



Home Warranties: → Smart or Scam?

A webinar by *Armadillo* &  *=turbotenant*

This webinar will be recorded and emailed to you after our session ends.

#Affiliate

Intro Poll:

- **How many rental units do you own?**
- **Have you attended a TurboTenant webinar before?**
- **Do you have a TurboTenant account?**
- **How much does the average landlord pay in repair and replacement costs of key home systems and appliances annually?**



Key Takeaways:

1. Home warranty plans cover normal wear and tear on designated appliances.
2. Home warranty plans work **with** landlord insurance to complete your rental property coverage.
3. Finding coverage that's suited to your needs and portfolio is simple.



The Basics of Home Warranty Plans



What is a Home Warranty?

- A service plan that **covers the costs of repair or replacement of major appliances and systems** in your home or rental(s)
- *Damage must be caused by normal wear and tear*
 - What does a home warranty not cover?
 - Cosmetic problems
 - Appliance misuse or intentional human damage
 - Improper installation
 - Maintenance neglect
 - Pre-existing conditions/damage
 - Costs that exceed coverage limit
 - External events

Poll:

- 1. Landlord Larry's rental was infested with bed bugs.**
Would a home warranty cover this situation?
- 2. The range in Landlord Lisa's duplex burnt out suddenly.**
Would a home warranty cover this situation?



Landlord Insurance vs. Home Warranty, pt 1

Per HouseMethod and The Balance:

- Insurance: required contract covering a property's interior, exterior, and liabilities
 - *Expected rate**: \$2,650-\$2,766/yr
- Home warranty: optional contract covering appliances, plumbing, electric, and HVAC damage
 - *Average cost**: \$600/yr



Landlord insurance works with your home warranty plan to protect every aspect of your rental. [Learn more >>](#)

Landlord Insurance vs. Home Warranty, pt 2

- Insurance: pays for damage and loss caused by outside forces
 - Natural disasters
 - Fires
 - Termites
 - Burglary
 - Structural malfunctions
- Home warranty: pays for repair and replacement costs of key home systems and appliances due to normal wear and tear

Home Warranty Plans

Frequently Asked Questions



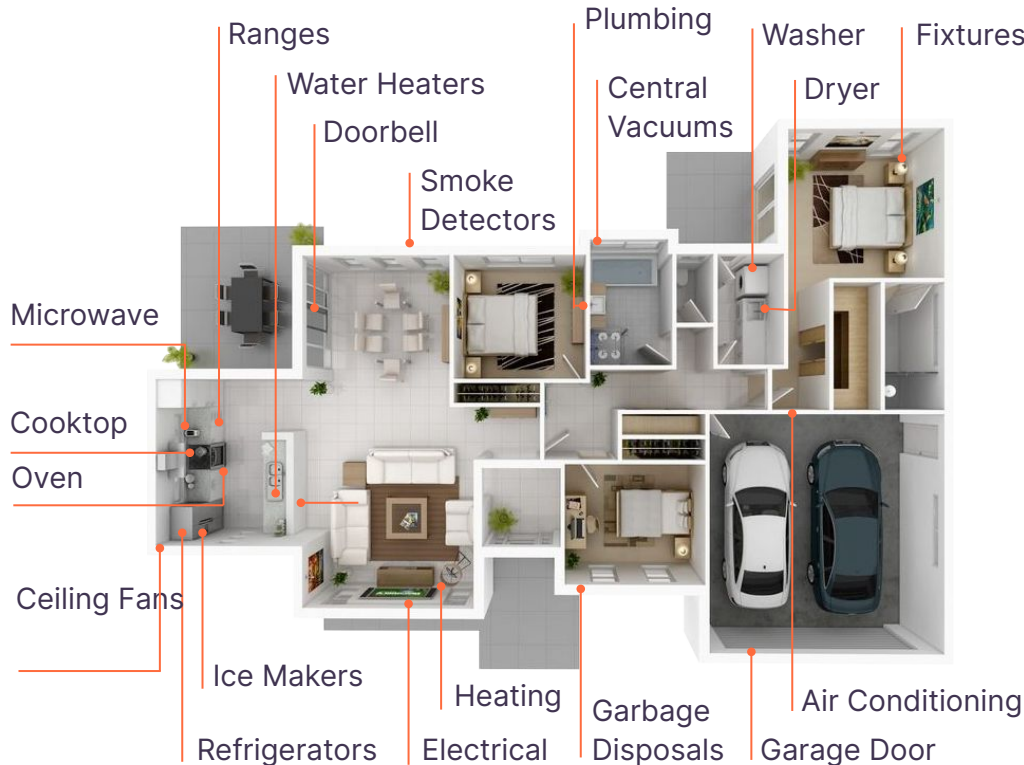
Are Home Warranties Worth It?

