

A COMPLETE STEP-BY- STEP GUIDE TO CAR WARRANTIES



BestCompany



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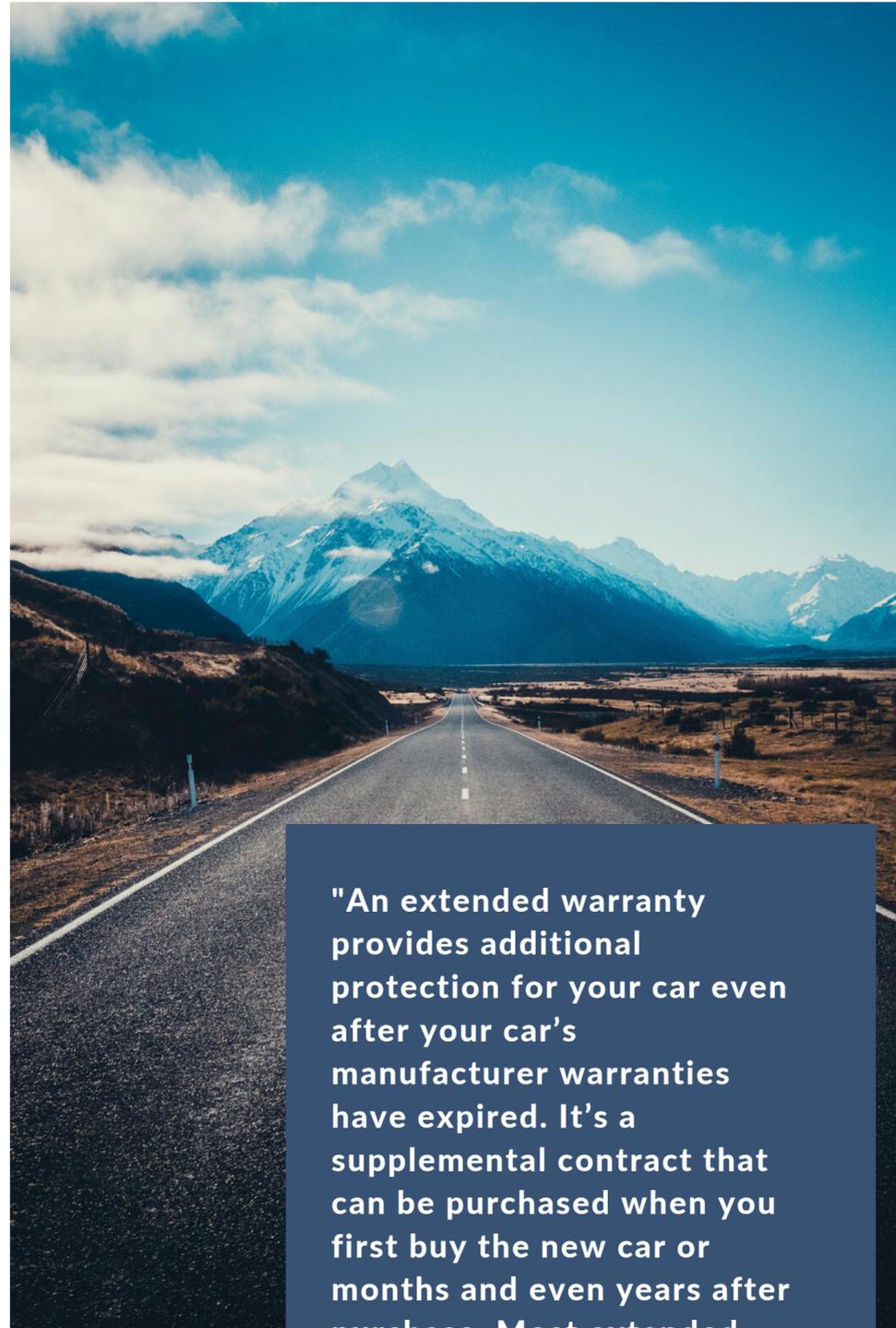


WHAT IS AN EXTENDED CAR WARRANTY?

