

## EXTENDED WARRANTY INSURANCE

### WHAT IS EXTENDED WARRANTY?

An Extended Warranty (EW) is a tool by which a manufacturer / distributor / retailer of goods seeks to enhance the value of the product it manufactures / distributes / sells. As the name implies, it is an extension of the Original Manufacturer's Warranty (OMW) and operates by adding an additional period of warranty on top of the Original Manufacturer's Warranty. For example, a motor vehicle manufacturer may offer a one year warranty on its vehicles, and can offer to enhance the deal by adding another year or two of warranty into the package, thereby differentiating its product in the market. This Extended Warranty is backed by insurance.

### HOW DOES AN EXTENDED WARRANTY PROGRAMME WORK?

Mandatory Programme or Elective Programme

A mandatory programme is one which is normally packaged with the product and sold without option by the end consumer to decline the extra warranty. In other words, every unit of the product sold comes with the same warranty

An Elective Programme, on the other hand, does not attach to the product automatically. Typically, the end buyer of the product is offered a EWP for a premium at the point of sales. If he chooses the extended warranty, he then has to pay the premiums chargeable.

### SCOPE OF COVER

Extended warranty Insurance Policy by HDFC ERGO has primarily been design to cover the repair or replacement cost, if there is sudden and unexpected failure of covered parts of the insured product after the Original Manufacturer's Warranty has expired. It is available for products like

- Household appliances like washing machines, refrigerators, dishwashers etc.
- Electronic appliances also known as brown and grey goods such as TV, Computers etc.
- Automobiles and many others.

Extension of manufacturer's warranty is for a period particularly opted by the Insured.

### WHO ALL CAN BUY THIS PRODUCT

- Manufacturers
- Distributors & Dealers
- Large Retail outlets

From a different perspective, specific companies which would be targeted are those that want to create a product differentiation from other companies to protect or increase their market share.

### EXCLUDED AREA

- Any accidental damage to the Insured Product
- Damaged as a result of failure to carry out proper servicing and maintenance in accordance with manufacturer's recommendation
- Gradual reduction in operating performance caused due to normal wear and tear
- Cosmetic damage to the Insured product
- Diagnostic costs
- All consumable items
- Repairs carried out by anyone other than an authorized repairer
- Repair or replacement is necessary as a result of fire and theft
- Regular servicing
- Consequential loss, damage or liability incurred as a result of mechanical failure.

### BENEFITS OF BEING INSURED UNDER THIS POICY

- Extended Warranty can be advantageous for the following reasons:
- Risk Transfer to the insurers
- Enhance the value of their product
- Create a product differentiation from close competitors, or Put themselves ahead of the competition, or Bring themselves on par with their competition
- Improve their after-sales image / reputation / perceived dependability of the product

### YOU CAN REQUEST A QUOTE TODAY

For more information about our new Extended Warranty Insurance policy and the full range of HDFC ERGO Casualty Insurance products contact your local broker or HDFC ERGO representative.

**ANTI REBATING WARNING:** As per Section 41 of the Insurance Act 1938, as amended, the practice of rebating is prohibited, as follows: No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing (or continuing) a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectus or tables of the insurer.

Any person making default in complying with the provisions of this Section shall be punishable with fine which may extend to ₹10 Lakhs.

Disclaimer: Please read the Terms & conditions before concluding the sale.