

# Clemson University Department of Pesticide Regulation

## What is a “Warranty Sale,” and Why is It Prohibited?

### *A Guide for Applicators and Homeowners*



Department of

Pesticide Regulation

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According to the Rules and Regulations for the Enforcement of the South Carolina Pesticide Control Act, a “warranty sale” is the sale of a contract or warranty that is not backed up by a treatment performed by the company that issued by the contract. The regulation addressing this can be found in the Rules and Regulations for the Enforcement of the South Carolina Pesticide Control Act in section 27-1085 M (5), which states, “Warranty sales are prohibited unless exempted in writing by the Director. This does not preclude a company from reinstating an expired or contract on a structure that it has previously treated.”

The Department of Pesticide Regulation created this regulation in response to situations where pest control companies offered termite protection warranties, without any treatment, to unsuspecting homeowners at a fraction of the normal cost. In one instance, there was a direct mail campaign through which the same promises were made.

All valid termite control warranties are backed up by some type of insurance. We are not aware of any insurance company that will extend coverage to properties that have not been treated by their insured party—in this case, the pest control operator. Homeowners who purchased these warranties and later had their homes infested by termites unfortunately discovered that they had no financial protection beyond the resources of the individual company that has sold them the contracts.

There are only three situations when a warranty or contract may be issued without any treatment being performed:

- (1) When an expired warranty is reinstated by the company that performed the treatment (as specifically addressed in the Rules and Regulations for the Enforcement of the South Carolina Pesticide Control Act).
- (2) When one company purchases another (or its contracts) outright and continues the coverage under the purchasing company’s name. In most of these cases, the insurance policy that covered the original treatment will remain in effect. If additional treatments are performed, however, the insurance of the company performing the treatment may provide coverage. (These are very general statements; it is up to the individual applicator to check with his or her insurance company to determine the limits and conditions of the coverage.
- (3) When a customer agrees that no treatment will be performed by the company issuing the warranty and signs a Waiver covering all applicable treatment standards. In this case, because no treatment (defined by insurance companies as a proper application) has been performed, the pest control operator is also self-insuring the property. Although this situation is technically not a violation of the “warranty sales” regulation, it provides little protection to the property owner, and there are few legitimate reasons for it to occur.

The scientific and economic knowledge that forms the foundation of proper termite control is unknown to most homeowners. Therefore, many homeowners consider only the initial cost, rather than the value, of what they purchase.

For homeowners, there are several different methods available for termite control. Presently, there are three general types of treatments that are available on the market: conventional liquid treatments; wood treatment using borates; or termite baiting treatments.

Treating with conventional **liquid termiticides** establishes a chemical barrier in the soil around the structure's foundation. Termites are almost always present in South Carolina soil, but a properly established chemical barrier can prevent them from gaining access to the structure. Depending on the chemistry, barriers can be a repellent, immediately lethal, or non-repellent and eventually lethal. All are effective when properly applied, although their persistence in a particular soil type and modes of action vary.

When **borate pesticides** are used during a treatment, the application is made directly to the wood and not to the soil. This results in a residue of the borate on and in the wood. Research has shown that the termites will not tunnel over more than about 1 - 1 1/2 feet of borate-treated wood. The most effective time to make this application is during the construction of a building. It is very important that the lower few feet of all the lumber in the house is thoroughly treated with borate solution.

**Termite baits** work by exploiting the foraging, feeding, and food-sharing behavior of worker termites to spread small amounts of active ingredient throughout the colony. This results in a reduction in the number of foraging termites. As the population of the colony declines, so does the risk of its infesting nearby structures. This is accomplished by consistent and timely inspections of the structure and the termite bait stations for as long as your pest management professional has the property under contract. Therefore, termite baiting is best described as a "process" and not an "event."

Your pest control company will be able to guide you in choosing the correct control strategy for your particular home or other structure.

If you do not currently have a pest control company, friends, neighbors, and coworkers are often excellent sources of referrals, or you might ask the company for references. The Department of Pesticide Regulation maintains an enforcement history database on our website located at [regfocus.clemson.edu/dpr/greenbook.htm](http://regfocus.clemson.edu/dpr/greenbook.htm). However, please bear in mind that we cannot make a recommendation about any firm.

The Department of Pesticide Regulation requires pest control operators to take and pass a comprehensive certification exam and demonstrate financial responsibility for property damage and public liability. Our field staff routinely conduct inspections to ensure that minimum standards have been completed. Our inspectors also respond to complaints regarding termite treatments or other aspects of pesticide use.

Please contact the Department of Pesticide Regulation at 864.646.2150 if you have questions about termites, pre-treatments, or other pest-related topics. The Department also has field offices located throughout the state. A list of field offices and contact numbers is provided in the colored box below.



"Ahhh boys? I don't think so..."

Anderson.....	843.494.2332
Aynor.....	843.957.1727
Beaufort.....	843.255.6060 Ext 111
Charleston.....	843.225.7065
Clemson.....	803.260.1462
Columbia.....	803.736.7680 Ext 112
Florence.....	843.667.1393
Newberry.....	803.403.7262
North Myrtle Beach.....	843.360.1512
York.....	803.628.0303



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