

ARE SERVICE CONTRACTS A GOOD VALUE, OR ARE THEY A RIP OFF? (part 3)

We talked a couple of weeks ago 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.

Last week I listed the first ten exclusions, this week I will list the next four. 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: (continued from last week)

11. Steel enclosures that are rusting due to the improper installation, location in a harsh or saltwater environment or scratched where integrity of paint applied is compromised.

12. Failures caused by any contaminated fuels, oils, coolants or lack of proper fluid amounts.

*13. Failures due, but not limited, to normal wear and tear, accident, misuse, abuse, negligence or improper installation/maintenance. As with all mechanical devices, the(*****)engines need periodic part(s) service and replacement to perform. This warranty will not cover repair when normal use has exhausted the life of a part(s) or engine.*

14. Failures caused by any act of God or external cause such as, but not limited to, collision, fire, theft, freezing, vandalism, riot or wars, lightning, earthquake, windstorm, hail, volcanic eruption, water or flood, tornado, hurricane, terrorist acts or nuclear holocaust, or any other matters which are reasonably beyond the manufacturer's control.

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

Does #11 mean that rust appears that you have to prove it wasn't done at the factory? What happens if the rust is caused by a small unseen scratch by the installer? Could they say it was caused by a falling branch or something from a lawn mower or snow blower?

In number 13, what is normal wear and tear? What constitutes misuse? Is a generator that is undersized considered misuse?

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. We offer one to a select few of our customers, 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 there any of the above exclusions you would like us to cover? Let us know, and we will cover them in more detail.

If you have any questions, please forward them to dirfygenerators@yahoo.com, or dirfygenerators.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 or go to our website and we will try and cover it