

Home Warranty Non Covered Items Guide for HVAC Systems

At Allied Home Warranty, we love to make home ownership easier for you. If we could, we'd help you with every last detail, but for homeowners, whether customers of Allied or another home warranty company, it is simply not possible for everything to be covered by a home warranty. An item may not be covered for a variety of reasons – sometimes code requirements prohibit it, and sometimes modifications or upgrades can cause an item to be excluded from coverage.

It is also possible that new government regulations will move an item out of coverage. For example, the implementation of a new regulation regarding 410a refrigerants issued by the Environmental Protection Agency alters home warranty coverage to exclude upgrades and modifications required by this new regulation. We work to bring you the very best service on those items that are covered in order to help you avoid repairs on parts of appliances or home systems that may not be covered. Please refer to the following guide to non-covered items – we want you to understand how your home warranty works and how to make the most of it.

Covered Item	Retail Price Est	Home Warranty Plans Do Not Cover				
		Non Covered Items	Required?	Est Cost	Why Not Covered?	
Condenser/Heat Pump	\$2,400 to \$4,400	Acid Wash to Clean Lineset	Yes	\$300	Modification	
		Circuit Breaker	As Needed	\$125	Upgrade	
		Condenser Slab	Frequently	\$125	Code Requirement, Upgrade	
		Difficult Access - Roof Access via Crane	As Needed	\$450	Access Excluded	
		Difficult Access - Tight Space	As Needed	\$275	Access Excluded	
		Disconnect	Frequently	\$125	Code Requirement, Upgrade	
		Disposal - Equip Prep, Seal, Haul Away	Yes	\$175	Disposal Excluded	
		Electrical Whip	Frequently	\$125	Code Requirement, Upgrade	
		Filter Dryer	Yes	\$150	Modification, Upgrade	
		Hard Start Kit (lower utilities, extend life)	Recommended	\$200	Upgrade	
		Low Voltage Wiring	As Needed	\$75	Modification, Upgrade	
		Permit/Handling (City Required)	Yes	\$200	Permits Excluded	
		Refrigerant Recovery (EPA required)	Yes	\$250	Code Requirement	
		Refrigerant Top-Off (3lbs of 410a)	As Needed	\$150	Modification, Upgrade	
		TXV -Thermostatic Expansion Value	As Needed	\$200	Modification, Upgrade	
		Premium Upgrade Covers \$500 total per contract of the above				
		Other Non Covered Items:				
		Brand Upgrade			Ask for quote	Upgrade from Builders Standard
		Efficiency Upgrade			Ask for quote	Upgrade
		Size Upgrade			Ask for quote	Upgrade
Modifications for 410a Conversion			Ask for quote	Modification, Upgrade		

Covered Item	Retail Price Est	Home Warranty Plans Do Not Cover			
		Non Covered Items	Required?	Est Cost	Why Not Covered?
Evaporator Coil / Air Handler	\$1,900 to \$3,000	Allstyle Coil - Reconnect and Mastic	As Needed	\$75	Modification, Upgrade
		Difficult Access - Platform Buildout	As Needed	\$350	Access Excluded
		Difficult Access - Remove Existing Furnace	As Needed	\$600	Access Excluded
		Difficult Access - Tight Space	As Needed	\$275	Access Excluded
		Disposal - Equip Prep, Seal, Haul Away	Yes	\$150	Disposal Excluded
		Drain Pan	Yes	\$150	Code Requirement, Upgrade
		Duct Modification	Yes	\$175	Modification, Upgrade
		Easy Filter Base	As Needed	\$225	Modification, Upgrade
		Electronic Air Filter	As Needed	\$900	Upgrade
		Emergency "Float" Switch	Yes	\$100	Code Requirement, Upgrade
		Hard Casting	Yes	\$125	Modification
		Permit/Handling	Yes	\$200	Permits Excluded
		Plenum Re-build	As Needed	\$400	Modification, Upgrade
		Refrigerant Recovery (EPA required)	Yes	\$300	Code Requirement
		TXV - Thermostatic Expansion Valve	As Needed	\$200	Modification, Upgrade
		Premium Upgrade Covers \$500 total per contract of the above			
Compressor	\$1,400 to \$2,700	Acid Wash	As Needed	\$300	Modification
		Disposal - Equip Prep, Seal, Haul Away	Yes	\$175	Disposal Excluded
		Filter Dryer	Yes	\$150	Modification, Upgrade
		Hard Start Kit (lower utilities, extend life)	As Needed	\$200	Upgrade
		Piping Modifications	Frequently	\$175	Modification, Upgrade
		Refrigerant Recovery (EPA required)	Yes	\$250	Code Requirement
		Premium Upgrade Covers \$500 total per contract of the above			