An extended car warranty is a type of insurance policy on your vehicle that is designed to safeguard you against unforeseen and expensive repairs. Basically, you pay a monthly fee to an extended car warranty company, and they agree to pay for certain services that might be necessary for the maintenance on your vehicle.

"The extended warranty is nice to have if you don't want to worry about any extra expenses a new car might bring you. Some extended warranties even cover oil changes and tire rotations. Most cars are built well, but you never know what could happen on the road, so having an extended warranty to cover that doubt can be a beautiful thing."

*-Ethan Lichtenberg,
CarInsurance.com*



"An extended warranty provides additional protection for your car even after your car's manufacturer warranties have expired. It's a supplemental contract that can be purchased when you first buy the new car or months and even years after purchase. Most extended warranties can be transferred to future owners, increasing your car's resale value."

-Jenni Newman, Cars.com

An extended car warranty is sold separately from your vehicle and the various types differ in their scope and coverage. Other names for an extended car warranty are service agreement, service contract, maintenance agreement, or vehicle service contract.



IS MY CAR ALREADY UNDER WARRANTY?

Find out if your car is still under the manufacturer's warranty. If it is, there is no need to purchase an extended car warranty.

1. FIND YOUR VIN NUMBER

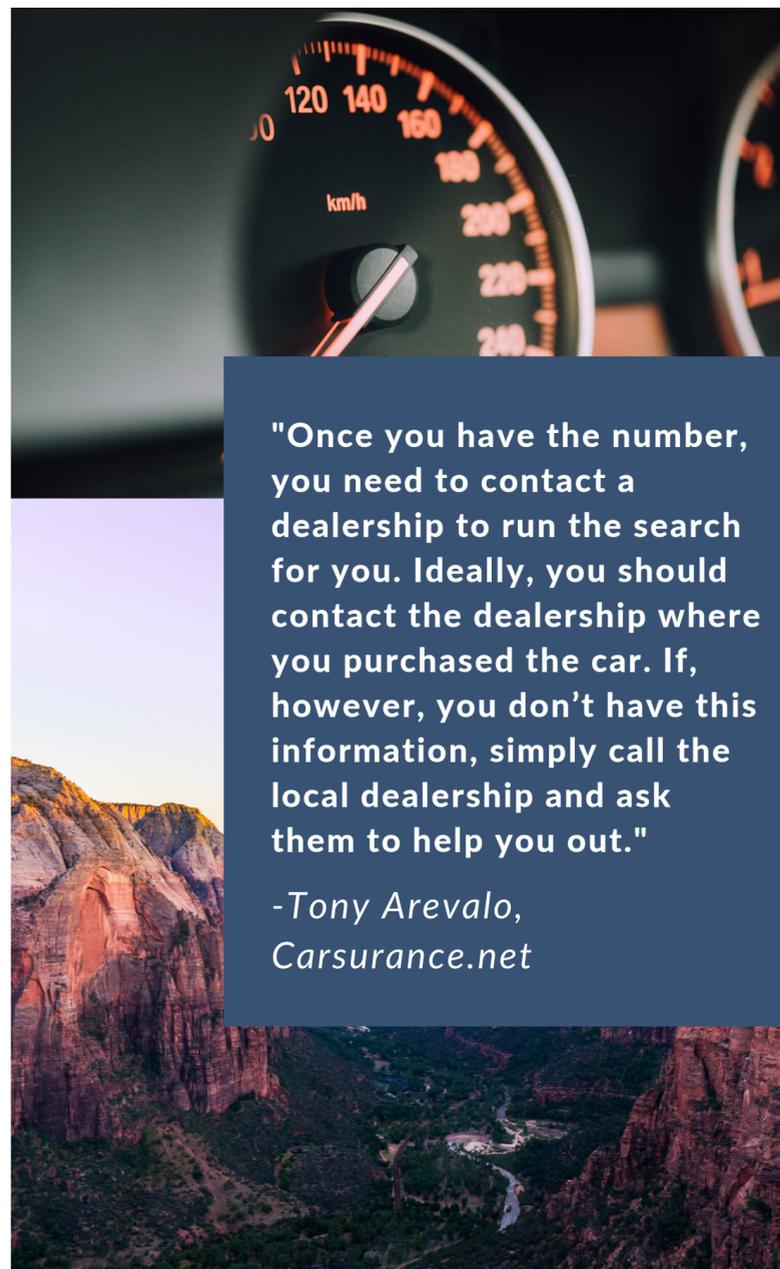
A car's VIN number can be located in the following locations on your car:

- Lower left hand side of the dashboard
- Under the hood
- Under the windshield wipers
- Under the spare tire
- Driver's-side door – Open the door and the number will typically be found where the door latches

2. CHECK THE MILES DRIVEN ON YOUR CAR

3. CALL THE DEALERSHIP

Whether you bought your car directly from the dealership or you bought it used, you can call the corresponding dealership of your car to find out when the car was originally purchased. Any dealership for your specific make of car can lookup the date when your vehicle was purchased no matter which location it was purchased from. Make sure to have the VIN number and the mileage of your car handy. The dealership should be able to determine what the warranty is on your car and if it is valid according to the information you provide.



"Once you have the number, you need to contact a dealership to run the search for you. Ideally, you should contact the dealership where you purchased the car. If, however, you don't have this information, simply call the local dealership and ask them to help you out."

-Tony Arevalo,
Carsurance.net

IS A CAR WARRANTY RIGHT FOR ME?

BASED ON YOUR DRIVING HABITS AND VEHICLE, LEARN IF IT WILL BENEFIT YOU TO PURCHASE AN EXTENDED CAR WARRANTY

What is your car's service repair history?

If you bought a new car, then your car should have a clean slate and be reliable.

If you bought a used car, it's a good idea to review the CarFax to learn about any difficulties experienced by previous owners. In addition to accidents and damage reports, look for notes about systems malfunctioning or not working properly. These notes can indicate the potential for future problems.

If you're considering purchasing a car warranty, be sure to understand if any modifications have been made and if the car has been well-maintained. If there have been modifications or if the car has not had regular oil changes, it may not qualify for an extended warranty.

It's also a good idea to have a trusted mechanic take a look at your car. Your mechanic can tell you if the car is in good shape and what repairs to anticipate in the future.



What is the year, make, and mileage of your car?

Car warranty companies have certain requirements associated with each of their plans. For example, some car warranty companies do not offer warranties for foreign cars.

It's also fairly common for car warranty companies to offer several vehicle protection plans with different levels of coverage at different price points.

Most plans have mileage restrictions. The plans with the most comprehensive coverage often have the lowest maximum mileage covered. The plans with the least coverage are cheaper and have more flexible mileage restrictions.

How frequently do you roadtrip?

Many car warranty companies include additional benefits in their plans, like roadside assistance, trip interruption, and car rental reimbursement.

These benefits add value to a car warranty. Roadside assistance is very useful for emergencies like running out of gas, local towing, and jumpstarts.

If you live in a rural area or away from family and friends, roadside assistance is valuable because you have someone you can call for help.

If you're on the road a lot and roadtrip through remote areas, trip interruption benefits are great. Trip interruption benefits reimburse hotel and meal expenses while your car is having covered repairs.

For people who have long commutes or rely heavily on their car for daily tasks, the rental car benefit is great. You won't have to bother with public transportation, figure out rides, or change your routine.

"If you're someone that only keeps their vehicle for a few years, an extended warranty may not be for you. So pick one on a case-by-case basis."

*-Jake Lane, NuBrakes
Mobile Brake Repair*



Do you have savings?

It's good practice to have savings set aside for unexpected expenses. If you don't have a lot of savings set aside and aren't actively saving, it's a good idea to start making that a priority in your budget.

The major benefit that a car warranty offers is reducing repair costs and other associated costs for covered parts that stop functioning properly. Be cautious when choosing between savings and an extended warranty.