- *Financial situations differ from landlord to landlord, but the answer is likely **YES***
 - Annually, property owners pay 1-4% of the property's purchase price in major repairs on average
 - 75.9% of landlords surveyed take on maintenance management themselves
 - A good home warranty plan makes maintenance more manageable!



***Did You Know?: The average cost of maintenance is
~\$6,000/single-family home/year.***

Bottom Line: Maintenance and Repairs Are a Huge Landlord Expense



Dillo Data: With more tenants working from home than ever before, the average number of maintenance issues per year has increased since 2020.

The Pros and Cons of a Home Warranty Plan

With a home warranty plan, you...

Pros	Cons
Save on inevitable costs for covered items	Pay a service fee and/or deductible
Make maintenance more convenient	May have stumbled across indestructible appliances and therefore never need a plan at all
Can give your tenants a seamless experience with your rental by quickly addressing the issue	
Save countless hours of follow up and coordinating with your tenant to get your repair or maintenance addressed	

Home Warranties: Eco-Friendly?

- Latest report from the [U.S. Public Interest Research Group](#) says:



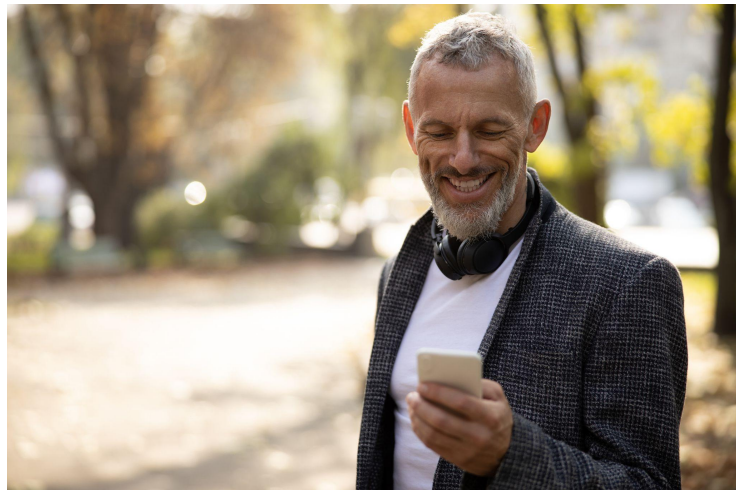
Fun Fact: Lots of Armadillo landlords upgrade to more sustainable systems and appliances with the savings on their appliance replacement.

How Do Home Warranties Work?

- Submitting your first home warranty claim:
 - a.* Contact your provider
 - b.* They dispatch a contractor to diagnose, repair, or possibly replace the item
 - c.* Coordinate communication between the contractor and your tenant
 - d.* Pay the service fee
 - e.* The contractor fixes the problem
 - f.* Follow up with your tenant to make sure the fix or replacement worked
 - g.* Repeat the cycle if the fix or replacement failed

How Does an Armadillo Home Warranty Plan Work?

- Save money, stress, and time:
 - a. Contact Armadillo
 - b. Armadillo sends a qualified contractor
OR **use your own**
 - c. Pay the service fee
 - d. The contractor fixes the problem
 - e. Armadillo will pay for covered repairs and replacements above to service fee and up to the limit of liability



How Quickly Can I Request Service?

Request service on
your phone in
2 minutes.

What If I Want to Use My Favorite Plumber?

If you have trusted pros you've used on your properties for years – keep using them & let us pay the bill. We'll even reimburse you through your favorite electronic platform.

venmo

P PayPal

How Do I Choose a Home Warranty Plan?

