



TEXAS TIMES

Spring / Summer 2024

Newsletter for Members of the HOME of Texas Warranty Program • www.homeoftexas.com



Millennia ago when solar eclipses caused the world, or at least the little piece of it occupied by a primitive culture, to slip into darkness as the sun disappeared in the middle of the day, ancient man often saw it as a mystical battle among gods or as an omen of bad times to come. Ancient Chinese believed that a dragon had attacked and devoured the sun. In India, a common belief was that a demon named Rahu disguised himself as a woman for the purpose of crashing a banquet of the gods, where he hoped to drink all the gods' nectar. A major god Vishnu caught onto Rahu's plan, cut off his head and hurled it across the sky. Ancient Indians believed that it was Rahu's decapitated head that blocked out the sun. According to a Native American Choctaw legend, a mischievous squirrel gnawed on the sun, which caused it to slowly disappear.

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Las Vegas is Not for the Faint of Heart

By Rich McPhee, National Sales Manager



Year after year, our team represents Home of Texas and RWC at the International Builders Show. This year was NAHB's 80th anniversary. It has seen a massive rebound since Covid, with more than 76,000 builders, remodelers developers, and other home building professionals filing in to the nearly mile and a half long exhibit halls of the Las Vegas convention center.

We did our part to add to the rambunctious feel to the show with our now infamous Wheel-O-Rama game. We like to think they come for the prizes and stay for the company.

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The Sun, The Moon, And Our Builders

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The reactions to eclipses by our early forebears were even more bizarre than their explanations for the celestial events. Mayan rulers would cut themselves, collect their blood and offer it as a sacrifice to whichever god needed placated. Aztecs would become hysterical and sacrifice the people among them with the fairest hair and the lightest skin, which they believed kept demons from descending from the sky and eating everyone. In Mesopotamia and in Greece, after having developed the ability to predict that an eclipse was coming, the king would place an imposter on the throne as a decoy to fool the gods and keep any bad omens from affecting the real king. When the eclipse passed, the imposter was usually killed.

Even those cultures who did not engage in barbaric practices like blood-letting and human sacrifice saw eclipses as omens. As late as 1598, when William Shakespeare wrote King Lear, the king remarked that “these late eclipses in the sun and the moon portend no good to us.” This was the view of most societies since the beginning of time. There were exceptions like the Batammaliba people of West Africa, who believed that the eclipse occurred because the gods were angry with people for fighting with each other. During and after an eclipse, villagers would put petty arguments aside, stop fighting with their neighbors, and even give each other gifts.

The recent solar eclipse that carved a path of totality across the United States demon-



If one of the questions you ask yourself is, “How can I best protect my customers and my company from construction defect claims?”, we have the answer.

strates how far modern man has come in his understanding of the universe. Many years of observation and study allow us now to predict not just when an eclipse will occur, but also how much of the sun will be blocked by the moon in any location around the globe. Thus, some of our friends and co-workers left our home office where there was about 92% coverage of the sun to travel to Cleveland and to eastern Indiana, where they were able to watch the total eclipse. All who chased totality mentioned how awe-inspiring an experience it was.

Rather than fearing and overreacting to an eclipse like ancient man did, 21st Century Americans can plan for, travel to, and embrace a total eclipse for what it is--an awesome display of the universal and physical principles by which our universe works. And we can do that because for centuries mankind looked at the sky, asked questions about what was happening, and eventually figured it out through hard work and study.

This same principle applies to business, and particularly to the business of home building. We have heard friends oversimplify it this way: “You build a home and sell it for more than it cost to build.” Those folks might just as well believe that a squirrel ate the sun on April 8th or that the fender-bender they had last week was foretold by the eclipse. We know better. But do we know enough or all that we can know?

Just like the astronomers and physicists who figured out solar eclipses, every builder should look at his

company’s universe and ask hard questions. What kind of homes are people buying now? What are people likely to buy five years from now? What can my potential clients afford to build? Will the price of timber rise or fall in the next year? How will interest rates and the cost of financing affect sales over the next eighteen months? Is the population in my area aging or getting younger on average, and how will that affect my customers’ housing choices? Big houses or small houses? Singles or towns? Town or country?