TYPES OF COVERAGE



POWERTRAIN

- Covers the most essential parts, including the engine, transmission, transfer case, and drive axle
- Some companies include additional coverage with this plan
- Offers peace of mind and can save car owners money on expensive repairs
- Typically less expensive than warranties that offer more coverage

ELIGIBILITY

- Can be purchased for low-mileage and higher-mileage vehicles
- Check with the company to see if your vehicle qualifies
- Coverage lasts 3–6 years



STATED-COMPONENT

- Covers the car's powertrain and other parts specifically listed in the service agreement
- Offers more coverage than a powertrain warranty and less coverage than the car's factory warranty
- More variety than other plans
- Easier for car owners to find affordable coverage to meet their needs

ELIGIBILITY

- Only available for cars with lower mileage
- The cutoff is typically 100,000–125,000 miles
- Coverage lasts 5–7 years



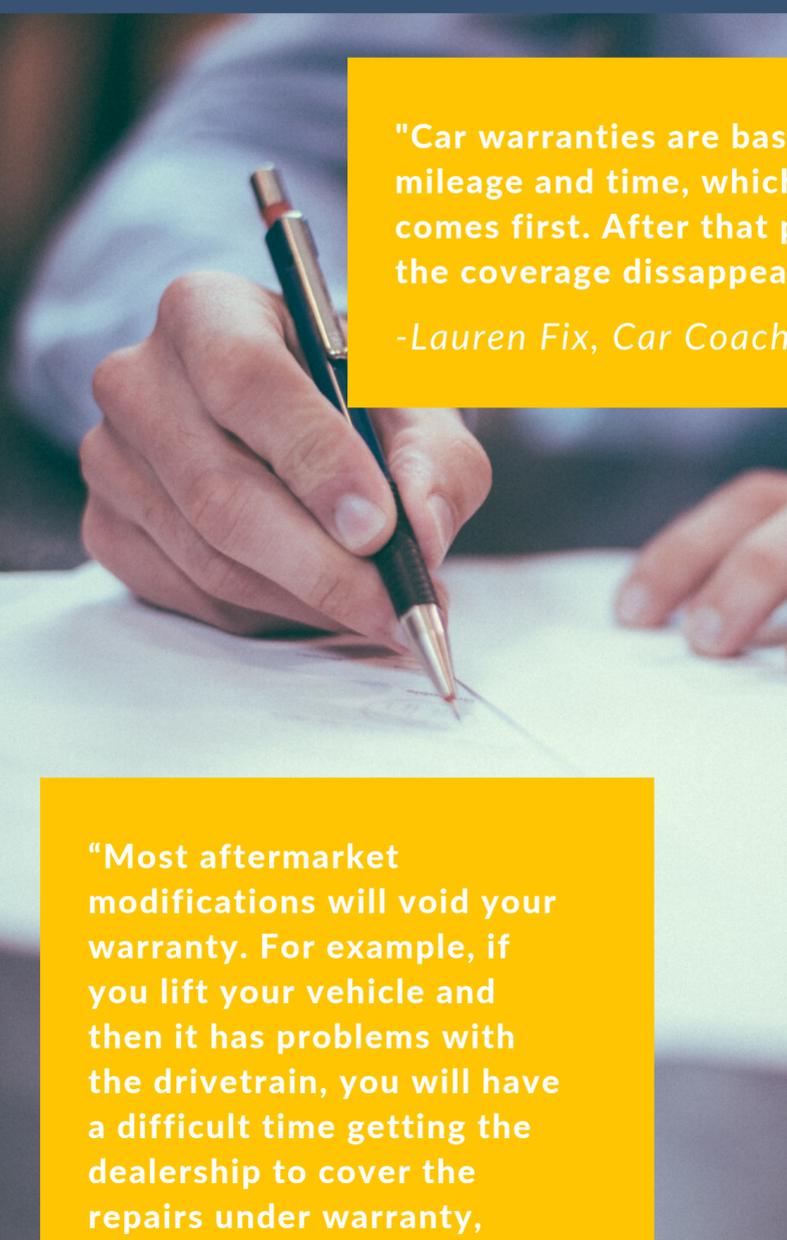
EXCLUSIONARY

- Most comprehensive coverage available once the original warranty expires
- Covers most car parts, except for the parts listed in the contract
- Parts typically not covered include items such as lights, paint, and bumpers

