

# TEXAS TIMES

Fall 2024 / Winter 2025

Newsletter for Members of the HOME of Texas Warranty Program • [www.homeoftexas.com](http://www.homeoftexas.com)

## Quenching A THIRST



More than a century ago, Americans were fascinated by the speed and convenience of personal, motorized travel. Rather than feeding, housing and otherwise caring for horses that needed prepped for riding or drawing a carriage and would take a long time to get to their destinations, automobiles offered a vastly more convenient mode of transportation. In place of lining up for a spot on a crowded streetcar or feeding a horse that needed fuel to live and not just to carry its owner, car owners purchased gasoline that would be used only while the car was operated, and the car was always at the owner's beck and call. There was no need to worry about illness or vet bills and no mucking of stalls. A car could be parked in front of one's house, eliminating the need for a barn or a meadow where a horse could sleep and eat. The more urban car owner no longer had to race downtown to catch public transportation.

While that first generation of motor cars had many doubters, in less than a decade most people could see that automotive travel was the wave of the future. Nearly every household wanted a car. The problem was that few could afford to own one. In 1915, the average annual pay for a man was \$687. The average pay for a woman was about half that. Meanwhile, a typical car cost \$2,005,

*Continued on page 2-3*

## The Value of Risk Retention Warranties

### *Evaluating Risk Retention Groups Against Property and Casualty Insurers*

HOME of Texas prioritizes providing members with strong insurance backing to ensure peace of mind and security. This robust support not only protects our members' investments but also reinforces our commitment to delivering reliable coverage and service, safeguarding them against unforeseen issues. That's why HOME has chosen to back its warranties with a Risk Retention Group (RRG).

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## Quenching a Thirst

*Continued from front cover*

nearly three years wages for the average man. The disparity between what people earned and how much cars cost made it impossible for most Americans to purchase a car.

Some American entrepreneurs, recognizing the seemingly unquenchable thirst for cars in our country, searched for ways to satisfy that thirst while generating profits for themselves. Most prominent among them was Henry Ford. In 1913 and 1914 Ford put his assembly line into operation and worked to perfect it so that he could bring the reality of automobile ownership to the masses and make a killing for himself in the process. Already producing one of the more affordable everyman's cars, the Model T, Ford's assembly line lowered the cost of manufacturing that popular model by more than 65 %. Within a couple of years Ford had reduced the price of the Model T to \$360. For nineteen years Ford manufactured the Model T and sold 15 million of them, which was half of the automobiles manufactured in the world during that time.

Today there is a housing shortage in our country that has been forming for more than a decade. Following the boom-and-bust cycle that ended in 2008, the United States had an excess of available housing. Then, as the new home construction industry reeled from the aftereffects of the bust, builders were not able to keep up with the rising demand for new homes. Indeed, from 2012 to 2022, 6.5 million more households were formed than new homes were built. The Covid-19 pandemic and the financial and labor issues that flowed from it have only exacerbated the problem. Housing experts estimate that the shortage of available housing today approaches seven million homes. Not only are builders not

*Not only are builders not building enough homes, but potential buyers are finding it difficult to afford the homes that are being built.*



building enough homes, but potential buyers are finding it difficult to afford the homes that are being built.

More than a century after Henry Ford revolutionized the auto industry by mass producing the Model T, there is another seemingly unquenchable thirst in our country—not for cars this time, but for homes. Ford designed a car for the masses and figured out a way to spend less in the manufacturing process and thus was able to meet his customers at a price point they could afford. We believe today's builders can take a similar approach to quenching America's thirst for housing.

Seniors who are downsizing and younger first-time home buyers want homes with a smaller and cozier footprint than they did a generation ago. Homes built in clusters in mixed use developments are more popular now with some buyers than the large single-family homes with half acre lots that dominated the market twenty years ago. Smaller homes with simpler layouts and roof designs on smaller lots could be the product that

not only appeals to more of today's buyers, but also can be afforded by today's buyers. Like Ford's Model T, these homes could be the backbone of any builder's inventory.

Affordability was only one reason for Henry Ford's triumph. Another was a leaner and more cost-effective method of manufacturing his cars. The manufacture and use of modular housing components is one way a builder can reduce costs. Another is the repetitive design of, for example, row homes. The row functions like an assembly line, except that the tradesmen move along the row rather than the items to be worked on passing in front of them.

There is a thirst in the land for affordable housing. Whether using Henry Ford's ideas, some of ours, or better ones, we know that our member builders will quench that thirst and provide another generation of Americans with high quality and affordable new homes. When those homes are built, do yourself and your buyers a favor and place a HOME of Texas warranty on every home you sell.

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HOME of Texas has been directed by the same owner since 1992, and we and our affiliates 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 resolve even the stickiest customer complaints.