Covered Item	Retail Price Est	Home Warranty Plans Do Not Cover				
		Non Covered Items	Required?	Est Cost	Why Not Covered?	
Furnace	\$2,500 to \$3,700	Difficult Access - Attic Door Pull & Reinstall	As Needed	\$375	Access Excluded	
		Difficult Access - Platform Buildout	As Needed	\$350	Access Excluded	
		Difficult Access - Tight Space	As Needed	\$275	Access Excluded	
		Disposal - Equip Prep, Seal, Haul Away	Yes	\$175	Disposal Excluded	
		Duct Modification	Yes	\$175	Modification	
		Electronic Air Filter	As Needed	\$900	Upgrade	
		Furnace Stands/Hang Kit	Yes	\$175	Code Requirement, Upgrade	
		Gas Flex	Yes	\$125	Code Requirement, Upgrade	
		Gas Shut Off	Yes	\$125	Code Requirement, Upgrade	
		Hard Casting	Yes	\$125	Modification	
		Permit/Handling	Yes	\$200	Permits Excluded	
		Plenum Re-build	As Needed	\$400	Modification, Upgrade	
		Vent Pipe Kit	Yes	\$175	Code Requirement, Upgrade	
		Premium Upgrade Covers \$500 total per contract of the above				
		Other Non Covered Items:			Ask for quote	Upgrade from Builders Standard
		Brand Upgrade			Ask for quote	Upgrade
Efficiency Upgrade			Ask for quote	Upgrade		
Size Upgrade			Ask for quote	Modification, Upgrade		