- *Ask:*
 - What is excluded and what conditions are part of this home warranty plan?
 - Can I customize my warranty for the specific needs of my units?
 - Can I pay monthly?
 - How much would my deductible be?
 - What is my home warranty cost per month?
 - How long is my service contract?
 - Is this a tax deductible expense?

Additional Questions to Ask

- How do I submit service requests, and how quickly are they answered on average?
- Is there a service fee?
- Am I limited in the number of service calls I can make?
- Can I use my own provider?
- **Have I read the fine print?**

Armadillo

Unlike other warranties, Armadillo has one single paragraph of fine print and a simple two-page contract.

What's Not Covered

This Plan provides coverage only for those items specifically listed as being covered on the Declaration of Coverage and excludes all other items. We do not cover repairs or replacements of any item that is covered by the manufacturer, another warranty product or by your homeowners or any other insurance policies. We do not cover intentional damage by you, nor losses that could have been foreseen or prevented by you through reasonable steps. If damage like this has happened before, it is your responsibility to have it fixed. If you already knew about a pre-existing condition, or should have reasonably known about it, it is not covered. This Plan does not cover any material, parts or labor required as a result of: vandalism, freezing, fire, wind, water, lightening, ice, snow, explosion, mud, earthquake, pet damage, pest damage, acts of God, power or water fluctuations, and flooding; any cosmetic only defects that do not affect or impede the functionality of the product; consumable items, such as filters; accessories such as knobs, buttons, handles, shelves, drawers, racks, inner door liners, etc. nor maintenance items; diagnosis, repair, removal or remediation of mold, mildew, bio-organic growth, rot or fungus, or any damages resulting from or related to mold, mildew rot or fungus, even if caused by or related to the malfunction, repair or replacement of a covered item; consequential damage to non-covered products; restoration; or damage or failure caused by animals or insects, including infestation and human or animal bodily fluids; or cost of construction, modifications, or carpentry work made necessary to install replacement



According to a 2020 study, **99% of survey respondents didn't read fine print** - and agreed to surrender the naming rights of their first-born child as a result!

Armadillo: Here's the Dillo

The other guys

We cataloged and evaluated hundreds of consumer complaints from competitor's publicly available social media channels.

Complaint	Date	Source	Company	Issue
1. Set no call or remedy to the dangerous contractor AHS has now tried to send to our house THREE times. Are they purposefully trying to harm my family and home?	9/28/20	Twitter	AHS	1) Sending a "dangerous" contractor to someone's home. 2) Sending someone who is a customer down's "DANGER" "DANGER" "DANGER" or something like that.
2. A/C issue. 5 contractors came to diagnose. Another month for the part to arrive. I ask since the contractor disassembled the HVAC before discovering the fault for wrong part... Now no A/C at all. (Unacceptable) - read this.	10/15/20	Twitter	AHS	1) One month to order a specific part. 2) wrong part was ordered. Result: very unhappy customer with no A/C or heat working.
3. They don't care one bit. One of their contractors ruined our AC by plugging the copper tubing and letting out all the Freon. We still had to pay the \$2K plus to replace the Freon, PLUS the additional money to fix their mistake with a non-AHS repair guy. They pick the worst people.	10/16/20	Twitter	AHS	1) Incompetent contractor damaged AC by plugging the copper tubing and letting out all the Freon. 2) Customer had to pay over \$2K to replace Freon. 3) Customer had to pay over \$2K to replace Freon.
4. We'll now wait a month for replacement work. Been calling for a month now. Same terrible service. All a scam. Person couldn't even give me any answers yesterday. Terrible.	10/28/20	Twitter	AHS	1) waiting over a month for replacement work.
5. I'm now ready what you mean AHS want someone in response to my service request, and he showed up with NO level of hygiene, no gloves, and careless in his inspection of my appliances. Needless to say - the covered appliances are STILL not repaired!	10/15/20	Twitter	AHS	2) Call me who doesn't show any safety attacks. 3) service provider showed up without any mask or due consideration of COVID. 4) Was careless in inspection of appliances. 5) The covered appliances are still not repaired.
6. AHS would company to get the better warranty. There is no option to cancel the policy. They are harassing me by putting on hold for 30 mins to cancel the current warranty.	10/14/20	Twitter	AHS	1) WOULD BE CANCELLED. PLEASE
7. The contractor they sent to my house on Thursday. Floor joists to rewire the AC lines. A BIG NO NO. There is no way to get to the house, and AHS is not answering his or her phone.	10/16/20	Twitter	AHS	1) Service provider sent to floor joists in order to rewire the AC lines. A BIG NO NO. 2) There is no way to get to the house, and AHS is not answering his or her phone.
8. I tried to cancel service... Had to go through my credit card on. (Bummer) They have sent terrible techs to our house. It seems later out fridge is still broken and no answer on when it will be fixed. They charge on.	11/16/20	Twitter	AHS	1) Terrible contractors who are unable to fix the AC for 6 weeks.
9. I am having serious issues. I reported the contractor to my case for fraud because they charged my credit card account before they could start their work and never completed service. The guy was on hold for 30 mins and in pieces.	11/23/20	Twitter	AHS	1) credit card charged before work was started on AC. 2) Guy with AC in pieces, never completed the job.
10. In single and can't	11/23/20	Twitter	Super	1) fridge broken, part won't be delivered for at least 1 month. 2) full of food - person must eat out for a week.
11. We have waited a fr.	10/15/20	Twitter	Super	1) trying to get down required for over a month. 2) customer called several times to get timeline on repair for AC. AC still there - waited a month without response. 3) when called back to supervisor - said that supervisor can only be "helpful".
12. Can't have a fr.	10/14/20	Twitter	Super	1) Called 3 times to speak with someone in department about the HVAC claim. 2) HAS GRANDFATHERS AND TOOLS IN THE HOUSE - and based on a 15 minute appointment.
13. Messages on phone	10/16/20	Twitter	Super	1) AC unit was on site a week ago - and still waiting to hear from Super with AC. Heat and fan are not (i.e. issue not fixed, and no response on when needed).
14. With Tech Philbert	10/16/20	Twitter	Crest	1) Tech Philbert is the technician who can cover a system that has been serviced by them.