You get the idea. By asking and answering these kinds of questions, any builder will gain a better understanding of his business and its challenges and will increase his profitability. A good project is to write out twenty such questions (or as many as you can think of) and then put in the study, thought and effort necessary to answer them. We think you will enjoy and benefit from the project. (And you better get to it soon before that squirrel gobbles up the sun!)

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Las Vegas

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If one of the questions you ask yourself is, “How can I best protect my customers and my company from construction defect claims?”, we have the answer for you. Place a HOME of Texas warranty on every home you build.

HOME of Texas has been directed by the same owner since 1992, and along with our national affiliate Residential Warranty Company, LLC, our people have administered home warranties on over four million homes. We offer a wide variety of warranty options, from the standard ten-year warranty to our specialty warranties for remodeling projects, detached garages, and commercial construction. HOME’s warranty mirrors Texas’ ten-year statute of repose and transfers the major structural defect obligations from our builders to HOME’s insurer in the final eight years of the warranty. HOME’s warranty provides clear performance standards that help create realistic expectations in your homeowners and a road map to resolving even the stickiest customer complaints.

HOME’s warranties are backed by a Texas property and casualty insurance company, and HOME and its affiliates are 100% American owned. Our pleasant customer service staff is dedicated to making your interactions with HOME as smooth as possible, and our veteran warranty resolution team will handle your customers’ concerns with care.

Don’t be eclipsed by your competitors. Give your customers the best warranty under the sun—a HOME of Texas warranty.

Have a wonderful Summer!

Where some years are filled with "bag folk" looking for the 50 pound capacity of free giveaways they can get on their flight home, this year we saw an increased number of truly qualified leads for our warranty products.

We engaged in meaningful conversations with new builders, remodelers, and innovative construction professionals, looking for ways to differentiate themselves from the competition. In addition to the new friends we made, we have established long, lasting relationships with many builders across the country and it's always great for them to stop by our booth and say hi.

They say Vegas is a two-day town. We pack in five. With so much attention and energy focused on the show, it's great to be able to socialize and reconnect with the frills of the city. The annual house party at Drai’s nightclub was another smash hit. Old Vegas provided some respite from the glitz and glam of “the strip. The Sphere wasn’t visited, but it was marveled. Most who tested their luck left winners, some more than others, and some way more than others.

There were enough steps tracked, words spoken, and wheels spun to have everyone longing for home by the end. But not without fond memories and a significant swing of momentum into the 2024 calendar.



Fred Taylor, Crystal Jackson, Allison Jeffries and Freddy Pesqueira waiting to greet builders.



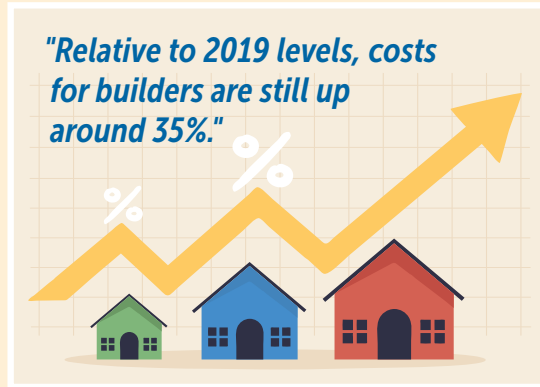
Staci Cool, Logan Canby and Rich McPhee present cash prizes to our lucky wheel winners.

Bigger Is Not Always Better – But Less Can Be More

By Victoria Sontheimer, HOME of Texas/RWC

With the prices of existing homes remaining largely unaffordable, the number of available home listings shrinking, and record high mortgage rates, potential homebuyers are looking to newly constructed homes to fill the gap. As a result, builders are expected to meet the rising demand while also dealing with soaring construction costs. The solution? New homes are being built smaller and much closer together than before.

It's important to note that America's housing affordability crisis has not surfaced suddenly. Many experts believe the problem snowballed since the Great Recession and has reached a precarious situation – at present, many families earning the median annual income can no longer afford to buy a home in any of the major markets, not to mention younger, first-time homebuyers.



