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A BUYER'S GUIDE:

***choosing the right extended
vehicle coverage for you***



Today, more people are opting to adventure in their same car longer as a smart way to protect their finances. And those who previously relied on ride share or public transportation are buying used cars 22% more than in 2019, according to Edmunds.

If you find yourself with an expired or soon-to-expire vehicle warranty, you might be worried that a major mechanical breakdown may break your bank. While paying a monthly amount that fits your financial situation might be a great way to go, extending your car's coverage comes with many questions.

At **olive**®, we've got your back when it comes to understanding your vehicle coverage options! So, what are your choices and how do they work? **olive** is here to provide you with answers to 12 questions to ask before making a purchase decision so you can adventure on with peace of mind!

1

what are my choices for extending the coverage on my vehicle?

Extending your vehicle coverage is not one size fits all so it's important to understand the available options. The first thing you should know is that when you purchase an "extended vehicle warranty," you are actually buying a "Vehicle Service Contract" (VSC) or "Mechanical Breakdown Insurance" (MBI).



vehicle service contract (VSC)

A vehicle service contract is a paid plan that helps cover the costs of any repairs needed once the manufacturer warranty has expired. As your vehicle ages, the likelihood of it needing repairs rises. The biggest benefit of obtaining a vehicle service contract is the potential savings on unforeseen repairs for a car that is no longer covered by a factory warranty.



mechanical breakdown insurance (MBI)

Another type of vehicle breakdown coverage is mechanical breakdown insurance (MBI). While this type of coverage is similar to a vehicle service contract, the difference is that mechanical breakdown insurance is actually an insurance product as opposed to a warranty or service contract and is regulated by the Department of Insurance.

Depending on your state, and its regulatory approach to such products, you may be offered MBI as an alternative to a vehicle service contract.

2

how do I know if a company is “good”?

The company responsible for paying any of your claims is not always the company you purchased your warranty from. It is important that the coverage administrator for your policy is insured and well-funded with a solid financial history. You can validate financial strength ratings on [A.M. Best](#), [Standard and Poor’s](#), and [Fitch Group](#).

what is the company’s reputation?

It is important to do some due diligence. Are they registered with the BBB? What do their reviews and ratings state? Rating sites like the Better Business Bureau and Google or Yelp will represent how the business is likely to interact with its customers and will give a combined score based on customer reviews.

BBB ratings are still the toughest to get and are determined by external factors like: complaint history, time in business, transparent business practices, failure to honor commitments, licensing and government actions, and known advertising issues or false claims. Reviews on Google and Yelp are well regulated but can be faked, so read with caution. See how the company treats its customers and responds to complaints as well as compliments. Look at the reviews the same way you would for a restaurant or movie.



PRO TIP: *Don't be shy about asking your friends if they know of someone they would recommend. If they have a bad experience, at least you will have an idea of who to avoid.*

3

which coverage plan is best for me?

Before selecting a company that will give you peace of mind and protection from major vehicle repair expenses, review their coverage plans. Selecting the right plan depends on your needs.

The best companies will give you options for coverage. This will allow you to be flexible when it comes to price and to secure the coverage you need.

COVERAGE OPTIONS:

powertrain coverage (basic coverage)

Powertrain level of coverage generally covers all of the most expensive items, including every lubricated part of your transmission and engine. It also covers other expensive repairs like water and oil pumps, thermostat, and factory turbocharger. A powertrain vehicle service contract gives you the peace of mind that your drivetrain is covered wherever you travel.

comprehensive coverage (a full coverage plan that covers almost everything)

Comprehensive coverage is similar to the manufacturer's warranty on a new car. The parts that wear down regularly, such as brake pads, are covered by you. However, the unexpected parts that just "break or malfunction" are covered by most comprehensive coverage plans. Comprehensive coverage is so extensive; it's typically easier to tell you what is excluded vs. what is included.

something in-between

Many plans are somewhere between Powertrain and Comprehensive. Middle of the road plans cover more than just the major parts but typically exclude things like electrical. Common parts included in this coverage level are power steering, front suspension, brakes, and air conditioning components.



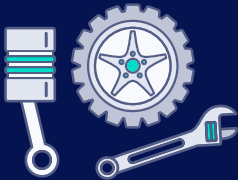
Keep electronic components in mind. Not all coverage plans cover the latest computer chips and sensors. Watch out for the exclusions.

4



do they offer different deductible options?

Some companies will let you decide your limit for out-of-pocket expenses by choosing the deductible that best fits your wallet. The more the deductible, the less overall cost for the warranty. Look out for deductible classifications. Some auto warranty companies charge a deductible for every “repair item” instead of every “repair visit.”



repair item

Means you pay the deductible on every repair item. If you have a \$100 deductible and have 3 covered repair items fixed, you will pay \$300 to get your car serviced.



repair visit

Means you only pay the deductible one time and any covered repair items found are repaired during your visit. If you have a \$100 deductible and have 3 covered repair items fixed, you will only pay \$100 to get your car serviced.



