

7 Things You Must Know About Warranties on Appliances

Should you pay for extended protection on your home appliances?

By [Kimberly Lankford](#), From *Kiplinger's Personal Finance*, June 2016



Thinkstock

1. Yikes! Your new stove is electronic.

And you're afraid of a costly repair bill after the manufacturer's warranty expires in 12 months. Buying an extended warranty that covers five years generally adds 10% to 20% to the cost of the item, says Tim Meenan, the executive director of the Service Contract Industry Council.

See Also: [Quiz: How Long Should It Last?](#)

2. You could play the odds.

Check the failure rate of the particular brand and model you're buying, and find out about other

consumers' experiences. "The vast majority of major home appliances don't break," says Celia Lehrman, deputy home editor for *Consumer Reports*, which continues to be critical of extended warranties. In its annual survey, only 17% of gas ranges needed repairs, with a median repair cost of \$187. Refrigerators with bottom freezers needed repairs 21% of the time, with a median repair cost of \$216; 31% of side-by-side refrigerators needed repairs, with a median repair cost of \$194. Even if you have a glitch, it may be diagnosed without summoning a technician by reporting a code or using a [smartphone app](#)

Advertisement

3. You may already be covered.

Many Visa, MasterCard, Discover and American Express cards double a manufacturer's warranty of up to 12 months, and cover repairs or replacement up to \$10,000 for products purchased with their cards, says Matt Schulz, of [CreditCards.com](#) (see the list on its website for details). Hold on to your credit card statement as well as the original receipt.

Advertisement

4. Ask who does the work.

Sears uses its own technicians, but most other warranty programs contract with local repair people. "Whenever I look at highly rated repair businesses, none of them participate in these programs," says Kevin Brasler, executive editor of [Checkbook.org](#), which rates service providers.

5. Check out the upstarts.

Several new online providers, such as [Protect Your Bubble](#), [SquareTrade](#) and [Upsie](#), charge less for extended warranties. SquareTrade's five-year warranty on a \$1,700 refrigerator is \$299—less than half the cost of a retailer's extended warranty. SquareTrade also just started offering a program in conjunction with [Costco.com](#). Costco provides a two-year warranty for many products purchased in its stores or on its website. SquareTrade will extend the two-year warranty to five years for \$100 for appliances costing from \$1,000 to \$2,000, and \$120 for items costing more than \$2,000.

Advertisement

6. You can change your mind.

Sears gives you up to 15 days after you buy an item to add its extended warranty. SquareTrade gives

you up to 90 days after buying appliances through Costco.com. If you do get an extended warranty and change your mind, you usually have 30 to 45 days to cancel and get your money back.

7. Pay out of pocket.

Rather than spend money on an extended warranty, set aside cash in an emergency fund to cover repairs. If you never have problems, you'll have savings to pay for the next generation of appliances.