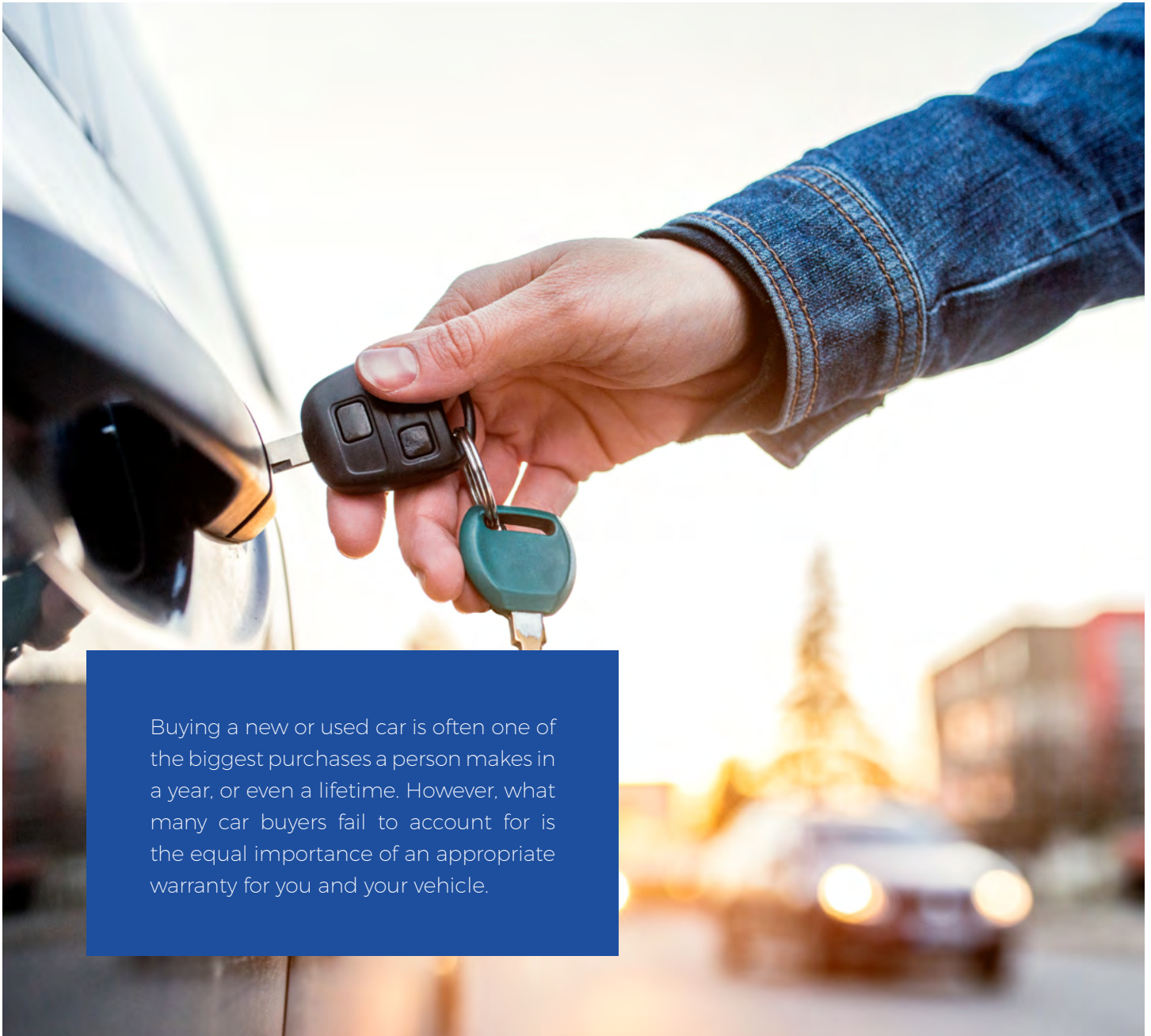


TIPS AND TRICKS TO MAXIMIZE YOUR CAR'S WARRANTY



Buying a new or used car is often one of the biggest purchases a person makes in a year, or even a lifetime. However, what many car buyers fail to account for is the equal importance of an appropriate warranty for you and your vehicle.