Armadillo

We redesigned the Home Services product proposition from first principles.

	Armadillo	Other Companies
Fine Print	We removed over 80% of exclusions.	Fineprint all over
Service Time	Request service in less than 2 minutes at any time.	Make it difficult for you to get the service you need.
Flexibility	We can set you up with a reputable and prompt technician. Choose ours, or use your own!	You have to use their technicians, even if your favorite local technician is available faster.
24/7 Support	Digital and call center open 24/7/365! Friday night Emergency? No problem.	No

Stress Less by Streamlining Your Maintenance Management

The screenshot shows the Armadillo dashboard for a property at 13 Cornelia Street. At the top, there's a navigation bar with the Armadillo logo, a home icon, a user profile icon for 'Hi, Liv Landlord', and an 'Add Property' button. Below the navigation bar, there are tabs for '1059 West Main S...' and '13 Cornelia Street'. The main content area for 13 Cornelia Street features a 'Schedule Repair' button and a cartoon illustration of a wrench. Below this, there's a 'Coverage' section with a 'Download Contract' link. A table shows coverage details: Premium, Active (Renewal date on 02/18/2024), Service Fee: \$200.00, and Maximum Coverage Amount per Year: \$25,000.00. Below the table, there are two sections: 'Appliances' and 'Household Items', each with a list of items and their coverage amounts. A 'Let's talk!' button is at the bottom right. A red speech bubble on the left says 'Track claims in real time!'. At the bottom, there's a 'My Repairs' section with a star icon, and a 'Dishwasher' section for 1314 Spring Street showing a 'Service Request Pending' status and a timestamp of 'Jun 6, 2022, 1:57:06 PM'.

Armadillo

Hi, Liv Landlord

1059 West Main S... 13 Cornelia Street

13 Cornelia Street

Schedule Repair →

Coverage [Download Contract](#)

@ 13 Cornelia Street

Premium	Active (Renewal date on 02/18/2024)	Service Fee: \$200.00	Maximum Coverage Amount per Year: \$25,000.00
Armadillo pays up to the amount listed with each coverage item below			
Appliances		Household Items	
✓ Built-In Microwave - \$7,500		✓ Ceiling Fans - \$7,500	
✓ Dishwasher - \$7,500		✓ Garage Door Opener - \$7,500	
✓ Dryer - \$7,500		✓ Humidifier - \$7,500	

Let's talk!

