



FINANCE OFFICE

Protection Products Evaluation Worksheet

An honest way to decide whether an optional product is worth it to you, at the price you're being asked to pay.

A NOTE FROM OUR TEAM

Some protection products are genuinely useful. Others duplicate coverage you already have. Most are sold under time pressure at the very end of a long day. This worksheet slows the moment down so you can decide on the facts, not on fatigue.

— The Auto Advocate Team

Extended service contracts, GAP, tire & wheel, key replacement, appearance packages: all of them are **optional**. (If a lender truly requires a product, its cost must be counted in the finance charge and APR.) Some can be a smart buy for the right person at the right price. This worksheet helps you tell the difference, compare up to three quotes side by side, and decide calmly.

FIVE GROUND RULES BEFORE ANY PRODUCT CONVERSATION

- 1 Optional means optional.** You can say no to every product and still buy the car. If anyone says a product is required for approval, ask to see where the contract says so, or call the lender directly.
- 2 Every price is a number, not a payment.** Ask for the cash price of each product, separately. "Only \$12 more a month" hides the real cost.
- 3 Financing adds interest.** Rolled into your loan, a product costs its price *plus* interest for the full term.
- 4 You can usually buy elsewhere.** GAP is also sold by many auto insurers, banks, and credit unions. Service contracts are sold by automakers and independent companies too.
- 5 Ask how to cancel before you buy.** Many products can be cancelled later, and you may be owed a refund if you sell, refinance, or pay off the loan early. Get the method in writing.

1 Factory Warranty vs. Service Contract

They sound alike and are often sold as if they were the same thing. They are not.

	MANUFACTURER WARRANTY	SERVICE CONTRACT ("EXTENDED WARRANTY")
What it is	The automaker's promise to fix certain defects for a set time or mileage	A separate, optional contract to perform or pay for certain repairs
Cost	Included in the price of a new vehicle	Extra; price varies widely by seller and is negotiable
Sold by	Comes with the vehicle	Automakers, dealers, or independent companies
Who approves claims	The manufacturer	Often a third-party administrator , not the dealer
Where repairs happen	Brand dealers	Depends on the contract: any licensed shop, or only certain ones
What's covered	Defined in the warranty booklet	Only what the contract's wording covers; read the exclusions

2 The Product Menu, One by One

PRODUCT	WHAT IT DOES	MAY MAKE SENSE IF...	ASK FIRST
Service contract	Pays for covered repairs after (or alongside) the factory warranty	You'll keep the car well past its factory coverage and couldn't absorb a big repair bill	When does it start, and does it overlap the factory warranty?
GAP	Pays the difference between your loan balance and insurance payout after a total loss or theft	Small down payment, long term, or negative equity rolled in	What does my insurer or credit union charge for the same coverage?
Prepaid maintenance	Prepays scheduled services (oil, rotations, inspections)	You'll service at that dealer and the plan price beats paying per visit	Which services exactly, and is it usable at other locations?
Tire & wheel	Repairs or replaces tires and wheels damaged by road hazards	Low-profile tires, large wheels, rough roads	Per-claim limits? Cosmetic wheel damage covered?
Key replacement	Replaces lost or damaged keys or fobs	Your fobs are expensive to replace	Have I priced a replacement fob locally?
Windshield	Repairs or replaces damaged glass	Your auto policy's glass coverage is weak	Does my comprehensive coverage already pay for glass?
Dent / ding	Paintless repair of small dents	You park in tight lots or hail-prone areas	Size limits? Hail excluded? Number of repairs?
Appearance	Paint, fabric, or leather protection coatings and claims	You want the treatment and understand what's actually covered	What is the claims process, and what voids it?

3 Twelve Questions to Ask About Any Product

Ask these out loud, and get the answers from the contract itself, not from the menu or the conversation.