In addition to the time spent on researching the performance, style and cost of the vehicle itself, it is important to research and understand the conditions of the warranty if the vehicle is new, or your options for warranty coverage if the vehicle is used. Car warranties offer the chance to lower the total cost of ownership over the life of your vehicle, but only a diligent driver will be able to make the best use of his or her warranty. The information contained in this guide, from detailed warranty concepts to top-rated manufacturer warranties, as well as additional tips and tricks, will help guide you both pre and post vehicle purchase.

Warranty information does not have to be confusing or intimidating, but it does require a plan of attack. If done properly, you have the chance to save hundreds or even thousands of dollars after your purchase.

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BASIC CONCEPTS OF CAR WARRANTIES

Car warranties come in all shapes and sizes, varying in length and breadth of coverage, but they all come back to the same basic principle: they are meant to protect you from having to cover unexpected or exorbitant amounts if and when your vehicle malfunctions.



New cars often come with a basic manufacturer's warranty, which can be upgraded or extended at the time of the purchase or any time thereafter. Used car owners are most likely to benefit from an extended warranty, as older vehicles typically require more repairs.

Whether you purchase a new or used vehicle, the Magnuson Moss Act, passed in 1975, requires certain information to be included with every warranty, such as:

1. What is covered in the warranty
2. What is not covered in the warranty
3. Length of coverage
4. How to obtain coverage

Thus, when you purchase a car warranty, the dealer should be ready to provide this information.

Warranties differ greatly in terms of which parts of the vehicle are covered and for how long. Generally, cars with better performance ratings offer longer warranties because the manufacturer stands behind the quality of the parts and assembly.

Questions to Ask as You Begin

What is the length of the warranty?

Warranties are typically offered with time and vehicle mileage limits, and coverage for the part(s) in question will expire when either limit is met. For example, on a three-year, 36,000-mile warranty, you will no longer be covered once the three years have passed or once the vehicle has more than 36,000 miles – whichever one happens first. Thus, a defective part will not be replaced if the vehicle in question has 40,000 miles on it, even if it has only been driven

for two years. Car warranty length options vary greatly from one manufacturer to another, from three-year, 36,000-mile coverage to 10-year, 100,000-mile plans. The length of your warranty is the foundation for saving money in the long run.

What is covered in the warranty?

Coverage is dependent on the type of plan chosen. Warranty plans fall under different names including but not limited to: "Basic," "Powertrain," "Corrosion Perforation," "Roadside Assistance," and "Emissions." These will be explored in more detail below.

What is not covered in the warran-

Typically, manufacturers do not cover parts that have been damaged due to abuse or neglect of the vehicle. Nor do they usually cover faulty repairs or illegitimate replacement parts. For example, the Toyota 4-Runner SUV warranty manual states that it will not replace parts due to any of the following:

- Misuse (such as racing or overloading)
- Improper repairs
- Replacing genuine Toyota parts with non-Toyota replacements

In other words, once you start tampering with repairs away from the certified dealer or service center, the warranty provider has the right to void the remainder of the warranty for that part. Likewise, the manufacturer will not replace parts due to fire or theft; those fall under insurance. Also note that car manufacturers typically do not cover usual maintenance items such as oil changes or tire rotations, although some dealers do offer a limited number of months or miles on a new vehicle. Check with your dealer for those specific items.

Who do you contact when something breaks down?

If the car was purchased new, it likely needs to be brought back to the dealership where the purchase was made for repairs. If it is an extended warranty, the provider may send you to different authorized service repair shops for different parts.

Difference Between Warranties and Insurance

Warranties are contracts created by either a new car dealer or an after-market insurer to provide replacement parts or repairs to a car when normal functionality fails. Insurance is meant to provide coverage or damage replacement for things outside of normal function failure such as accidents or collisions.

Types of Manufacturer Warranties

Basic – Sometimes referred to as bumper-to-bumper, this is the standard warranty from any car dealer. Available in different lengths of time or mileage, this is the most broad-based warranty, covering faulty manufacturer-installed parts. These warranties are the shortest in length because they are the most comprehensive.