Item	Definition	Reason Not Covered	Contract Reference
Access	Additional time, labor and material for difficult access.	Non Covered Item	Lmt of Liab Sec. V Item 1
Acid Treatment	The refrigerant in the lines can be acidic which can contaminate lines and negatively effect cooling. The acid treatment prevents harmful effects to the new system from the old refrigerant.	Upgrade, Non Covered Item	Lmt of Liab Sec. V Item 1
Attic Light/Switch	Necessary for service and safety of technicians	Non Covered Item	Lmt of Liab Sec. V Item 1
Circuit Breaker	New units may require larger breakers to function properly. In addition, oversized breakers must also be downsized to prevent electrical problems.	Upgrade, Insufficient Capacity	Lmt Of Liab Sec. V Item 1
Clean Evaporator Coils	To prevent restrictions in airflow and heat transfer, coils must be cleaned every few years. If the coils are not cleaned, this may cause restrictions and refrigerant leaks.	Non Covered Item	Lmt of Liab Sec. III Item 1, Sec. V Item 4
Disconnect	Required for all installations of condensing units. Turns off all power to condenser	Code Requirement, Upgrade	Lmt of Liab Sec. V Item 1 and 6
Disposal	Removal and disposal of refrigerant and equipment	Non Covered Item	Lmt of Liab Sec. V Item 1
Drain Pan	Put in place underneath the coil and primary drain line to minimize damage in case an evaporator coil begins to leak	Upgrade	Lmt of Liab Sec. V Item 3
Duct Modification / Transition	Different equipment sizes often require the plenum between the coil and the furnace to be modified for proper airflow and leak prevention.	Modification	Lmt of Liab Sec. V Item 3
Electrical Whip	230 V must be run from disconnect to condenser to supply power to the unit	Upgrade	Lmt of Liab Sec. V Item 3
Filter Dryer (Liquid line / Suction line)	Filters debris from refrigerant on the high or low pressure side to prevent damage to system.	Upgrade, Modification	Lmt of Liab Sec. V Item 3
Float Switch	Prevents water overflow from pan due to a clogged primary drain line. Without this, a drain line clog will cause an overflow of water which will likely drip onto your ceiling and cause damage.	Code Requirement, Upgrade	Lmt of Liab Sec. V Item 3, Sec. V Item 6
Furnace Stands	The furnace must be elevated from the ground and sitting on stands as a safety requirement.	Code Requirement, Upgrade	Lmt of Liab Sec. V Item 1 and 6
Gas Flex Line	Flexible tube that creates a connection from the gas line to the furnace. Serves as a transition between the black pipe from the house to the black pipe coming out of the furnace.	Code Requirement, Modification	Lmt of Liab Sec. V Item 3, Sec. V Item 6
Gas Shut Off	Allows gas to be shut off for maintenance, emergency and repair. Attached to gas pipe that feeds gas to furnace	Modification	Lmt of Liab Sec. V Item 3
Hard Casting	Extra strength sealant on new joints. Without this, the connections have a shorter lifetime before tearing and causing air leaks.	Modification	Lmt of Liab Sec. V Item 3
Hard Start Kit	Assists compressor and capacitor during start up and extends life of system	Upgrade	Lmt of Liab Sec. V Item 3
Permit / Handling	Fee for the application and purchase of city permit as well as meeting with inspectors.	Non Covered Item	Lmt of Liab Sec. V Item 6

Item	Definition	Reason Not Covered	Contract Reference
Platform	Walkway necessary for service and safety of technicians.	Non Covered Item	Lmt of Liab Sec. V Item 1
Plenum	An air handling space connecting major HVAC components.	Upgrade, Modification	Lmt of Liab Sec. V Item 3
Pump Down / Recapture	Pumps down and stores refrigerant in condenser while work is performed on the rest of the system.	Non Covered Item	Lmt of Liab Sec. V Item 6
Refrigerant Recovery	Pump down and remove all refrigerant from system to move coil to new position.	Non Covered Item	Lmt of Liab Sec. V Item 6
Slab	Condensers must be 3 inches above ground according to code to prevent water damage and plant obstructions.	Code Requirement	Lmt of Liab Sec. V Item 6
TXV	A device used to meter the flow of refrigerant in the evaporator coil.	Upgrade	Lmt of Liab Sec. V Item 3
Vent (Flue) Pipe Kit	Carries carbon monoxide out of your house. Must remain fully intact to ensure safety.	Non Covered Item	Lmt of Liab Sec. V Item 3



410a Refrigerant Update

New Regulation – 410a refrigerant replacing R-22 in HVAC Equipment

Beginning in 2010, the Environmental Protection Agency will no longer allow newly built HVAC equipment to use the refrigerant R-22. In its place, HVAC equipment manufacturers will build equipment that uses the refrigerant 410a, which is a more efficient system. In preparation for this regulatory deadline, manufacturers have begun phasing out equipment that uses R-22 refrigerant.

Additionally, in 2020, the EPA will ban the production and import of R-22 refrigerant, which will greatly increase the cost of obtaining R-22 for technicians.

The federal, state and city code requirements, laws and regulations as well as manufacturer specifications that coincide with this new regulation will significantly effect how technicians perform air-conditioning system replacements.

Here is an EPA website link for further detail:

<http://www.epa.gov/ozone/title6/phaseout/22phaseout.html>

How will this affect home warranty clients?