ELIGIBILITY

- Only available for newer cars with low mileage
- The cutoff is typically 100,000 miles
- Coverage lasts 7–10 years

WHAT CAN VOID AN EXTENDED CAR WARRANTY?



"Car warranties are based in mileage and time, whichever comes first. After that point, the coverage disappears."

-Lauren Fix, Car Coach

"Most aftermarket modifications will void your warranty. For example, if you lift your vehicle and then it has problems with the drivetrain, you will have a difficult time getting the dealership to cover the repairs under warranty, because they can simply state that the vehicle was not built to accommodate the modification."

-Laura Gonzalez, AudiPeoria

1. Keep up with your vehicle's recommended maintenance

Every vehicle has a recommended maintenance schedule. Most car warranty companies, will void your car warranty if you do not keep up with it.. This often includes rotating your tires, getting the oil changed, and receiving specified inspections. To find out what your vehicle's recommended maintenance schedule is, simply put your vehicle's make and model into an online car maintenance guide.

2. Avoid modification

For most car warranty companies, your vehicle's extended car warranty will be voided if you make any vehicle modifications other than modifications recommended by the manufacturer.

3. Drive carefully

Deliberate and obvious abuse of your vehicle, such as off-roading, hitting curbs, racing or anything else that the vehicle was not manufactured to do will void the warranty. Look through your contract carefully to see what the car warranty company defines as misuse.

4. Be mindful of your mileage

Be mindful of the mileage on your car and be aware of when you are going to hit that mileage limit. When this happens, your car warranty is voided.

5. Tell the company of any repairs

Before getting any car repairs on your car, make sure to let the car warranty company know. Without prior authorization from the administrator, the car warranty may not be held responsible to pay for the repair. Typically, the only exception for this is when the repair is classified under emergency repairs stated in the agreement.

NEXT STEPS

IF YOU DECIDE THAT A CAR WARRANTY IS RIGHT FOR YOU, REFER TO THE COVERAGE PLANS ON PAGE 5 TO DECIDE WHICH PLAN YOU ARE MOST INTERESTED IN AND THEN FOLLOW THE ADVICE BELOW.

Once you know the kind of warranty you want, compare plans from several companies. Most plans will be similar, but some companies have more variety.

For example, some companies offer very basic powertrain warranty plans while others offer more comprehensive powertrain warranty plans. The more comprehensive plans will cover more parts and will usually be more expensive. Evaluating plans from multiple companies can help you find the best plan for what you want.

As you're researching companies, consider the benefits included with many extended service contracts. 24/7 roadside assistance has become standard in the industry. Many companies also offer rental car and trip interruption reimbursement. The reimbursement is only available if the car needs covered repairs.

In addition to comparing plans and benefits, read customer reviews to be sure that you're purchasing an extended warranty from a reliable and trusted provider. Reviews will give you insight to the level of customer service and quality of the extended warranty.

"There's no one answer that's right for everyone. For some people, the best way is through the dealer where they bought the car and for others it's through an independent company. The best thing to do is to explore each of those options. It is important to read what is covered by a warranty in writing. A sweet-talking salesman can make a rotten banana sound delicious, so don't trust what you hear, read the bottom line."

-Melanie Musson, Auto Insurance EZ

"Before purchasing insurance through a third-party be sure to know if they have a deductible and what the process would look like if damage occurred. Many third-party warranties will have you pay out of pocket and then file a reimbursement claim, this process can take months to complete. If you don't have the funds on hand for this, consider the dealership warranty as a better option,"

-Jared Weitz, United Capital Source Inc.