A shift has occurred in the conventional thought process regarding what a home should look like and how it should function. For example, more emphasis is being placed on elements such as natural light rather than a targeted bedroom count or specific floor plan. And to address the smaller footprint, builders are allocating more space to heavily trafficked areas. Instead of building a formal dining room, the focus is shifting to larger kitchen islands with seating, and primary bedrooms with walk-in closets

are being sacrificed for an additional small bedroom or home office.

Not only are builders addressing affordability for buyers, but they're also doing so for themselves. Relative to 2019 levels, costs for builders are still up around 35%. By reducing the size of the homes that are built, material costs can be kept at a more manageable level.

Fortunately, builders' ability to pivot quickly amid the higher interest rate environment should be good news for hopeful home buyers. Small and micro homes help keep housing prices affordable, require fewer materials to build and lower utilities to live comfortably, while also encouraging the forward-thinking concept of living with less "stuff."

Understanding Deflection

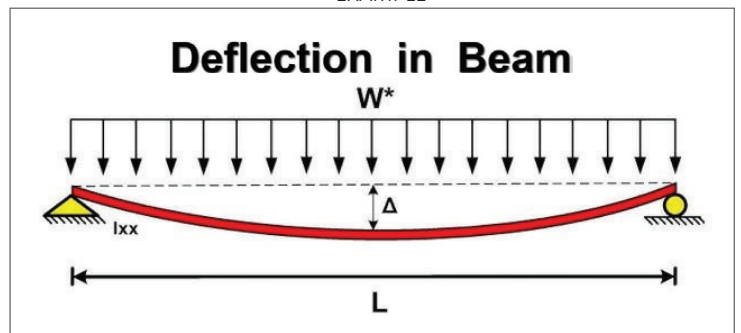
By Scott Lackey, HOME/RWC Warranty Performance/Technical Supervisor

Under the HOME of Texas Designated Structural Element Limited Warranty, Deflection is defined as:

9. Deflection: A turning or bending of a Designated Structural Element from its original position. Deflection is measured from any two end points and a third reference point. The reference point may be located at any distance between the two end points.

Please note: Slope is not covered under the HOME Designated Structural Element Limited Warranty. The definition of slope or gradient of a line describes its steepness, incline, or grade. Mathematically, slope is calculated as "rise over run" (change in Y divided by change in x)

EXAMPLE



Should you have further questions or concerns, please contact HOME's Technical Staff for further details at 800-445-8173.

2023 Sales Award Recipients

By Rich McPhee, National Sales Manager

In the dynamic landscape of sales, the role of account executives stands as a cornerstone for business success. Amidst the myriad challenges and fierce competition, there are those individuals who consistently excel, driving impressive results and forging lasting client relationships. For 2023, we celebrate the accomplishments of these remarkable account executives who have not only met but exceeded expectations, earning them the prestigious recognition of top sales awards.



Congratulations to Freddy Pesqueira, Outstanding Executive of the Year.

1st Place - Freddy Pesqueira Outstanding Account Executive of the Year

Freddy is top producer year after year. Mr. Pesqueira was the top of production in 3 major categories, Most New Applications, Most Projected Homes, and Most Big Builders. He hustles in the South East Territory from Florida to Tennessee accepting every challenge presented along the way. With our shift in management this year, Freddy stepped up in a big way, continuing to represent the company with energy, while taking on more responsibility and stepping in when his co-workers needed him most.

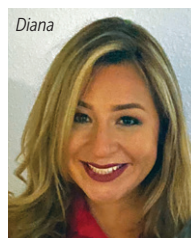
2nd Place - Fred Taylor

Fred Taylor had hands down his best year as an Account Executive. Fred is a worker - plain and simple. He has been pounding the pavement for 10 years; and through difficult times he has persevered. His dedication paid off greatly in 2023.