Generally, home warranty plans replace major HVAC components using builder's grade equipment with similar features, capacity, and efficiency. These plans often do not cover upgrades (such as to brand, efficiency or size), modifications to the existing equipment required by the new equipment, and upgrades required by government regulations or code requirements. These exclusions from coverage, in addition to other limitations, allow home warranty companies to maintain plans priced in the \$300 to \$400 level.

In the event that your home warranty company approves the replacement of a major component of your Air Conditioning System, such as a Condenser (outside unit), Evaporator Coil (inside unit), or Air Handler (inside unit), the typical standard home warranty plan will not cover the upgrades and modifications that are required by the new 410a equipment.

Member companies within the Texas Home Warranty Association are researching these changes and how to best provide additional coverage for the consumer. And, each residential service contract has different coverage and limitations. So, for specific inquiries, please contact your residential service contract provider.



Can you provide an example of how the regulations may affect coverage?

For example, if a client's R-22 Condenser needs replacement—since only 410a Condensers will be available for purchase—the home warranty plan will generally cover the cost of a R-22 Condenser and installation, but the client should expect to pay the service provider for the following non-covered costs:

- 1) **Upgrade** to a 410a refrigerant Condenser (if your prior unit used R-22)
 - a. 410a condensers typically cost more than R-22 condensers
 - b. Reclaim and dispose of old R-22 refrigerant
 - c. New condenser may require additional 410a refrigerant
 - d. Estimated non-covered cost for above \$250 and up

- 2) **Option 1 - REPLACE** existing R-22 Coil (inside unit) with 410a rated Coil
 - a. Install new coil: estimated cost of \$1,700 to \$2,400
 - b. Clean line set (copper refrigerant lines connecting the inside and outside units): estimated cost of \$250 and up
 - i. In some cases, the existing line set may need to be replaced (estimated cost of \$1,000 and up)

- 3) **Option 2 - MODIFY** existing R-22 Coil with 410a rated TXV
 - a. Install new TXV onto old coil: estimated cost of \$200 and up
 - b. Clean line set: estimated non-covered cost \$250 and up
 - c. TXV enhanced R-22 coil may only be an option for Coils that are approximately 1-2 years old. However, licensing agencies may not allow mismatched equipment to be installed. Furthermore, HVAC technicians and equipment manufacturers may not warranty the system with this configuration because:
 - i. 410a systems operate at much higher pressure than R-22 systems, which could cause the old coil to leak refrigerant.
 - ii. It is not possible to adequately clean the oil and debris out of the old coil, so the old coil will circulate this oil and debris into the new 410a condenser (which uses a different oil type), lowering its efficiency and useful life.

The above estimates are in addition to the normal non-covered costs of a Condenser replacement under a typical home warranty (disposal, permits etc), which are estimated at \$500 and up. So, with these regulatory changes, a warranty covered condenser replacement may require out-of-pocket expenses of \$1,500 to \$2,800 or more.

It is important to note that every home is different--which means the condition, age, brand, and accessibility of the equipment is different--and because of this, these estimated



costs will vary. Therefore, do NOT rely on this general information; instead, please contact a licensed HVAC contractor for information on your home's HVAC System.

What are the benefits of a 410a system compared to the old R-22?

The benefits of the new 410a HVAC system are important to note.

First and foremost, a 410a HVAC system is more efficient compared to an older R-22 system, which means **lower utility usage**. Depending upon the SEER efficiency rating of your new system, you can expect HVAC electricity usage savings of up to 20% or more.

Secondly, these new systems will benefit the environment because R-22 has negative environmental effects.

Finally, the re-sale value of your home should benefit with a new 410a system versus an older R-22 system.

Where can I find more information on these changes?

Please contact your residential service contract provider to determine your plan's coverage.

For more information on 410a refrigerant regulations, please see:

<http://www.epa.gov/ozone/title6/phaseout/22phaseout.html>