PRO TIP: To save money each month, choose a higher deductible. Then, set \$500 aside in the bank, earning interest while having it ready for breakdowns.



5

what is included in the price?

We suggest getting quotes from more than one company and comparing prices, plan options, terms, and deductibles. While doing so, make sure to note the ease with which you found your information. ***The easier information is to find, the more transparent the company.***

A company that gives a lot of the information upfront and has approachable customer service when buying is more likely to offer the best extended coverage. You don't want to try calling a company in a crisis that was hard to get a hold of when you were offering them money.

During your search, get an itemized cost list for coverage, revealing how long your rate lasts. This way you avoid limited-time quoted rates and surprise cost increases. It also makes it easy to establish the particulars of the coverage in a dollar-for-dollar fashion. Do they charge extra fees for processing or payment options? Some companies will nickel and dime you to a higher payment.

Watch out for unnecessary add-ons that are often added to an MBI/VSC cost to avoid paying for redundant services. For example, most people already have roadside assistance through their auto insurance policy, so it is unnecessary to have it in their extended coverage.



PRO TIP: *Make sure you know what you are buying. You're the one driving; don't get taken for a ride. If you call and speak to someone, ask for all of the pricing options to be emailed to you. That way, you can compare it to other options and make the right choice for you.*

6

do they offer flexible payment options?

When you are at the dealer, you are usually offered the option of rolling the cost of the MBI or VSC into your auto loan. If you are comfortable with the price they are charging for the coverage, it can be a convenient way to go. Keep in mind that financing your coverage over your loan's life increases your coverage cost overall.

if you don't buy it from the dealer you have a few options:

- Pay for the plan in its entirety
- Pay a down payment, and then a smaller amount monthly
- Pay-as-you-go with evenly distributed monthly payments for the term of the plan

One of the major advantages of many pay-as-you-go plans is the ability to cancel any time. If you sell your car, need to cut back on expenses, or just don't feel you need the coverage anymore, make sure the company you select allows you to cancel at any time.

if you have monthly payments, know the terms of your contract.

- Is the price fixed for the life of your contract?
- If you cancel early, do you owe the balance?
- Usually if a monthly plan is in place, your payment is **FIXED** for the term.
Make sure to watch for rises in price throughout the term.



PRO TIP: Look for flexible companies with payment and cancellation options that fit your budget and needs in the long-term. Know your plan and how to get out of it if the need arises before buying.

7



are there yearly mileage restrictions?

Many extended vehicle coverage plans (MBIs and VSCs) have a yearly limit on the miles you can drive and still be covered. Many standard packages only cover 10,000 miles/year; they may offer more expensive packages to cover more miles.

The average person drives 13,500 miles/year. If you drive the average amount or more, look for plans priced on total odometer mileage coverage vs. annual mileage restrictions.



PRO TIP: *Make sure you understand how many miles you can drive in a year, for how many years, and the total mileage allowance of the contract. We always recommend reading sample Terms and Conditions, so you know the ins and out of each plan.*



is there a waiting period or inspection required?

Most MBI and VSC programs have a 30 day or 1,000 mile waiting period or require a vehicle inspection to check for any pre-existing conditions. It seems fairly reasonable, but if something happens during that time, you will not be covered. Look for plans that will provide coverage as soon as possible.



A good MBI/VSC company will treat you fairly and expects to be treated fairly and honestly by their customers in return. Companies that don't require a waiting period or inspection work closely with repair facilities to ensure an early claim is not a pre-existing condition. For example, if you had your car towed to a shop, purchased a plan after the tow, and then turned in the claim, you will likely be denied the claim.



