



Carrier Settles Class Action Lawsuits On High Efficiency Furnaces

By Greg R. Wayman, NAHI Certified Real Estate Inspector

Millions of homeowners across the U.S. and Canada may soon benefit from the settlement of a class action lawsuit brought against the Carrier Corporation for allegedly manufacturing defective furnaces. The products cited in the class action suit include high-efficiency condensing furnaces manufactured after January 1, 1989 with Carrier, Bryant, Payne or Day & Night on the nameplate. Carrier disputes the claims in these actions and admits no liability or wrongdoing of any kind.

The History Behind the Class Action Lawsuits

There were four class action complaints filed in the United States (Washington, Wisconsin, Michigan, and Minnesota) and two class action complaints filed in Canada (Ontario & British Columbia) with another being proposed in Quebec. The first lawsuit filed was in Washington State in June 2005. The suit alleged, "From January 1, 1989, Carrier manufactured and sold 90% residential high-efficiency condensing furnaces that contained defective polypropylene laminated condensing heat exchangers and failed prematurely."

The complaints specified that Carrier manufactured more than three million units with an inferior material in the secondary heat exchangers that may cause premature corrosion and failure. Carrier denies these allegations.

Before any of the other complaints could reach fruition, the plaintiffs and Carrier Corp reached a settlement agreement. The Honorable Ronald B. Leighton, United District Court Judge in Tacoma, Washington, approved the settlement agreement on Nov 20, 2007.

The US/Canada Settlement Agreement and Release

On November 9, 2007, a settlement agreement and release was reached between the plaintiffs (U.S. and Canada) and Carrier Corporation. The agreement is a "short" 66 pages in length. It states Carrier will pay up to \$270 to reimburse anyone who previously experienced a failed secondary heat exchanger. There is a sliding scale of compensation correlating to the age of the furnace. The full payment of \$270 would go to furnaces 13 years or younger, with lower amounts for older units. Under the terms of the settlement, anybody who currently owns one of these furnaces but has not yet had any known problems will be provided with an enhanced warranty. Carrier will cover, for 20 years from the date of installation, all parts and labor required for an authorized technician to replace the condensing heat exchanger and associated parts, in event of a mechanical failure. The agreement includes reimbursement of technicians up to four hours of labor. If one doesn't want this option, Carrier will provide a 1-time, single use credit of the current value of four hours of labor towards a Carrier heating or cooling product with a minimum retail value of \$1,250.00.

Public Information

- For applicable homeowners, the deadline for submitting a claim form is August 1, 2008
- www.furnaceclaims.com was created in the settlement agreement to provide the public access to notices, claim forms and locations of Carrier and Bryant dealers.

Furnace Models Included In This Settlement

Carrier, Bryant, Payne, and Day & Night residential high efficiency (90%+) gas furnaces that operate on natural gas or propane, manufactured after January 1989 are included in the settlement. – Below is the specific list of model numbers:

Carrier

58SX*	58DXC	58MVP
58SXA	58MSA	58MVB
58SXC	58MCA	58MTA
58DX*	58MXA	58MTB
58DXA	58MCB	58MVC

Bryant/Payne/Day & Night

398AAW*	350MAV	398BAZ	490AAV
398AAZ	340AAV	320AAZ	PG9MAA
399AAW*	350AAV	321AAZ	PG9MAB
399AAZ	351DAS	355MAV	355CAV
399AAV	355BAV	355AAV	340MAV
345MAV	355BAV	352MAV	398BAW
352AAV			

*Note: On model numbers 58SX, 58SXB, 398AAW, 399AAW, and 398BAW only those with serial numbers 89 or higher in the third and fourth position (i.e. xx89xxxxxx) are included in the settlement.

Carbon Monoxide Poisoning Concern

When a heat exchanger fails, there is a serious threat of carbon monoxide or other deadly flue gases mixing into the supply air of the home. Carbon monoxide poisoning can be the unfortunate result. There are a multitude of factors that come into play of why the metal failed from trying to place blame on the furnace manufacturer, having a bad installation, and a homeowner that doesn't maintain the furnace properly. Metal will fatigue and fail over time. I find a cracked heat exchanger in one third of the furnaces I inspect. Under the right conditions, any furnace can fail prematurely regardless of manufacturer. For this reason, it is always in the best interest of a homeowner to have their furnace serviced annually by a licensed HVAC Technician. Once a crack forms in the heat exchanger, no one can predict when carbon monoxide will start leaking into the supply air and blow throughout the home.

Greg Wayman is a Board Member of The National Association of Home Inspectors, Inc., NAHI's Secretary/Treasurer, a NAHI Certified Real Estate Inspector with over 1,300 inspections under his belt, Heat Exchanger Experts Certified, NE Radon Measurement Specialist, Board Liaison to NAHI's Marketing/PR Committee and Website Committee, and Past Nebraska Chapter of NAHI President from 2003-2007.

