

## **ARE SERVICE CONTRACTS A GOOD VALUE, OR ARE THEY A RIP OFF? (part 6)**

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 the remaining 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 have spread them out over a few weeks, hopefully you saved them. Next week, 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)**

23. Costs incurred for equipment used for removal and/or reinstallation of generator, (i.e.; cranes, hoists, lifts, etc.).
24. Planes, ferries, railroad, buses, helicopters, snowmobiles, snow-cats, off-road vehicles or any other mode of transport deemed abnormal.
25. Overtime, holiday or emergency labor. Covered labor rates are based on normal working hours. Overtime holiday, or emergency labor costs for repair outside of normal business hours will be the responsibility of the customer.
26. Starting batteries, fuses, light bulbs and engine fluids.

THIS WARRANTY IS IN PLACE OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, SPECIFICALLY, GENERAC MAKES NO OTHER WARRANTIES AS TO THE MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Any implied warranties which are allowed by law, shall be limited in duration to the terms of the express warranty provided herein. Some states do not allow limitations on how long an implied warranty lasts, so the above limitation may not apply to purchaser/owner.

\*\*\*\*\* ONLY LIABILITY SHALL BE THE REPAIR OR REPLACEMENT OF PART(S) AS STATED ABOVE. IN NO EVENT SHALL \*\*\*\*\* BE LIABLE FOR ANY INCIDENTAL, OR CONSEQUENTIAL DAMAGES, EVEN IF SUCH DAMAGES ARE A DIRECT RESULT OF \*\*\*\*\* NEGLIGENCE. Some states do not allow the exclusion or limitation of incidental or consequential damages, so the above limitations may not apply to purchaser/owner. Purchaser/owner agrees to make no claims against \*\*\*\*\* based on negligence. This warranty gives purchaser/owner specific legal rights. Purchaser/owner also may have other rights that vary from state to state.

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 #23 mean that if your generator doesn't start on a Friday, and the tech comes out after 5:00 or on the weekend, that charge would be yours, even if you are under warranty?

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 discuss some of the exclusions in more detail.

If you have any questions, please forward them to [dirfygenerators@yahoo.com](mailto:dirfygenerators@yahoo.com), or [dirfygenerators.com](http://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