At HOME of Texas, every guarantee our warranties make is backed by Western Pacific Mutual Insurance Company, RRG. Western Pacific has an "A- (Excellent)" rating from A.M. Best and only insures home warranty and similar new home construction risks, like builders' general liability, which can be offered through the RWC Insurance Advantage program to RWC members. No other warranty company has an insurer with this kind of strength solely dedicated to covering builders and their homes.



There are a lot of thirsty homebuyers waiting out there for you. Go build their homes and leave your warranty concerns to us. We've got you covered!

Have a great fall and winter!

## Warranty Coverage Highlights

*Sandra Sweigert, Manager, Warranty Resolution Dept.*



HOME of Texas highly recommends that you take the time to review the coverage you are providing your customers. Here are a few key highlights we find most of our builders appreciate.

- The homeowner must provide the Warrantor and/or Administrator with reasonable weekday access during normal business hours to inspect the condition of your Home and/or to perform their obligations.
- Only warranted elements which are specifically designated in the warranty standards are covered by this Limited Warranty.
- Under this Limited Warranty, the Warrantor is not responsible for exact color, texture or finish matches in situations where materials are replaced or repaired, or for areas repainted or when original materials are discontinued.
- When the homeowner's request for warranty performance is determined to be a warranted issue, the Warrantor reserves the right to repair or replace the warranted item, or to pay them the reasonable cost of repair or replacement.
- Actions taken to cure Defects will NOT extend the periods of specified coverages in this Limited Warranty.

### Notable Exclusions:

- Any Consequential Damages.
- Loss or damage to, or caused by, recreational facilities; driveways; walkways; patios, porches and stoops not structurally attached; decks and balconies which are not bolted to or cantilevered from the main structure of the Home; boundary and/or retaining walls; bulkheads; fences; landscaping, sodding, seeding, shrubs, trees and plantings; subsurface drainage systems (other than footer drains); lawn sprinkler systems; off-site improvements, including streets, sidewalks, adjacent property and the like; or any other improvements not part of the Home itself.
- Any Defect consisting of, caused by, contributed to, or aggravated by moisture, wet or dry rot, mold, mildew, fungus or rust, regardless of the originating cause of any moisture or water penetration that leads to the Defect.
- Loss of damage to the Home, persons or property directly or indirectly caused by insects, birds, vermin, rodents, or wild or domestic animals.

Should you have any questions regarding coverage, please reach out to our Warranty Resolution Department at 800-445-8173.

# Hey Rover, Hey Rover, You Won't Believe My House – Come On Over!

Victoria Sontheimer, HOME of Texas, Stats Courtesy of 2024 U.S. Houzz Pets & the Home Study



There are many components that go into designing your dream home. Historically, reigning considerations have included the amount of storage space, natural light, open floor plans, outdoor living areas, energy efficiency, a well-designed kitchen layout, ample bathroom facilities, a dedicated laundry area and externally, the surrounding environment and location, including access to amenities and the general neighborhood vibe. However, a surprising new factor is emerging with those who are building homes – and that is the comfort of their pet.

In a survey done by Houzz of approximately 1,000 pet owners, it was discovered that nearly half (48%) prioritize pets in their decision-making process when designing their home. Barkitecture is the term used in reference to the recent trend of constructing residences - whether selecting pet-friendly materials or incorporating special areas - to make family dogs and cats feel more at home.

Prospective homeowners often start with the classic elements of barkitecture, such as durable flooring choices. Choosing to go with luxury vinyl plank flooring in lieu of easily scratched hardwood or hard-to-clean carpet, or if carpet is required, selecting a rug that matches the color of the pet's fur are common decisions. However, many have elevated their designs to the next level with home additions like built-in dog washing stations, plush and padded sleeping nooks, dedicated eating areas, or for the very lucky feline – catios (safely enclosed open air spaces that can include multi-level climbing and resting spots).

While pets have been altering the way homes look for a long time, these changes seem to be getting bigger and more extravagant every year!

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## 44%

of pet owners have a single pet, however 26% have three or more animals in their home.

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## MORE THAN 3 IN 5

pet owners allow their pets in all areas of their home. They are also welcome on the furniture.

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## 65%

of people say the biggest pet-related challenges that owners face include an overabundance of fur and hair, followed by tracked-in dirt & mud, and keeping pet-related items organized and out of the way.

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## 73%

of pet owners report they've had to replace a household item in the last two years because of their pets. Carpets or rugs are the most frequently replaced items due to pet damage, followed by furniture, and bedding.

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## NEARLY 2/3

of pet owners purchased a bed for their pet. Other purchases included treat containers, a food subscription, and a door gate or flap.