Powertrain – A powertrain warranty typically covers only the parts that power a vehicle, including the engine, transmission, axle shafts, drive shafts, bearings and gaskets. These tend to be longer warranties (often 60,000 to 100,000 miles) as manufacturers expect the engine to last longer than other parts of the vehicle.

Corrosion – This warranty covers the body of the vehicle against rust or corrosion. These warranties differ greatly from dealer to dealer, and sometimes do not have a mileage limit (i.e. 60 months, unlimited miles).

Roadside assistance – Usually an added feature to an existing warranty, roadside assistance provides coverage specifically for towing in case a part covered by the basic warranty breaks down.

Emissions – Federal law mandates that a car warranty cover the first two years of the life of a vehicle to meet Environmental Protection Agency standards. Many manufacturers extend this warranty beyond the minimum to cover parts that need to be replaced.

Wear and tear – This plan extends the basic warranty to include car features that are easily worn through regular daily use. Coverage may include seat upholstery, interior and exterior paint, and tires.

New Car Warranties vs. Used Car Warranties

New car warranties are created by the manufacturer, have the most comprehensive coverage and offer the most options because the car has no wear and tear. Higher-rated car manufacturers often allow some – if not all – of the remaining warranty to be transferred to a new owner, which can be a valuable bargaining chip for resale.

Meanwhile, used car warranties come in several different forms:

- As an extension of the original warranty
- As part of a certified pre-owned vehicle from a dealership
- As a plan from a third-party after-market warranty company

These are discussed in detail in the upcoming “Extended Warranty” section.

Not all cars are created equal; nor are all drivers. To fully prepare for your car purchase, learn about the durability ratings of the vehicle you intend to buy and make an accurate assessment of your driving habits. With this knowledge in hand, you will be better equipped to decide which warranty suits your needs.

STAYING ON SCHEDULE WITH SERVICES

Dealerships build the cost of the warranty into the cost of the car. Therefore, dismissing the manufacturer-suggested service schedule may cost you more money in the long run.

To take the most advantage of your vehicle warranty, pay close attention to the recommended service schedule in the manual that comes with your vehicle. Taking your vehicle into the service center at the suggested mileage or time milestones will help keep your car in the best shape and also help prevent voiding the warranty. Recall that the manufacturer has the right to void a warranty due to abuse or misuse of the vehicle. By staying consistent with the recommended maintenance schedule, you can avoid claims of misuse.

compare that to the warranty you are purchasing. Since the dealer has already factored in the scheduled maintenance costs to the sale of the vehicle, this step will help you save throughout the length of your warranty, but also after the warranty expires.



Technical Service Bulletins

Technical service bulletins are created by either the manufacturer or a third party to supplement the service manual. These are available online and can be found by typing the name of your vehicle followed by “technical service bulletin” into any search engine. You can also visit any dealership that sells your make and model for an updated technical service bulletin. Bulletins are useful because they provide additional maintenance information that may not be provided in the vehicle’s manual, which allows you to stay up to date with the current needs of your vehicle. In other words, your 2016 Honda Pilot service manual may not anticipate the need for maintenance on a part until 2019, but a review of your vehicle’s most recent technical service bulletin may indicate that service is indeed recommended. Note that bulletins are not just for emergency issues. Anything deemed imperative will be covered in a factory recall. Regular tracking of your vehicle’s technical service bulletin could help you maximize your warranty.

Understanding Deadlines

Recall that different parts of your vehicle may be covered for different lengths of time. While a gasket in your engine might be covered for 100,000 miles, a broken door handle might only be covered for 36,000 miles. Therefore, it is important to understand the deadlines when considering repairs. If the part in question works some of the time but not all of the time, it is better to take the time to have it fixed under the warranty than to find yourself responsible for the full cost after the warranty expires. For major parts, like the engine or transmission, it is helpful to set reminders for deadlines to avoid unnecessary costs. Likewise, servicing your vehicle as close to the warranty expiration date as possible enables you to go the longest length of time before having to pay for maintenance on your own.



