

ARE SERVICE CONTRACTS A GOOD VALUE, OR ARE THEY A RIP OFF? (part 5)

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

Last week I listed more exclusions, this week I will list even more. 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)

19. Telephone, cellular phone, facsimile, internet access or other communication expenses.
20. Living or travel expenses of person(s) performing service, except as specifically included within the terms of a specific unit warranty period.
21. Expenses related to "customer instruction" or troubleshooting where no manufacturing defect is found.
22. Rental equipment used while warranty repairs are being performed and/or overnight freight costs for replacement part(s).

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

Does #21 mean that if your generator doesn't always start, or runs rough, and you call to have it checked out, you will be charged if they don't find a defect?

How many times have you taken your car in for an issue, then it doesn't do it when you are at the mechanic?

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 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