## Checklist for a Successful 2025

HOME has a lot to offer. Are you taking full advantage of ALL of our services? Make it your (early) New Year's Resolution to complete this checklist! For more info contact your Account Executive or email [info@homeoftexas.com](mailto:info@homeoftexas.com).

- Register & enroll homes with Key Estates, our affiliate for Extended Warranties for Appliances & Systems. It compliments the structural warranty perfectly.
- Learn more about our specialty warranties, like, Remodelers, Detached Garage, and Building Systems.
- Get more info on General Liability Insurance through our affiliate, RWC Insurance Advantage.
- Order more marketing supplies. HOME offers a wide selection of FREE marketing materials to promote and explain the warranty. We have signs, brochures, window decals, lot signs, and more.
- Add the HOME of Texas logo and link to your website so buyers can learn about the warranty you are providing.
- Add us to your repertoire on social media. Showcase the HOME warranty as added value and peace-of-mind on all your social media pages.

## Risk Retention Warranties

*continued from front cover*

You see, Property and Casualty (P&C) coverage can be extremely volatile both in terms of rates and continuity. When using a P&C carrier, a warranty company's rate structure is vulnerable to rate increases derived from losses in totally unrelated industries. For example, the country has seen more than its fair share of both natural disasters and environmental catastrophes. Consider the losses caused by the recent hurricanes. If a P&C company suffers huge losses in even one of these events, the company's rating may drop and it may be compelled to raise its insurance rates across all its lines of coverage. The end result is that a builder's warranty rate goes up even though the warranty company's loss ratio may be extremely low.

HOME of Texas also discovered that P&C carriers are quick to drop blocks of business for a variety of reasons: too little premium generated, changes in corporate strategy, etc. If a P&C insurer chooses not to renew its master policy, the warranty company is left scrambling for a replacement.

With an RRG, only one type of risk is insured - in this case, that means new home warranties and general liability insurance issued by HOME for our member builders exclusively. Consequently, our



*We feel our members deserve an insurance structure that is committed to our program for the long haul.*

rates are based solely on our own loss ratio. If we continue to keep control of claims and continue to stringently screen members for quality, HOME will be able to maintain a sound and economically competitive rate structure. Oil tankers running aground or category 4/5 hurricanes will have no effect on the cost of a new home warranty or the strength of the insurance company.

Additionally, RRG's are not fly-by-night organizations that are easily formed. Not only are they subject to insurance laws in their own domiciliary state, but they must also fulfill certain criteria before offering insurance in any other state. For example, each RRG must submit a copy of its plan of operation to the insurance commissioner of each state in which it intends to do business. It must also submit a copy of its annual financial statement to each state. Formation involves licensing, ownership and membership requirements. Failure to adhere to the strict mandates can subject groups to claims of unauthorized insurance activity.

We feel our members deserve an insurance structure that is committed to our program for the long haul. It is our philosophy that warranties insured with a stable RRG will provide our builders and their homeowners with secure and reliable coverage for 10 years and beyond.

# IBS 2025 Must-Sees & Dos for First-Time Attendees

Reprinted from [nahb.org](http://nahb.org)

Is 2025 your first time attending the International Builders' Show (IBS)? The Builders' Show is an experience packed with innovation, learning opportunities, networking and fun. As a first timer, the Builders' Show can be an overwhelming experience – from the sheer size and everything happening at the show – but it doesn't have to be. Use this insider's guide for the must-see and do things and some tips to make the most of your IBS experience. This is not a comprehensive list of everything, but rather some top stops on your show agenda.

**1. Special Events:** IBS is known for its impressive lineup of special events that cater to a wide range of interests. Whether it's an informative pre-show learning opportunity by a respected industry expert, a celebrity keynote speech or an awards ceremony add some of these events to your schedule. Events like the Official IBS House Party, Young Pro Party and NAHB Award ceremonies, such as the Best in American Living™ Awards and The Nationals are ticketed events that often sell out, so buying tickets as soon as possible is best.

**2. New Product Zone:** Make sure you have the New Product Zone as a stop on your show plan to witness the latest and greatest residential construction products and technologies making their grand debut. Don't miss the chance to be among the first to discover the next industry-changing innovation. This area tends to get crowded, so try to visit early in the day for the best experience.

**3. Segments on the Show Floor & Outdoor Exhibits:** For the second year, the exhibit show floor is separated into 6 categories and then there's the Outdoor Exhibits. With 1,700+ exhibitors, it's impossible to visit every one of them. Instead, look at the exhibitor list or floor plans ahead of time. Identify the categories or exhibitors you want to visit so you know before you go where to concentrate your times on the show floor.

