

## **Extended Warranties – Good coverage or unnecessary expense?**

Extended warranties are sold as extra protection for a product if something goes wrong. You may, however, be better off saving the money you'd spend on these warranties.

### **Consider these factors when considering an extended warranty:**

- **Cost** - The cost of many warranties is often about the same as the cost of repair. In addition, many extended warranties charge a “deductible” each time you make a claim.
- **Duration** - Many extended warranties go into effect at the same time as the manufacturer’s warranty, not after its expiration. This means you are paying for duplicate coverage during the manufacturer’s warranty period.
- **Exclusions** – Extended warranties often have long lists of fine print exclusions. For example, some warranties don’t cover repairs to specific parts, while others deny coverage if you don’t perform routine maintenance.
- **Repair Hassles** – Some extended warranties require you to ship your broken product to them for repairs (at your own expense), or only use repair shops that they choose. Even if the warranty company allows you to choose a repair shop, that shop will probably have to get approval before performing the repair. Some repair shops refuse to make repairs if they have to be pre-approved.

### **What to do instead:**

- **Check your credit card** – many credit cards extend the manufacturer’s warranty on products purchased with the card by a year or more.
- **Exercise implied warranties** - Under Maryland’s “implied warranty of merchantability,” products must be fit for their ordinary purpose. A “warranty of fitness for a particular purpose” is implied if a seller tells you that a product will perform in a specific way. If a product doesn’t work, take it back to the retailer even if there’s a notice that says you can’t.
- **Deposit the cost of an extended warranty** into a “repair or replace savings account” and only use the funds when your products need repair.

For more information on this and other consumer topics, or to obtain this factsheet in an alternative format, please contact the Office of Consumer Protection at 410-313-6420 (voice/relay) or email us at [consumer@howardcountymd.gov](mailto:consumer@howardcountymd.gov).