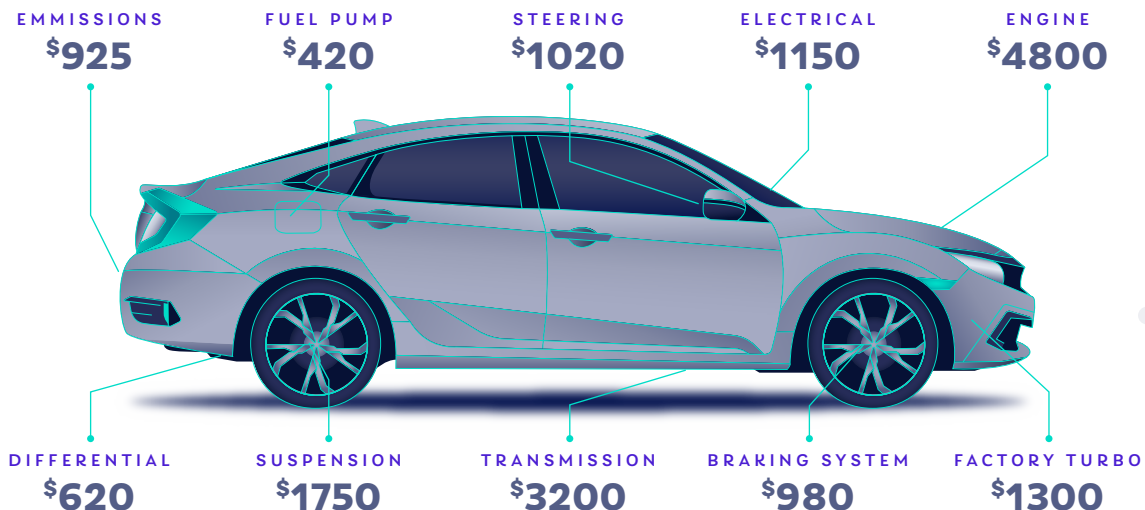
PRO TIP: *Know your waiting period and remember pre-existing conditions are not covered.*

where can I take my car to be fixed?

An important item to note is the coverage area and, if traveling, where you can take your vehicle. Most companies offer coverage across the US and Canada.

Reputable MBI/VSC companies allow you to take your car to any certified repair shop. Since most repair shops are approved, you have a large number of mechanics, dealerships, and garages to choose from whether you are commuting in your local area or traveling far from home.

Unlike collision insurance that typically reimburses you for the repair costs, with most MBI/VSC plans, you are only responsible for your deductible and non-covered items. This means you directly pay the approved auto shop your deductible and cost of non-covered parts. Then, the auto shop works with the coverage provider for the remaining bill.



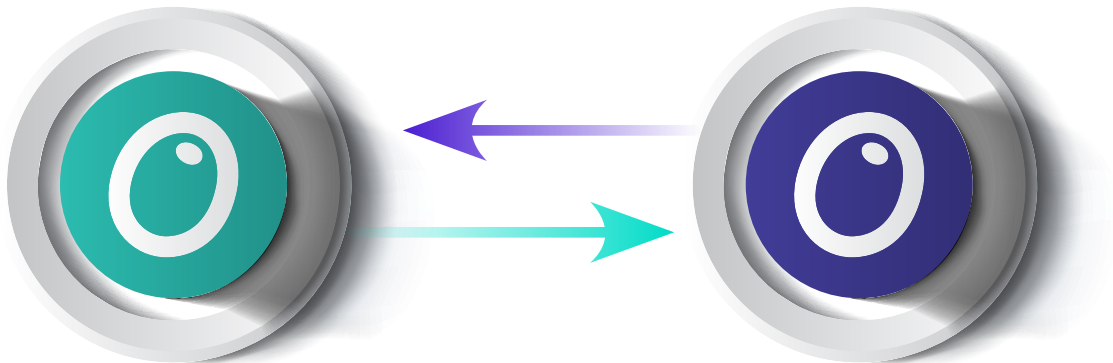
PRO TIP: Make sure you have options for taking your car somewhere other than where you purchased it.

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is my plan transferable?

If there is a good chance you may want to sell or trade in your car within your coverage time frame, make sure the coverage is transferable. As long as the buyer agrees to take over the payments, you have the green light to transfer! And, better yet, find a company that doesn't charge a transfer fee.

When selling your vehicle, offering the option of extended coverage with the purchase may get you a better price and an easier sale. Plus, the new owner knows that any issues that had occurred when you owned the vehicle were likely handled immediately due to your coverage. The payment you secured when you started the policy will be intact for the entire term.



PRO TIP: *Change happens. Find out how flexible your plan is to make sure you're never stuck. Ensure you can cancel anytime and transfer your coverage with the vehicle.*

does my vehicle qualify for coverage?

Not all vehicles can be covered due to the vehicle's age. Additionally, there is often a mileage restriction that can determine coverage. Fortunately, you can do your research and get a quote to determine if your car is qualified. Remember, some companies require an inspection to activate the policy, so keep this in mind if you are looking for fast coverage.

If your car does qualify, be knowledgeable about how long your vehicle will be covered. Many policies will protect your vehicle for a set amount of years to the predetermined mileage restriction or model year, whichever comes first.



PRO TIP: *Take the time to determine if the cost of coverage is right for your car.*



where should I purchase extended vehicle coverage?