**4. Demo Zones:** Live demonstrations in the Construction Performance Zone and the Craft Techniques Zone are hot spots at the Builders' Show. Step into the Construction Performance Zone to see industry experts reveal industry best practices for building more durable,



efficient, higher-quality homes. Explore the details and finishes that complete a home in the Craft Techniques Zone. There's a variety of interactive demos you can participate in these zones.

**5. IBS Education:** One of the biggest draws to the Builders' Show is the 120+ IBS Education sessions, where you can learn strategies and discover new trends directly from industry experts. As an NAHB Member who is a first-time attendee, you can enjoy an Expo+Education Pass at a greatly reduced rate, which gives you access to the show floor AND 120+ IBS Education sessions.

To read more about these IBS sessions and learn about the IBS mobile app check out the [nahb.org](http://nahb.org) website blog: <https://blog.buildersshow.com/>



## Spin to Win at the HOME of Texas IBS Booth

If you're heading to the Builders' Show, don't forget to stop by HOME/RWC's booth #W3955 and say hi. We'd love to catch up, and while you're there, be sure give our prize wheel a spin for a shot at winning a cash prize! You're guaranteed to walk away with some great swag. Chat with one of the Account Executives and make sure you're tuned into all of the great services we offer, all under one roof.

## Guardrail Safety

Reprinted from nahb.org

Nearly all construction sites have unprotected sides and edges, wall openings or floor holes at some point, which pose a hazard to the workers moving around the jobsite. These openings and sides **MUST** be protected with guardrails or covers.

### Safe Work Practices:

- Guardrails must always be installed around openings in floors, and across openings of walls and windows greater than 18", when the work area is 6 ft. or more above a lower level.
- For window openings with a 6 ft. fall hazard, guardrails must be installed if the bottom sill height is less than 39".
- A complete guardrail system consists of: 1) a top rail; 2) a midrail; and 3) a toeboard.
- Install top rails at 42" high, with midrails placed halfway between the top of the guardrail top rail and the floor or walking/working surface.
- Install toeboards a minimum of 4" along the edge of the walking or working surface to protect from falling debris and objects, such as tools or materials.
- Any stairway with four or more risers or a height of more than 30" must be protected by a guardrail system, also known as stair rails.
- Any 2" or greater opening in the floor must be protected and covered.



## Have Questions?

Please don't hesitate to reach out if you have any questions or need assistance at any step of the warranty process. Your Account Executive, Diana Gomez, is here to support all your warranty and insurance needs. Feel free to contact Diana directly, and she'll handle everything for you. However, if you'd prefer to reach a specific department, here's a quick guide to connect you with the right help.



### Diana Gomez

Cell: 512-585-1909

Office: 800-445-8173 x2640

diana.gomez@homeoftexas.com

### Questions about your warranty? 866-445-8173

#### Customer Advocate

Bryon, x2199

bryon.earhart@rwcwarranty.com

#### Dept of Member Services/Texas

Nicholas, x2180

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#### Membership/Renewal Questions and Membership/New App Status

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#### Accounting

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**Incentive:** Scott, x2102

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### 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](http://www.rwcinsuranceadvantage.com) -Products tab, then Request Certificate.

#### Loss Runs & Other Questions:

info@rwcinsuranceadvantage.com



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## We're Here To Handle Homeowner Issues, So You Don't Have To

Extended warranty coverage on appliances and systems is an excellent approach to add an extra level of protection to the homes you build. Even brand-new appliances can sometimes be unreliable, and our aim is to ensure both you and your buyers feel more at ease and have heightened confidence in their new home.

Did you know that as a member of the HOME warranty program, you are automatically approved to offer your homeowners our *Key Estates Extended Warranty* without paying additional membership fees. And best of all, you can start enrolling homes *today*. Simply go to [homeoftexas.com](http://homeoftexas.com), then hover over the Builders tab. Look under the Warranty Products and click on "Extended Warranties for New Homes".

Buyers want a worry-free living experience, especially in a brand-new home, so if a covered item fails, Key Estates will be there to ease the financial burden of repair or replacement.

You'll find we do a few things differently than the other warranty folks. For example, coverage is flexible, there are no black out areas, and homeowners can use the repair provider of *their choice* to perform service work if needed. We do not force them to choose from a limited pool of technicians.

Our extended warranty benefits you as a builder, too, by enhancing your reputation and credibility. Offering a high-quality, affordable war-



*We help take those post-sale hassles and concerns off your plate.*

ranty shows your commitment to long-term value. Plus, when issues arise post-settlement, homeowners contact Key Estates directly—not you—so we help take those post-sale hassles and concerns off your plate. Peace of mind for homeowners means more signed contracts for you.

Feel free to contact your Account Executive with any questions, call 866-394-5135 x2188, or email [sales@KeyEstatesWarranty.com](mailto:sales@KeyEstatesWarranty.com).