3rd Place - Staci Cool and Diana Gomez

As a sales rep production is important. Most would say it's the most vital part of the job and they'd be right. However, it's not the only part of the job. Especially not this one. Our account executives are often times the face of our companies before and after they have come in the door. This presents constant challenges, opportunities, and unforeseen scenarios. In addition to consistently being top performers, Diana and Staci are the leaders in the club house when it comes to going the extra mile when called upon. Their efforts would be a mighty task to replicate. For that we recognize them as part of our Executive of the year group.



COMPLETE LIST OF AWARDS AND RECOGNITIONS

OUTSTANDING ACCOUNT EXECUTIVE OF THE YEAR

FREDDY PESQUEIRA first place
Fred Taylor second place
Staci Cool / Diana Gomez third place (tie)

MOST NEW APPLICATIONS

FREDDY PESQUEIRA first place
Diana Gomez second place
Fred Taylor third place

MOST PROJECTED HOMES TOTAL

FREDDY PESQUEIRA first place
Fred Taylor second place
Diana Gomez third place

MOST NEW BUILDERS PROJECTING > 20 HPY

FREDDY PESQUEIRA first place
Staci Cool second place
Diana Gomez third place

MOST HOMES OF BUILDERS PROJECTING > 20 HPY

STACI COOL first place
Freddy Pesqueira second place
Diana Gomez third place

AVERAGE SIZE BUILDER APPLICATION

FRED TAYLOR first place
Freddy Pesqueira second place
Diana Gomez third place

HIGHEST APPROVAL RATE

FRED TAYLOR first place
Freddy Pesqueira second place
Diana Gomez third place

BEST RETENTION RATE

CRYSTAL JACKSON first place
Fred Taylor second place
Diana Gomez third place

MOST NEW SIGN-UPS FOR KEY / PLA

LYDIA TOSCANO first place
Diana Gomez second place
Staci Cool / John Felbaum /
Freddy Pesqueira third place (tie)

MOST ENROLLED HOMES FOR KEY / PLA

DIANA GOMEZ first place
Staci Cool second place
Freddy Pesqueira third place

MOST NEW PROJECTED HOMES FOR KEY / PLA

LYDIA TOSCANO first place
Staci Cool second place
Freddy Pesqueira third place

Where am I Insured?

By Doug Davis, RIA Insurance Consultant

One of the most frequent requests we get from our builder members is to add a new insured location to their general liability insurance policy. They provide the address and sometimes a description, but usually we have to ask how is this place being used in their construction business? "I'm building a house on that lot." is the most typical answer. We then ask the builder if they realize they are automatically covered for all building sites located in the coverage territory of their policy.



Most are not aware of this, or they are responding to a demand for proof of insurance from a bank, municipality, or some other entity involved in the project. Often, these requests are being confused with similar requests for proof of some type of property insurance, most commonly builder's risk, which covers the cost of your building materials at a given job site. When told that jobsites are automatically covered without being listed in your policy, many builders are doubtful. "What do I show the bank or the city?" they ask. A certificate of insurance proving you have general liability insurance is all you should need and here's why:

In your RWC Insurance Advantage commercial general liability policy, the (CGL), "coverage territory" is defined in part as the "United States of America (including its territories and possessions), Puerto Rico and Canada." This means if you are building a house anywhere in these places, your CGL policy will cover you if some member of the public gets injured on your jobsite or if your activities at the site cause damage to property owned by the public. You are also covered in "all parts of the world" if such

injuries or damage are the result of "personal and advertising injury offenses that take place through the Internet or similar electronic means of communications."

There you go. Clear as mud, right? A reasonable question at this point might be "My office is scheduled on the policy. So is the warehouse I lease where I store lumber and other materials. Why are these places listed, but not my jobsites?" The answer has to do with premises versus operations.

- Premises – This term refers to structures or locations that you own, rent or lease where you conduct the non-building part of your business. Such functions are ongoing regardless of whether you have an active jobsite at the moment. People, members of the public, can show up by invitation or on their own at any time. Your activities on your premises tend to remain more or less constant and unchanging in nature.

