



# There Are 12 Things You Have to Consider About Extended Car Warranties

## 1. Can I cancel my warranty at any time?

This is a big one. If you decide to sell or trade your vehicle or you write it off, can you get back some of what you paid? Many warranties, especially from the manufacturer, offer no refund after 30 days. If you spent several thousand dollars, that could mean a lot. A good warranty will entitle you to a refund for the unused time or mileage.

## 2. What happens if I don't make a claim?

Some warranties offer a "no claims bonus" after the policy expires. Providers often add this hoping it will deter you from claiming at all. You will also pay extra for it. Will you decide not to make a claim hoping to get a refund? You can't sell, transfer, or write-off the vehicle. You also have a short time to apply for the refund, often only 30 days.

## 3. Am I able to transfer the policy in any sale?

Check to be sure if you sell your vehicle, you can transfer the warranty. Your needs and situation are always changing. That's why the transfer clause is such an important feature. Having an active warranty is an investment in the future of your vehicle. It increases a vehicle's resale value. How about if you trade it in?

*"Got in an accident with my vehicle and had it written off. I was reimbursed for the remainder of my agreement and received an even better quote for my new vehicle, a 2018 with all the new electronic bells and whistles that Obvi covers." – Alex Johnson, Vancouver B.C.*

#### **4. Can I choose any shop for repairs?**

The freedom to visit any licensed shop in the event of a claim is important. Do you have a favourite shop or a mechanic you trust? Do you prefer an independent shop or a dealership? What if you are travelling? If you can't choose the shop, you could be stuck waiting for approval or an appointment.

#### **5. How are claims handled and paid for?**

Your claim should be as smooth as possible. Your warranty provider should handle everything for you and keep you informed – from estimate review to approval and final payment. Make sure your warranty provider will pay the shop for your repair when it's finished. Why pay out of pocket for repairs and wait for reimbursement?

#### **6. Does the policy include OEM parts?**

Many repairs on newer vehicles can't happen without OEM (original equipment manufacturer) parts. If you are returning to the dealer for repairs, you need to have OEM parts included in your warranty. Many aftermarket parts are as good or better, but you will want the option for OEM. Check if the warranty includes it or is extra.

*“Went for a routine servicing and found the water pump was toast. When I mentioned I had warranty coverage I only had to give my Obvi warranty number and the phone contact info. Obvi responded immediately and approved the warranty repair. I only had to pay my deductible with no additional paperwork. I had my car back later that day. A seamless warranty repair.” -Dorothy D, Edmonton, AB*

## **7. Does the warranty require extra maintenance?**

Some warranty providers stipulate extra maintenance requirements. Such as getting an oil change every four months regardless of driving habits. One miss and they can deny your claim. Get a policy that doesn't require more maintenance outside of what the manufacturer recommends.

## **8. Is the policy with a licensed Canadian insurer?**

Extended warranties are long-term commitments. Make sure your policy is with a licensed Canadian insurer with A-rated financial status. This ensures your claim will always be paid. Warranty service contracts are different. After Sears went bankrupt, all of the service contracts they issued disappeared.

## **9. Am I getting full comprehensive coverage?**

New vehicles are very complicated. Failures are just as often electrical as they are mechanical – and they can keep you off the road as well. When buying a warranty, make sure you have full comprehensive protection that covers electronics and advanced tech. Anything else isn't worth it on newer vehicles.

## **10. Can I get a policy at any time?**

Buying a warranty is a big decision, so take your time. Do your research and think everything over. Dealerships will often say you only have a few days to decide and that you can't get a warranty anywhere else. Don't be pressured into a decision, you have options. If you buy new, a lot can happen in 3 or 4 years before the warranty kicks in.

## 11. Should I buy the basic powertrain option?

GM, Ford, Honda, and most other automakers limit their comprehensive coverage to three years but powertrain to five. This is because most warranty problems happen on the comprehensive side. Powertrain issues can be large claims. Yet, powertrain-only warranties won't provide enough protection for newer vehicles.

## 12. Have I seen the warranty provider's reviews?

Let's face it: extended warranties haven't always had the best reputation. But online reviews can help you level the playing field against shady companies. Read up and see what is happening to other customers. Dishonest sales tactics or poor claims service will reflect in reviews. Check resources such as the Better Business Bureau.

The next step is to [get a quote](#). If you have already gotten one, the next step is to [connect with an agent](#) to buy a policy.

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