Residential Warranty Company, LLC



Business Solutions

For The Successful Builder, Remodeler & Manufacturer



RWC®

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 3 million warranties and is considered an expert in the field of risk management. Over our 30+ years, 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 in this economic climate is a challenge. That's why we have 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 over the last 30 years. Ten year warranties have been an effective way to deal with a variety of issues including customer service, marketing, government-financed loans and mandated new home legislation.

- The "traditional" warranty offered by RWC since 1981.
- Approved by FHA and VA which means less paperwork to fill out, no pre-approvals and potentially more qualified buyers for you.
- 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.

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 15 years, so in that state, the warranty term is 15 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 & 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.



NEW HOME WARRANTIES FOR TEXAS BUILDERS

10 Year Major Structural Defect Full Coverage Warranty

HOME of Texas has been providing 10 year warranties to Texas Builders since 1981. Texas offers unique challenges to the building industry and HOME addresses these risks with realistic and effective coverage. Various options exist based on the Builder's needs.

- The "traditional" warranty offered by HOME since 1981.
- Approved by FHA and VA which means less paperwork to fill out, no pre-approvals and potentially more qualified buyers for you.
- 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.

10 Year Enhanced Coverage Warranty

This innovative warranty couples HOME's traditional coverage with enhanced performance standards *(formerly the TRCC performance standards)*. Together, this combination provides more enhanced coverage which may lead to greater peace-of-mind for you and your buyers. HOME's effective warranty resolution process is also included.

- Clearly written set of expanded 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.

10 Year Designated Structural Element 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 & 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.



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 that can result 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.
- The HOME of Texas Remodeler Warranty is also available and mirrors the RWC version in terms of coverage options.

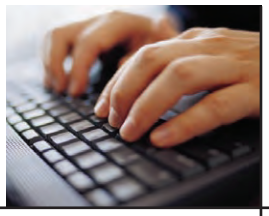


MANUFACTURER WARRANTIES

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
- 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 also 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, but is in development.*



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. In addition, 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 offers 1 one year renewable coverage.

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.

1 Year Renewable Structural Warranty

- 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.



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.
- Approved by FHA and VA which means less paperwork to fill out, no pre-approvals and potentially more qualified buyers for you.
- 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.

- Approved by FHA and VA which means less paperwork to fill out, no pre-approvals and potentially more qualified buyers for you.
- 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 3 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 $19.5 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

USHP, LLC is another RWC affiliate which was created to offer a line of economically-priced warranty products for appliances and mechanical systems on both new and used homes. Three distinct programs exist:

Platinum Advantage for Site Built Homes

Platinum Advantage is offered through Builders and is an extended warranty for appliances and mechanical systems for new site built homes and for new/pre-existing HUD-code 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, 5, or 7 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 Platinum Advantage Terms and Conditions for complete details.
- **Revenue:** Builders earn risk-free income by offering Platinum Advantage on their homes.

Platinum Advantage for HUD-Code Homes

Platinum Advantage is offered through Builders and is an extended warranty for appliances and mechanical systems for new and pre-existing HUD-Code 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 MHWC structural warranty, homeowners will receive the most comprehensive warranty package on the market.

- **Term Options:** 3, 5, or 7 year warranty terms for new HUD-Code homes.
  1, 2, or 3 year warranty terms for pre-owned HUD-Code homes.
- **Service Fee Options:** Select the service fee option the best suits your customer's budget.
- **Coverage:** Most major home appliances and mechanical systems are covered. See the Platinum Advantage Terms and Conditions for complete details.
- **Revenue:** Builders earn risk-free income by offering Platinum Advantage on their homes.

AmeriGuard

AmeriGuard is offered through Real Estate Professionals and is an extended warranty for appliances and mechanical systems for existing homes. Unique to AmeriGuard is the opportunity to include economically-priced coverage on major structural components of an existing home in addition to the traditional appliances and systems coverage. More components are covered as "standard" than most of our competitors' products. The third component in AmeriGuard is a thorough Home Inspection done by a professionally licensed engineer. Together, these 3 components make AmeriGuard excellent coverage for any prospective homebuyer or current homeowner.

- **Term Options:** 1 or 2 year warranty terms
- **Coverage:** The buyer may select from different combinations of appliances, mechanical systems, major structural components and home inspection options. See the AmeriGuard Terms and Conditions for complete details. If the Structural Coverage is selected, then the Home Inspection must also be selected.
- **Revenue:** Real Estate Professionals earn risk-free income by offering AmeriGuard on their listings.

Availability

USHP Products are currently available in the following states: Arkansas, Delaware, Idaho, Indiana, Kansas, Louisiana, Maine, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, New Jersey, North Dakota, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, West Virginia and the District of Columbia.



COMPANY CONTACT INFORMATION

Warranties

Residential Warranty Company, LLC

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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
TX Address: 12651 Briar Forest, Suite 195,
Houston, TX 77077
PA Toll Free: 800-445-8173
TX Toll Free: 800-683-6833
PA Fax: 717-561-4494
TX Fax: 281-531-8771
Website: www.homeoftexas.com
E-Mail: home@homeoftexas.com

USHP, LLC

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

MHWC

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

Affiliates

RWC Insurance Advantage

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



PRESS RELEASES

30 Years and 3 Million Homes!

HARRISBURG, PA. In February 2011, Residential Warranty Company, LLC (RWC) celebrated its 30th Anniversary and announced another milestone to boot: Over 3 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 1981.

RWC's goal is to provide a level of security to homeowners and Builders alike and has devoted over three decades to that purpose across the country. Lynn Nelson-Probst, Vice President of Sales for RWC, with over 25 years of experience of her own remarks, "Being able to provide a variety of services to our customers is the result of much hard work and due diligence along the way. While many companies are forced to limit their offerings, RWC has been able to expand and offer 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 30+ years 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 1-800-247-1812 ext. 2149, visit the website at www.rwcwarranty.com, or email sales@rwcwarranty.com.

WPMIC Celebrates 10 Continuous Years of "Excellent" Ratings!

For over 10 consecutive years, Western Pacific Mutual Insurance Company, a Risk Retention Group (WPMIC) has earned 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 is domiciled in Colorado and 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.



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RESIDENTIAL WARRANTY COMPANY, LLC









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