- Operations – Refers to what you do in your business. You build houses. You may also do renovations and remodeling, but all of this is done away from

your premises somewhere in the "coverage territory." Each job varies a little from the next even though all jobs have much in common. Most of all, jobs start and finish at different times throughout the year. In a matter of months your risk factors can go from many to none as the job progresses from groundbreaking to closing. Operations also include anything you do in the name of your business. Attending builder shows, golf outings, conferences, seminars, etc., are all included. Anywhere you go for business purposes can be an

opportunity for an accident to happen for which you could be held liable.

In short, your premises need to be scheduled because this is where your business is located and where day-to-day tasks are performed. Members of the public come and go with and without being invited. Your operations include everything you do as a builder whether it is the actual building of a home, or attending a conference or trade show. Since the locations of such things change constantly, they don't have to be scheduled as long as they are in the coverage territory.

If you have any other questions about our CGL policy, please give us a call at 866-454-2156 and ask for Allison.



www.rwcinsuranceadvantage.com

We Won't Spam Your Homebuyers

As a Member in our warranty program, you are probably familiar with our **Warranty Express** system. After you enroll the home online, your buyers are able to download their warranty documents from our website. It usually takes about 60 days after closing to get the buyer's info in the system, but sometimes the documents are available much sooner.



If you provide your buyers' email address on the Application for Enrollment form, we will send them an email to notify them whenever their warranty documents are ready. Furthermore, we know that everyone gets bombarded with emails and sometimes "system-generated" notices can look like spam. Let your buyers know that they will get the notification email from us. However, if they are suspicious or even just accidentally delete the email, no worries. They can call or email our Member Services Department for assistance. Then that's it. We don't spam them or communicate with them further unless they reach out to us for assistance.

Need Help? Have Questions?

Feel free to contact us if you have any questions or require assistance at any stage of the warranty process.

Who is my Account Executive?



Diana Gomez

512-585-1909

diana.gomez@homeoftexas.com

Questions on the RWC Insurance Advantage Program? 866-454-2155

Quotes & Underwriting:

info@rwcinsuranceadvantage.com

Claims:

Laura, x2278

laura.current@iadclaims.com

Certificates: Go to

www.rwcinsuranceadvantage.com

Click on the Products tab, then Request Certificate.

Loss Runs & Other Questions:

info@rwcinsuranceadvantage.com

Questions about the Texas Warranty Program? Email or call 866-445-8173

Customer Advocate

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bryon.earhart@rwcwarranty.com

Dept of Member Services in Texas

Nicholas, x2180

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Membership/Renewal Questions and Membership/New App Status

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Shirley, x2173

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Accounting/Incentive

Scott, x2102

scott.longer@rwcwarranty.com

Get Your Complimentary Marketing Essentials

HOME of Texas offers a wide variety of FREE marketing materials to display in your office & to hand out to clients.

- Consumer Brochures
- Folders
- Easel Signs
- Window Decals
- Brochure Holder
- Lot Signs
- Table Tents
- Sample Books

Check out our website to see a complete list of what is available.

To place your order: Email Victoria at victoria.sontheimer@rwcwarranty.com





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Harrisburg, PA 17111

Presort STD
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Harrisburg, PA
Permit #954

4 Simple Steps to Enroll Your Homes for Coverage



1. ENROLL HOMES

Enroll your homes online via Warranty Express.

- Go to homeoftexas.com and click the Warranty Express login link in the top right corner.
- From the main menu on the right, under Enroll Homes, click Warranty Express and follow the prompts.



2. PAY

Pay your warranty premium. Three options to pay:

- By credit card and save the \$6.95 handling fee.
- By paper check from your office.
- By paper check from your title company at closing.



3. EMAIL INSPECTIONS

Email your inspections / certifications
to HOME of Texas for review.
Send to: inspections@homeoftexas.com



4. GET SIGNATURES

Get the Application for Enrollment form signed
at closing by the homeowners and return to HOME.

- Make sure you, your staff or your title company returns the signed form to HOME.
- Warranties will not be processed without the payment, any required inspections, & the form signed by the buyers.

Need more help? 800-445-8173 / MembershipAssist@rwcwarranty.com