



How to Buy an Extended Car Warranty Without Getting Burned: Tips From Consumer Advocate and CARCHEX Spokesman Pat Goss

To help consumers navigate the often-slippery slope of extended car warranties, consumer advocate and [CARCHEX](#) spokesman Pat Goss pulled together his top tips.

Pat Goss' Top 10 Tips on How to Buy an Extended Service Contract:

1. Always ask to see a copy of the contract before you buy.
2. Know the most common repairs for your vehicle, and if it is a used vehicle, know its repair history to make sure all is covered.
3. Favor a policy that is exclusionary (lists what is not covered), rather than inclusionary (lists what is covered). Exclusionary coverage is what you had with your manufacturer's warranty
4. If the policy is inclusionary, ask to see a list of every item covered within each system, not just the system itself. For example, the seller should not just say the engine, transmission, drive axel and electrical are covered, they should tell you what is covered within those systems.
5. Ask about the labor rate of your policy. For example, if the allowable labor rate is \$65/hour and your mechanic charges \$85/hour, you will be paying more for every repair.
6. Make sure your coverage includes "wear and tear" and "complete seals and gaskets." Some companies claim they cover seals and gaskets but really only cover seals and gaskets when included in a covered component repair.
7. Determine if your vehicle warranty is transferable upon sale.
8. Understand the cancellation and refund policy.
9. Especially if you have features like a navigation system, ask about high tech electronics coverage.
10. Go for a policy that is appropriate for your vehicle and driving habits. If you own a high-end vehicle, for example, you can expect to pay a bit more, but it will be worth it in the long run.

Pat Goss' Top 10 Tips on When to Take a Pass from a Warranty Seller:

1. If the company will not show you the contract before you buy.
2. If you feel pressured to buy the policy on the spot.
3. If a representative says an inclusionary policy is better than an exclusionary one.
4. If a representative says your vehicle identification number (VIN) will be placed on a blacklist, stating you have a preexisting condition, if you do not buy today. No such list exists.
5. If the warranty reseller is not accredited or carries a negative rating from the Better Business Bureau.
6. If the warranty company randomly "robo-dials" you and claims your warranty has expired.

7. If the policy is not backed by an AM Best A rated insurance carrier, but backed by a risk retention group.
8. If the warranty company or reseller has been in business for less than 5 years.
9. If the company has changed names over time. This is a sign that a company is trying to hide something from its past.
10. If the company offers extreme discounts. For example, they quote an original price of \$2500 and a few minutes later during your call the sales person has dropped the price to \$1500. Price haggling usually occurs with a company trying to sell a low-end product quickly.

“When it comes to protecting cars, consumers need to be educated – not scared,” said Pat Goss, who appears on national TV and radio, providing consumer-friendly car care advice. “An extended warranty can be a great investment, but consumers must educate themselves and do some homework before they buy. Most of all, they need to know what questions to ask and when to take a pass.”

For more information on Pat Goss and CARCHEX, please visit www.CARCHEX.com.