

ARE SERVICE CONTRACTS A GOOD VALUE, OR ARE THEY A RIP OFF? (part 4)

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 few weeks. Please save them. At the end, 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)

15. Damage related to rodent and/or insect infestation.
16. Products that are modified or altered in a manner not authorized by (*****)
in writing.
17. Any incidental, consequential or indirect damages caused by defects in
materials or workmanship, or any delay in repair or replacement of the defective
part(s).
18. Failure due to misapplication.

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 #18 mean that if it wasn't sized correctly it would not be covered under this warranty/service contract? This is correct. Many 10KW generators are installed as a whole house system. Unless the entire house is run by gas, such as the stove, dryer, or the hot water (unless is off the furnace), the 10KW generator is undersized, unless some sort of load management is installed. The cost of

installing a load management system correctly will many times be more than installing the correct sized generator.

An undersized generator will work harder, many times outside its designed capacity, and will shorten the life of the generator. Make certain the generator you are having installed is sized correctly.

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 complete the list 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 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