EXTENDED WARRANTIES

Extended warranties have long been a point of debate among car buyers. Are they worth the extra money? The short answer is: It depends.

Again, this is where it is important to know yourself as a driver and to know the reputation of the vehicle. If you are a person who simply needs the peace of mind of having the most car parts covered for the longest amount of time, it may be worth the lack of stress to invest in an extended warranty. However, be aware that you may not ever need to use your extended warranty, which puts extra money in the dealer's pocket and takes it out of yours. Consider once again that the dealership is factoring the likelihood of you using the extended warranty into the cost of that warranty. The best value on an extended warranty, then, includes the worst-case scenario that a major part malfunctions after the initial warranty expires. If this occurs, suddenly, that extra cost for the extended warranty becomes worth it. Also, remember that there is nothing wrong with negotiating for a better price on your warranty, which could tilt the deal in your favor.

With those scenarios in mind, there are several different ways to purchase an extended warranty, such as from a dealership as part of an initial purchase, for a certified pre-owned vehicle (CPO) and for a non-CPO vehicle.





From a Dealership as Part of Initial Purchase

This is an area where savvy negotiation skills can help maximize the value of a warranty. Since the extended warranty is an optional item, it affords room for negotiation with the dealer. It can help to negotiate different aspects of the extended warranty differently, but the biggest money-saver will usually be on the powertrain parts, as they are usually the most costly to repair or replace. Check with the dealer to see which aspects of the warranty are transferrable if you decide to sell your vehicle: purchasing an extended warranty that does not transfer will hurt your bottom line if you sell the vehicle before it expires.



For a Certified Pre-Owned Vehicle

Certified pre-owned vehicles, or CPOs, are cars that have been bought back by the dealer and thus offer manufacturer warranties. The terms and conditions of these may or may not be the same as the original warranty, but the biggest benefit is that they have the backing of the manufacturer. CPOs are typically less flexible than extended warranties in terms of negotiating specific items, so make sure to inspect what is covered and what is not before deciding on this option.



From an After-Market Third Party

Another option for a car owner is to purchase a warranty from an after-market third party. Be sure to read the customer reviews for the third party providers you are considering, so that you invest in a reputable company. Ask a lot of questions about the coverage offered. If the provider does not have important information readily available, it may be a sign to shop elsewhere.



TOP-RATED MANUFACTURER WARRANTIES

While all car manufacturers offer some sort of warranty policy, there are a few that stand out above the rest.

The following auto companies offer the longest warranties because their vehicles are among the most reliable on the market. These vehicles might be more expensive upfront versus competitors in the same class, but you could save valuable time and money by not having to drive to the repair shop as often. The manufacturer may change the terms of the warranty from year to year, so make sure to check with the dealer for the most up-to-date information.



Kia – The gold standard of American automaker warranties. Kia offers the most coverage for the longest period of time.

- Five-year, 60,000-mile basic warranty
- 10-year, 100,000-mile powertrain warranty
- Five-year, 100,000-mile anti-perforation (corrosion) warranty
- Five-year, 60,000-mile roadside assistance

Hyundai – This manufacturer battles Mitsubishi for the best in Asian auto warranties, with two options that offer unlimited miles.

- Five-year, 60,000-mile basic warranty
- 10-year, 100,000-mile powertrain replacement (only good for original owner) warranty
- Seven-year, unlimited mile anti-perforation warranty
- Five-year, unlimited mile roadside assistance

Mitsubishi – This automaker matches Hyundai almost line for line, with the exception of the 100,000-mile limit on anti-corrosion.

- Five-year, 60,000-mile basic warranty (the warranty is transferable to a new owner)
- 10-year, 100,000-mile powertrain warranty
- Seven-year, 100,000-mile anti-perforation (corrosion) warranty
- Five-year, unlimited mile roadside assistance

While these three auto companies consistently rate the best, there are other manufacturers who offer strong warranties. Some even offer special perks. For example, Mercedes has a lifetime warranty against anti-corrosion. In other words, Mercedes never expects its cars to rust and is willing to back them as long as you own them.



