

ARE SERVICE CONTRACTS A GOOD VALUE, OR ARE THEY A RIP OFF? (part 2)

We talked last week about the value of service contracts. I decided to pull one that is touted as a five year 'bumper to bumper' warrantee. This bumper to bumper warrantee is a type of service contract. The exclusions that have been listed take up two thirds of the warrantee contract.

Here are the first ten exclusions. To keep the identity of the manufacturer unknown; I have removed the manufacturer's name and substituted (*****). However, keep in mind most service contracts follow the same guidelines and this is in no way singling out this manufacturer or this particular service contract.

I have not retyped the exclusions, but instead copy and pasted so you, the consumer, can see what exactly is in the service contract you are buying.

Due to the amount of exclusions in this particular contract, I will need to spread them out over a period of three weeks. Please save them. At the end of the three weeks, we will discuss how these exclusions can make this service contract very profitable for the seller, but less desirable to the consumer.

THIS WARRANTY SHALL NOT APPLY TO THE FOLLOWING:

- 1. Any Air-Cooled unit built/manufactured prior to January 1, 2013.*
- 2. (*****) generators that utilize non-(*****) replacement parts.*
- 3. (*****) generators utilizing non-(*****) automatic transfer switch.
Special Note: Units that utilize the (*****)controller, a (*****) transfer switch is highly recommended to be used in conjunction with the gen-set. If a non-(*****) transfer switch is substituted for use and directly causes damage to the generator, no warranty coverage shall apply.*
- 4. (*****) Portable, (*****) or (*****)generators.*
- 5. Repairs or diagnostics performed by individuals other than (*****) authorized dealers not authorized in writing by (*****) .*
- 6. Any (*****) generators used as rental or trailer mounted applications.*
- 7. Damage to generator system (including transfer switch) caused by improper installation or costs necessary to correct installation.*

8. Units used for prime power in place of existing utility power (where utility power is present), or in place of utility power where utility power service does not normally exist.

9. Fuel connections other than conventional utility company supplied natural gas systems or conventional LP vapor withdrawal systems.

10. Costs of normal maintenance (i.e. tune-ups and associated parts), adjustments, loose/leaking clamps, installation and start-up.

Do you, the consumer, see the trend here? How many of the above exclusions can you see that may apply to you?

Does #10 mean that after the generator has been installed and needs adjustment because the voltage is too high, you will be charged for a trip and repair charge?

How about if you notice there is oil leaking out of the generator a month after installation, and the cause is a loose clamp. Are you going to be charged for that trip charge, repair, and oil to refill? These are all questions we will be looking at in the next few weeks.

Remember, service contract providers do not offer these service contracts to lose money.

Wouldn't it be nice to have a service contract that you didn't lose on? Wouldn't it be nice if you had a service contract that had no exclusions? Wouldn't it be nice to have a service contract to supplement warranties to fill in all the gaps?

They are out there. I know of one, but I am sure there are many others.

Next week we will list more of the exclusions in this particular extended warranty/service contract.

Are the any of the above exclusions you would like us to cover? Let us know, and we will cover them.

If you have any questions, please forward them to dirtygenerators@yahoo.com, and we will try and answer them. We will also answer some of the questions in future articles. Is there a specific topic you would like us to cover? E-mail us and we will try and cover it