



2021

Warranty

SurveyReport



AmTrust Warranty
& Specialty Risk

www.amtrustsr.com

How Consumers View Extended Warranties and Service Contracts

AmTrust surveyed consumers to understand how different demographics feel about purchasing and using extended warranties and service contracts.

Who buys extended warranties or service contracts?

Our survey results dig into who is most likely to have purchased an extended warranty in the past, what features they prefer, what's important to them about the claims process and what type of products they are most likely to want extended warranty coverage for.

Over half of respondents **51%** have purchased an extended warranty or service contract in the past.

What makes an individual more likely to buy an extended warranty?



COLLEGE GRAD

64%

College graduates purchase more warranties than those with some College/Degree (48%) and High School graduates or less (40%).



HOMEOWNER

61%

Homeowners are more likely to purchase extended warranties than renters.



MARRIED

58%

Married couples are more likely to purchase extended warranties than unmarried individuals (45%).



BABY BOOMER

59%

Baby Boomers purchased warranties more often than Gen X (54%) and Millennials (46%).



MALE

57%

Males are more likely to buy extended warranties than women (45%).



INCOME

+100K

Household incomes over 100K are more likely to buy extended warranties.

When purchasing an extended warranty, **where** are you most likely to purchase?

12%

from the extended warranty provider

27%

direct from the manufacturer

17%

online shopping cart

45%

point of sale in store

Younger buyers more likely to purchase warranties online, older buyers more likely to buy direct from the manufacturer.



Buyers over age 55 are

71%

more likely to purchase a warranty direct from the manufacturer.



Buyers under age 24 are

180%

more likely to purchase a warranty at online checkout.

What is most **important** about the claims process?

Respondents reported the factors that were important to them during the claims process.



How these factors **differ** among generations

While all generations were more likely to select claim resolution speed as an important factor when considering purchasing an extended warranty, the importance was greater for older generations, as was having no deductible.



SPEEDY CLAIMS

Baby Boomers: **84%**
 Gen X: **76%**
 Millennials: **65%**
 Gen Z: **51%**

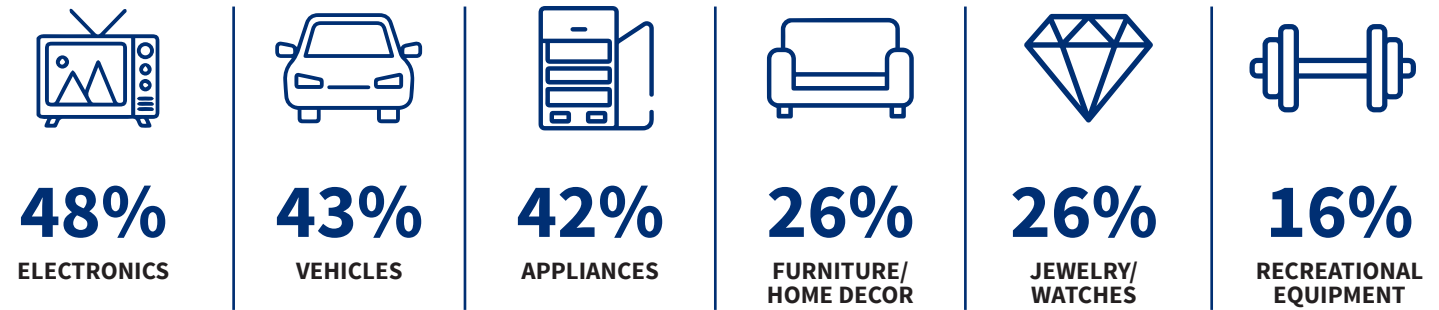


NO DEDUCTIBLE

Baby Boomers: **64%**
 Gen X: **55%**
 Millennials: **45%**
 Gen Z: **35%**

Product **breakdown** of extended warranties

Respondents reported which products they have purchased with extended warranty coverage for in the past.



Generational Purchase History Differences



Millennials & Gen Z

Millennials and Gen Z are more likely to have purchased

- Jewelry/watch protection (38% and 36%)
- Protection for electronics (54% and 51%)