ADDITIONAL TIPS

Even after thorough research into the highest-rated and best options for car warranties, a savvy driver can still save money and time by following these additional tips.

Additional Tip #1:

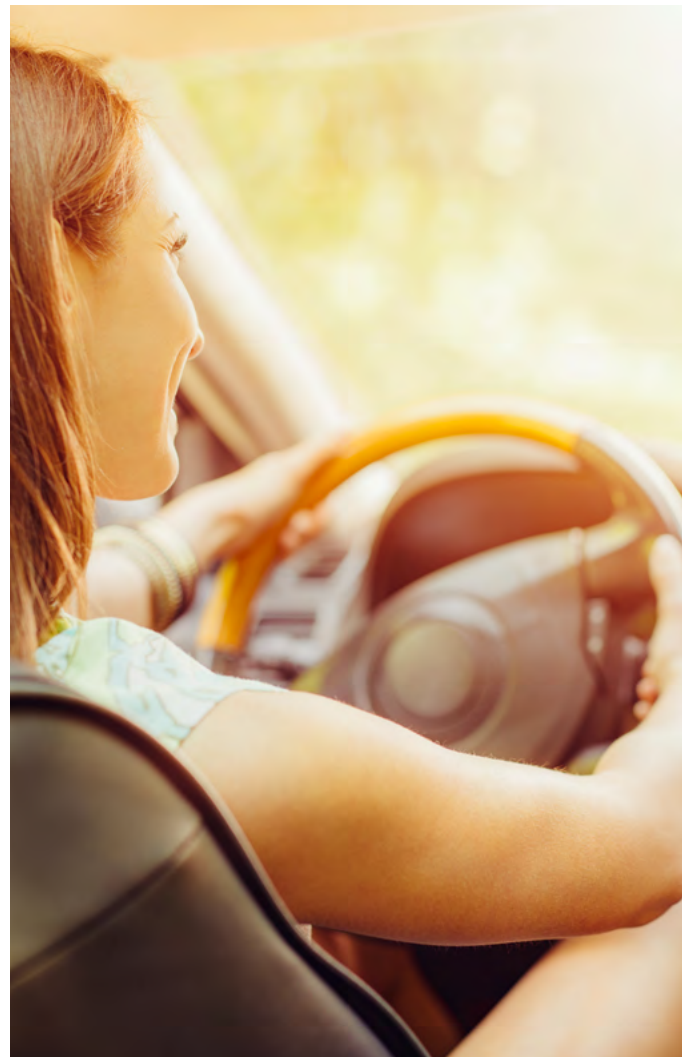
Keep records of maintenance performed on your vehicle.

By keeping a log of your service repairs and maintenance, you maintain a comprehensive understanding of your car's history. By keeping this service record handy with your user manual in your car, you can provide any mechanic with a full picture of your vehicle at a moment's notice. You can also make notes of what is covered and what has expired with your warranty, which is useful when it is time for a repair. Revisit this record early and often. Even a quick glance at the manual when you are stuck at a red light could save you a few hundred dollars down the road.

Additional Tip #2:

Visit online car forums for your make and model.

Even the most thorough manual cannot include everything you need. An online search for your vehicle may reveal a forum that provides additional useful information. Frequented by real car owners like yourself, forum users speak in plain language



and can often help solve the problems of fellow drivers. Contributors may also help identify any unusual problems that are not listed on official service guides. Finally, real customers can offer their own tips for how they got parts fixed, both inside and outside of a warranty.

Additional Tip #3:

Remember your place of last resort.

If your car manufacturer says it will not replace a part that is covered under contract, some states have a public office that fields complaints. For instance, in California, it is the Bureau of Automotive Repair. Check with the Better Business Bureau in your state to find a similar office.

Remember to research and negotiate as much as you can upfront, and be diligent about following the suggested service schedule for your vehicle. Auto warranties may be created to make the dealer or third-party provider money, but you can make them work to your benefit by doing thorough research and choosing the right coverage for you and your vehicle.





Tips and Tricks to Maximize **Your Car's Warranty**