in Effort to Better Serve and Educate Consumers

Getting the story right is easy, EZPZhome.org.

(Lenexa, Kans. – May 9, 2019) -- As a trade organization, the National Home Service Contract Association (NHSCA) exists not only to serve its members, but consumer interests. Educating the public about the home service contract industry is important and The NHSCA realizes that media play an important role in that process.

That is why we endeavor to be proactive in outreach and responsive you your requests. Part of our proactive efforts include providing media with the technical and background information needed to navigate what can be an admitted confusing topic. We have done that by creating tools and make them available for download on our website homeservicecontract.org. To make our web address easier to remember, we've shortened it to literally make it "easy peasy" – you can now also find us at EZPZhome.org.

Members of the media are invited to download the **NHSCA Press Kit** found on the site. It includes useful background information as well as some of the most frequently used and sometimes confusing terms used in our industry. Another tool often referenced by members of the media, especially when on deadline, is our FAQ document found in both the press kit and under the **FOR HOMEOWNERS** tab. This is where you can find answers to questions such as "What are appliances and systems?"; "What is actually covered?"; "What does a contract usually cost?"; and "Are home service contracts insurance?"

This is information which consumers need in order to make the best decisions when selecting a home service contract provider. Often dissatisfaction with a provider stems from the consumer's lack of understanding of what a home service contract provides or doesn't provide. Often times this stems from the dissemination of inaccurate information.

For your reference, here are some of the most commonly misreported facts:

Home warranties are insurance. No, they are not insurance, nor are they "like" insurance. Comparisons to insurance frequently cause consumer confusion. Home warranty contracts cover normal wear and tear - a certain eventuality never covered by insurance. Insurance covers fortuitous events from named perils such as fire, theft, windstorm, vandalism and collision. Insurance never covers normal wear and tear. Home warranty contracts are prohibited by law from covering any insurable risk.

Home warranty contracts charge “premiums.” No, they do not. Premiums are an insurance term. Like any voluntary consumer contract, home warranty companies charge a contract fee.

The service fee for a trip to your house is a hidden charge. Fees for service visits are clearly disclosed. They cover the cost to send a local contractor out to your home. Fees are reasonable and appropriate for the service provided. Most providers offer many affordable options.

Service providers will send out just anyone to make a service call. Service providers maintain local contractor networks comprised of the most vetted and reliable members of the home warranty industry. Home warranty providers covet the best local contractors available because their reputation depends on it. Many of these companies are owned by your neighbors; some are small business organizations. Some of the best plumbers, electricians and HVAC techs are employed by small, local companies. The biggest and most expensive heating contractor in your city is not likely the company you would call nor would they be available to you.

Warranty companies pay out *only* 50% of their fees in service. This statement is often tossed out by critics hoping for some emotional reaction. Reality is that the mark up on virtually every retail product or service in the world is 50% or more. The other 50% pays for overhead, marketing, salaries, advertising and other operating costs. It is not profit. Profit is what is left if you manage to control all your costs. The fact is that most home warranty companies are now paying in excess of 60% of fees in goods and services and the number is rising. NHSCA members paid out nearly \$2 billion in goods and services in 2018.

Home warranty companies do not guaranty the work of the local contractor. They absolutely do. This is part of the value they provide to consumers and an integral part of the value of a home service contract.

We hope that this information is helpful and encourage you to reach out to the NHSCA with any and all questions. Should you need additional information, resources, visuals, interviews, do not hesitate to reach out. We look forward to working with you to help educate consumers nationwide. Remember, information is as easy to get as our website is to remember - EZZhome.org.

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About the NHSCA

The National Home Service Contract Association (NHSCA) is a non-profit 501(c)(6) industry trade organization of member companies serving home service contract providers and consumer interests throughout the United States. For more great industry and consumer information, visit <http://www.homeservicecontract.org>.