- | | |
|---|---|
| ☐ Who is the administrator that approves claims? | ☐ Where can repairs be done? Is pre-authorization required? |
| ☐ Is the contract backed by an insurance company ? Which one? | ☐ What maintenance must I document to keep coverage? |
| ☐ What happens if the dealer or administrator goes out of business? | ☐ When does coverage start and end , in months and miles? |
| ☐ What is the deductible , and is it per visit or per repair? | ☐ How do I cancel , and how is the refund calculated? |
| ☐ What is excluded ? Is wear and tear covered? | ☐ Is it transferable if I sell the car? Is there a fee? |
| ☐ Are there labor caps, or required used/remanufactured parts? | ☐ What is the cash price , and what is it with interest? |

FROM THE INSIDE

Our team has spent years on the dealership side of the desk. Product prices in the finance office aren't carved in stone. Costs vary widely from store to store, and they are negotiable. Products are usually presented on a "menu" as monthly-payment packages, which makes it easy to lose sight of the real cost. Ask for each product's cash price on its own line, and remember you can decline today and shop the same coverage elsewhere.

RED FLAGS

- "The bank requires it to approve you."
- Only a monthly payment is quoted, never a price.
- Products already printed on the contract you didn't ask for.
- You can't see the full contract terms before signing.
- Unsolicited "final warranty notice" calls or mail.

USED CAR? ONE MORE THING

Under the FTC's Used Car Rule, if you buy a service contract from the dealer within 90 days of the sale, the dealer generally can't remove implied warranties on the systems that contract covers, even on an "As Is" car. Read the Buyers Guide on the window, and keep it.

4 Compare Up to Three Quotes

Use one column per quote: the dealer's offer, an outside quote, or a different plan level. Fill in every line before you decide.

WHAT TO COMPARE	QUOTE A	QUOTE B	QUOTE C
Product / plan name			
Seller (dealer, insurer, credit union, other)			
Administrator / backed by (insurer)			
Coverage term (months / miles)			
Coverage starts (date or mileage)			
Deductible (per visit or per repair)	\$	\$	\$
Key exclusions noted			
Repair shop choice / pre-authorization			
Cancellation and refund terms			
Transferable? Fee?			
Cash price	\$	\$	\$
Cost if financed (see formula below)	\$	\$	\$
My confidence in this product	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5

Cost if financed = cash price × (Total of Payments ÷ Amount Financed). Both figures are on your Truth-in-Lending disclosure. Example: if Total of Payments is 1.2 times the Amount Financed, a product priced at \$1,000 really costs about \$1,200.

HOW THE AUTO ADVOCATE HANDLES PROTECTION PRODUCTS

We work for you, never the dealer. If you'd like protection coverage, we quote products **separately from your vehicle deal**, with **open-book pricing**: we show you our cost and our markup, line by line. There's no pressure and no package to accept, and you're always free to decline or buy elsewhere. Not sure what a term means? See **No. 29, The Car Buyer's Glossary**.

LIVE HELP IN THE FINANCE OFFICE

Every line item explained before you sign.

The finance office is where a good deal can quietly become an expensive one. With Lot Coach, we're on the phone with you from hello through the last signature, evaluating each product, price, and contract line in real time, with a plan to walk away if the deal isn't fair.

Lot Coach \$599

(405) 761-3390 • autoadvocacy.net
THE DEALERSHIP HAS EXPERTS. NOW YOU DO, TOO.

SOURCES

FTC, Auto Warranties and Auto Service Contracts: consumer.ftc.gov/articles/auto-warranties-and-auto-service-contracts
FTC, Financing or Leasing a Car (add-ons are optional; it's ok to say no): consumer.ftc.gov/articles/financing-or-leasing-car
FTC, Buying a Used Car From a Dealer (Buyers Guide; service contracts and implied warranties): consumer.ftc.gov/articles/buying-used-car-dealer
CFPB, What is guaranteed asset protection (GAP)?: [consumerfinance.gov/ask-cfpb \(en-797\)](https://consumerfinance.gov/ask-cfpb/en-797)
CFPB, Servicemembers: stand your guard when it comes to add-on products: consumerfinance.gov/archive/blog
CFPB, What is a Truth-in-Lending disclosure for an auto loan?: [consumerfinance.gov/ask-cfpb \(en-787\)](https://consumerfinance.gov/ask-cfpb/en-787)
Insurance Information Institute (III), What is covered by a basic auto insurance policy?: iii.org

This worksheet is educational, not legal, insurance, or financial advice. Every product described is optional. Coverage, cancellation, and refund terms vary by contract and by state; read the full contract before you sign.