☆ My Repairs

Dishwasher 1314 Spring Street

Service Request Pending | Jun 6, 2022, 1:57:06 PM

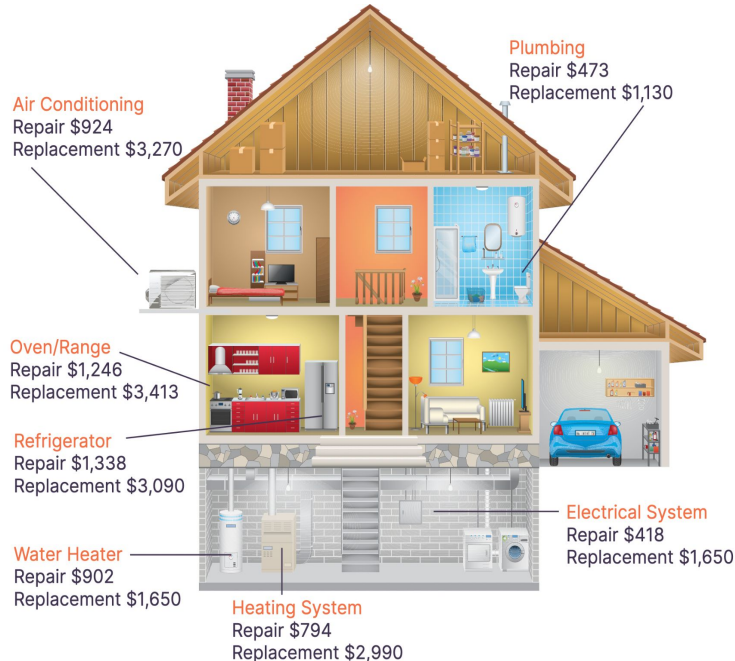
- Whether you manage one unit or 50 units – Armadillo helps you manage all of your active service requests in one place.
- Not only is it slick technology, but we have **real people** behind real solutions for the modern landlord.

Every unit gets this fridge magnet to easily route service requests.



Case Study:

The average cost of repair and replacement:



Landlord (5 Units) who just saved this month on replacing a refrigerator in his rental property.

What he would have paid: \$1,447.66.

- \$629.75 Home Pro Labor
- \$99.00 System Diagnostics
- \$408.66 Compressor
- \$64.55 Assembly
- \$371.85 Main PCB
- \$18.56 Refrigerator service valve
- \$6.29 tax

What he actually paid: \$100

- \$100 (deductible)

How much time & stress did he save?

- All of it.

Are Home Warranties a Scam?

- Though there are bad actors in the industry, **home warranties are *not* a scam**
- Know what you're buying:
 - Ask questions
 - *We'll email you this presentation so you can refer back to our list!*

This could be you, when you find the right home warranty coverage.



Landlords and Homeowners Review Armadillo



Joel Richman

1 review 📍 US



Mar 3, 2023

Awesome Experience!!!

From Start to finish the whole experience was awesome. The claims representative helped us through each stage. From claim inception to service to resolution. The appliance in question could not be repaired so Armadillo did their due diligence and by the end of the day of the service call we had Venmo in our bank account for a new appliance. What a pleasant experience!!!

Date of experience: February 23, 2023



Alexander Epperso

1 review 📍 US



Nov 18, 2022

Excellent Company

After years of having different home warranties, we have finally found one that suits our family. No more confusing policies, policies outside of our budget, or Difficulty picking out policies. Armadillo has been great from the start and ease of picking a plan that suits my family has been terrific. I know exactly what I am getting from my policy and could not be happier with the level of service I have received from Armadillo.

Date of experience: July 14, 2022



Jake Dickstein

1 review 📍 US



Nov 29, 2022

Easy And Transparent Product

The sign-up process was incredibly straight forward, and I knew exactly what I was signing up for. Prices were clear, and the ability to choose customized coverage features off of a menu was super simple.

Date of experience: November 17, 2022

Q & A



Learn more about Armadillo at armadillo.one/plans/landlords-turbotenant/

Final Poll:

- **How did today's session compare to your expectations?**
- **I can use the information from this webinar:**