Finding accurate pricing and an honest cost analysis can be challenging! Let's cut through the noise and layout your extended vehicle warranty shopping and buying options.

buying at the dealership

At the dealer, you can get 1, 2, or even 3 coverage options. You might be able to roll it into the financing of your car, pay for it outright, or subscribe to a 2-3+ year commitment. Go to the dealership prepared with your extended vehicle warranty options. In the same way you research makes, models, and years of cars for pricing and reliability before making a purchase, research MBI and VSC costs before you go to pick up your car. Information is power.

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getting an online quote

Check before you quote. See if the company provides instant online pricing or you may be signing up for robo calls or pesky sales agents. Do they have customer service available via phone or online chat to ensure your coverage will work for you? If they are not transparent or professional, then hang up and move on to your other options.

responding to direct mail and emails

There are some legitimate opportunities to purchase your “extended car warranty”/MBI/VSC sent via mail. Major vehicle manufacturers send extended coverage plans out to their customers and can offer good solutions.

Use your instincts. Avoid mail offers that seem fake or use scare tactics with high-pressure language. If that is what they are leading with, you may see more of the same when you call. When contacting these companies, make sure you are prepared to ask the right questions and don't feel pressured to buy without all of the facts and documentation. You know your ride best!

responding to incoming calls and robo calls

These have become more prevalent and intrusive over the last few years. The most important thing is verifying they are with the company they say they are with. Make sure you get their company information so you can check them out before you start giving them your personal information. Request a copy of your quote and all the coverage details via email so you can make the best decision to meet your specific needs.

research your individual make and model's repairability

How prone is your vehicle to problems? When researching extended coverage options, it is helpful to understand common repair problems for your make and model. This will help you determine if an extended warranty is needed. Can you afford to pay for an unexpected breakdown, or would you need to save money to fund a breakdown or two?

is **olive** the right company for me?

Your vehicle is important to you, so weigh your options and choose what is right for you. Do your due diligence and you should be a-ok.

At **olive**, we strive to earn your business every month with excellent customer service and peace of mind. Here's a quick guide to how we answer those questions:

1. what are my choices for extending the coverage on my vehicle?

olive offers both MBI and VSC plans that adhere to all state requirements.

2. how do I know if a company is "good"?

Every single **olive** policy is backed by a global insurer with a consistent "A" rating from A.M. Best, an "A+" rating from Standard & Poor, an "A" rating from BBB, and over \$15 billion in 2019 assets under protection.

3. which plan is best for me?

olive offers 3 different coverage plans to keep you moving by paying for unexpected mechanical breakdowns repairs all with a fixed monthly payment.

4. what are the deductible options?

olive offers 3 deductible options giving you 9 different monthly payment options so you can choose the plan that best fits your budget. At **olive** when a claim is filed, you will only pay your deductible and any non-covered item. We will pay the repair center directly for all remaining repairs.

5. what is included in the price?

At **olive**, we keep things bite sized. Bloated plans and middleman markups are the pits. We personalize your rate for your vehicle so you don't pay a penny more than you should.

6. do they offer flexible payment options?

At **olive** we earn your business every month. Prices are fixed for the life of your 3-year term, and you can cancel anytime.

7. are there yearly mileage restrictions?

Drive as much as you want each year with **olive**. So go ahead and plan that epic road trip, we'll be with you every single mile. That's Comprehensive Coverage for every adventure!

8. is there a waiting period or inspection required?

olive is frictionless, nearly instant coverage; that's one of the things that makes an **olive** plan unique. Your coverage becomes active the day after you sign up! Buy today. Covered tomorrowtm.

9. where can I take my car to be fixed?

olive provides nationwide coverage in the US and Canada. You can take your vehicle to any ASE certified repair facility or dealership of your choice. Simply provide your coverage number and we will do the rest!

10. is my plan transferable?

Yes. **olive** plans are transferrable which can lead to an increase in your vehicle's value when you sell it. It's like icing on a cake! Better yet, there is no fee to transfer.

11. does my vehicle qualify for coverage?

You can start **olive** coverage up to 10-model years in age and 140,000 miles into your vehicle's life. After your initial 3-year term **olive** covers on a yearly basis up to 185,000 miles or 14-model years, whichever comes first.

12. where can I purchase extended vehicle coverage?

- With frictionless online signup, convenient monthly payment plans, and instant coverage, **olive** provides the coverage you need, only a few clicks away. [Get Your Price and buy instantly online.](#)

here is what we can promise.

- Our online quote tool is simple and easy. You will see your price in minutes.
- Filing a claim is easy and seamless.
- No robo calls ever.
- You buy how you want to buy, and we will do our best to earn your business month over month!



olive

alright, you're ready!

GET YOUR PRICE NOW.

Our Coverage Advocates are standing by if you have any questions or prefer to talk with a human.

call now: 866.604.9817



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