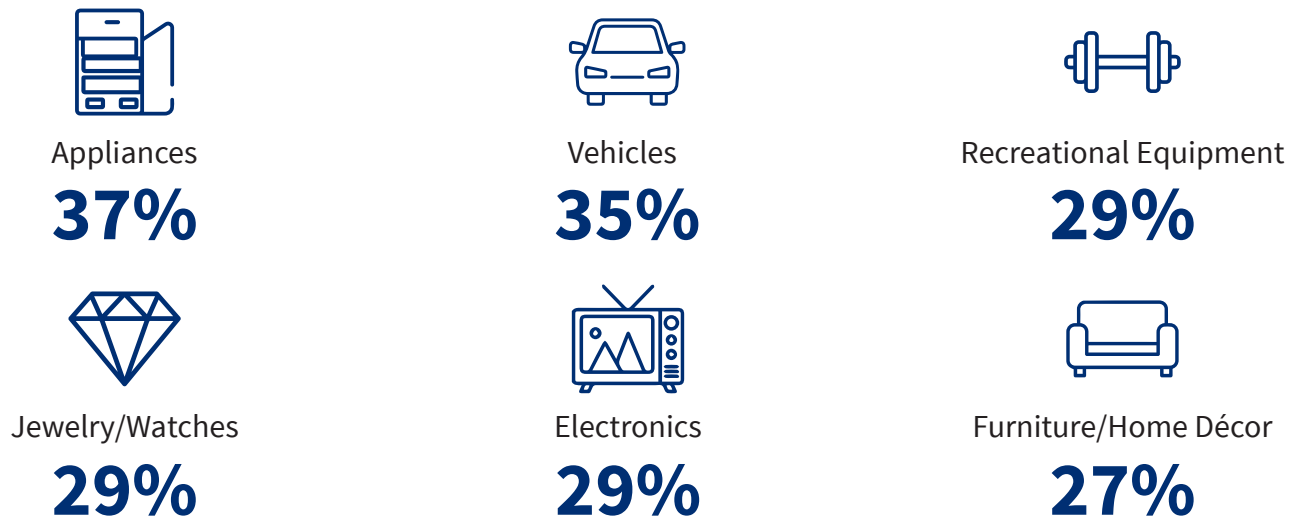


Gen X

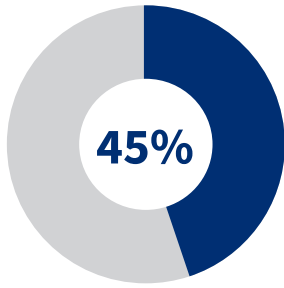
Gen X is the most likely generation to have purchased

- Vehicle protection (46%)
- Appliances warranties (46%)

Respondents also indicated which products they would consider purchasing extended warranty coverage for in the future.

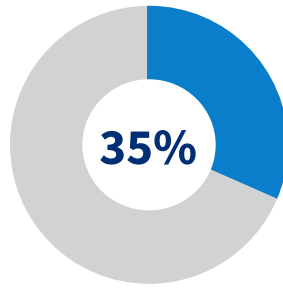


Why have people **not purchased** warranties in the past?



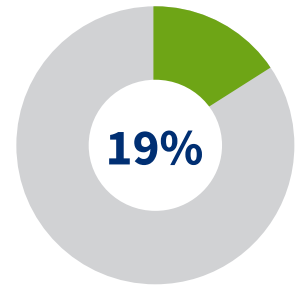
TOO EXPENSIVE

Customers viewed extended warranties as too expensive and not worth the money.



NOT ENOUGH VALUE

Customers were less likely to purchase based on the perceived value of the warranty.



NOT OFFERED

Many consumers never purchased a warranty because it was not offered.

However, for some groups, expense was not the primary reason they did not purchase an extended warranty.



Western U.S. Residents:

Not enough value: **47%**
Too expensive: **42%**

Higher Income Residents:

Not enough value: **51%**
Too expensive: **35%**

Higher Education Residents:

Not enough value: **50%**
Too expensive: **44%**

Generation Z:

Not offered: **39%**
Too expensive: **32%**

For those who did purchase an extended warranty, what features did they find most valuable?

38%

Replacement Or
Repair Services

29%

Number Of Years
Extended Protection Lasts

18%

Cash
Reimbursement

15%

Accidental
Damage



Baby Boomers

Baby Boomers placed the highest importance on replacement or repair services (47%).



Gen Z

Gen Z placed more importance on cash reimbursement and accidental damage than other generations (24% and 21%).

About AmTrust Warranty & Specialty Risk

AmTrust Warranty & Specialty Risk is one of the world's largest underwriters of warranties, service contracts, and protection products for the automotive, powersports, heavy equipment and consumer goods markets. We also offer insurance products for financial institutions that safeguard lenders and provide debt protection for consumers.

For over 20 years, AmTrust Warranty & Specialty Risk has successfully launched profitable programs enabling our partners to achieve revenue goals in line with their overall business objectives. Whether your organization serves a broad customer base or niche market, domestic or global, we have the expertise to provide programs that delight your customers, maximize revenue and minimize risk.

To learn more about AmTrust's Extended Warranty offerings, visit:

www.amtrustsr.com

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