

## EXTENDED SERVICE PLAN

QUESTION: I doubt if you'll remember us, but we were neighbors in 2008 at Region 2 Rally outside of Ottawa. I then attended your workshop (very interesting) and have retained your manual. We own a 1999 Airstream Cutter (Diesel pusher) (new in 1998) MH with almost 90,000 miles. We have been invited to buy an extended service plan from Good Sam which appears to have reasonably good coverage. (Perhaps you are familiar with it?) The cost is \$1,368.00 with a \$500.00 deductible. The unit has been relatively trouble free. We have maintained it fairly well, oil and tranny fluid changes, tire replacements, etc. The only major costs we had was with a diesel generator breakdown.

I would value your opinion before I make this sizeable investment. Let me know if you need additional information.

ANSWER: I would not recommend a service plan for a trailer. There are just not enough high service cost items to justify a service policy. A motorhome, however, is an entirely different case. There are many areas which could represent significant potential service costs, i.e. engine overhaul, transmission rebuild, differential, axles, power jacks, air system, generator, refrigerator, etc. This is true for both gas and diesel RV's although much more so for the diesel.

My new 2006 motorhome came with a full warranty when I purchased it in 2008. After 1 1/2 years I thought I had a problem with the Aqua-Hot System, (coach furnace and hot water system) due to extended freezing temperatures. When I described the problem to the vendor they said I needed a new heat exchanger and they just happened to have a used unit for \$5,500. I asked the cost for the complete system and it was \$11,000. It turned out not to be defective and all I needed was some additional anti-freeze (the overflow bottle was empty after sitting for two months). Since I also have a washer/dryer, dishwasher, 12 KW generator, two Dometic A/C's, etc., I decided to get a seven year service plan. Also, I am getting a little long in the tooth to climb under the rig or on the roof to do my own service work. This seven year policy cost \$3,000 with a \$50 deductible.

My 1989 Classic motorhome (traded in on the 2006) transmission failed in 2008 on a Caravan. The rebuild cost was \$980 although the tow was covered by my insurance coverage. Unfortunately the rebuild failed three weeks later and I had to be towed over 120 miles to the repair shop. The fix was free but this time I had to pay the tow cost which was over \$1,000. They use the 18 wheeler tow vehicles on motorhomes and the costs are unreal. Make sure you at least have a policy to cover towing, tire changing, low battery problems, etc.

The considerations for getting an extended service plan are:

1. Having major potential high service cost items.
2. Age of the machine and probability of a failure.
3. Ability to do some of the work yourself.
4. What items have already been replaced or repaired.
5. If the cost seems to be reasonable but the deductible is substantial, the deductible is probably too high. Check the rates for a deductible about \$100 to \$200.
6. Virtually all service contracts are sold through dealers so do not be afraid to bargain. If your dealer is a repair shop, and you might want to use them, they will usually reduce the deductible in half for any repairs they do.
7. At 90,000 miles I think it might not be a bad idea unless you can do some major repairs yourself.

By the way, I researched a number of the available service contracts for RV motorhomes and found quite a few horror stories on the Internet. Many of them are worthless and you can spend months trying to get paid. Two quality companies I found were Progressive (Xtra Ride) and Good Sam. I checked both of these with a few service shops I know and got good recommendations. You should only get a policy that pays the repair shop directly. You do not want one which requires you to pay directly and then "the check is in the mail."