

# EXTENDED PROTECTION PLAN COVERAGE

Understanding What Type of Coverage Is Right For You

## 3 TYPES OF PROTECTION PLANS

*Powertrain, Powertrain & Hydraulics & Full Machine*

### So What's Covered in a Construction Equipment Powertrain Warranty?



An extended construction equipment warranty is just as important as the original warranty that comes with brand new machines. Heavy equipment should last many years, but occasionally things break or fail. If that happens, your customer's jobsite could come to a standstill. Or part of your dealership's rental fleet will be out of commission. Even if you have backup equipment, the cost of repairs and replacing major components can be expensive.

Continuous coverage provides both functional and financial protection. And, for your dealership, the ability to offer that type of superior protection to your customers can help you stand out significantly from the competition.

### ADI has you covered, with Protect My Iron®

Using our decades of experience in both the construction and insurance industries, we've developed an entirely new approach to extended warranty coverage that benefits dealers and customers but also manufacturers and lenders. It's a comprehensive program designed to help your dealership build a stronger relationship with each customer, by standing behind the products you sell and making it easy for customers to acquire and track their coverage.

Protect My Iron® includes three extended construction equipment warranty options. This is the coverage your customers will need when they purchase used machinery from you or when their new equipment ages out of the OEM's initial warranty.

Your customers can choose to insure their machine's powertrain, the powertrain plus hydraulics or the entire machine.

## WHAT DOES A POWERTRAIN WARRANTY INCLUDE?

Each construction equipment extended service contract covers a specific period of time or number of hours. Within that range, powertrain coverage includes:

### ***The engine:***

- The block, crankshaft, flywheel, pistons, gears, camshaft and cylinder head assembly, valves and their assembly components.
- Fuel system components.
- Air induction and exhaust systems.
- Lubrication system.
- Cooling and heat exchange systems.

### ***The power transmission:***

- Manual shift components.
- Flywheel and clutch components.
- Torque converter, including retarder and controls.
- Power shift components.
- Hydrostatic components.
- Countershaft components.
- Power flow connectors.

### ***Drive systems:***

- Steering clutches and brakes for track vehicles, except differential steering.
- Differential steering and brakes.
- Drive line for track or wheeled vehicles.
- Wheels and axles for wheeled vehicles.
- Piston motor and hydraulic drive.
- Drive axles.

Powertrain coverage also includes vibratory components, the swing gear assembly and electrical system.

## WHAT'S NOT COVERED?

### ***Mechanical breakdown or parts failure caused by:***

- You - misuse, neglect or improper maintenance, using the wrong fuel, etc.
- External causes -- fire, theft, natural disasters, terrorism, etc.
- Extras - on-site as opposed to in-shop work, mechanic travel, equipment transportation, additional parts not specifically covered.
- Normal wear and tear.

Connecting your customers with an extended service contract clearly demonstrates your commitment to customer service. You're taking an important extra step to help them protect their investment and keep their business up and running. That makes you the kind of solid working partner every contractor wants, whether they're an owner operator or managing a large fleet of equipment over multiple jobsites. ADI's Protect My Iron® program not only enhances your ability to support and stay in touch with customers, it rewards your dealership for doing the right thing by helping you generate additional revenue. That's coverage that extends beyond any powertrain.

## Powertrain & Hydraulics Coverage: The Inside Scoop



You can purchase a construction equipment warranty through ADI that covers both powertrain and hydraulics. This upgraded coverage is something you should seriously consider, because hydraulic systems are integral to performance on many types of equipment. If they're out of commission, work can grind to a halt.

**Protect My Iron® offers distinct advantages for both dealerships and customers.**

*For customers* -- and your dealership's own rental fleet -- an extended warranty that covers powertrain and hydraulics helps guard against mechanical breakdown that could cause costly downtime. For dealerships, the program offers multiple benefits.

By offering quality extended coverage for aging equipment already owned by customers and for newly-purchased used equipment, you're demonstrating you understand the importance of their investment. This above-and-beyond customer assistance enhances your dealership's reputation as a full-service working partner, and it facilitates the financing process by enabling your customer to secure insurance right up front.

Protect My Iron® also earns additional revenue for your dealership, helping grow your business and increase profitability.

### WHAT DOES A POWERTRAIN & HYDRAULIC WARRANTY INCLUDE?

#### ***The engine:***

- *Major assemblies* -- the block, crankshaft, flywheel, pistons, gears, camdrive and head.
- The fuel system -- pump and fuel transfer units, valves and lines, governor and injection components.
- *The air induction and exhaust system* -- manifold, turbocharger and controls, aftercooler and air exchanger.
- *The lubrication system* -- pumps and drive units, both primary and auxiliary.
- *The cooling system* -- fan drive group, pumps, jacket water, cooler and heat exchanger and lines.

### ***Power transmission:***

Manual transmission; flywheel, clutch, clutch brake and controls; torque converter, divider and retarder; power shift transmission; hydrostatic transmission, countershaft transmission and power flow connectors.

### ***Drive systems:***

Steering clutches and brakes, differential steering and brakes; drive line for either track or wheeled vehicles; wheels and axles for wheeled vehicles; piston motor group and hydraulic drive; front and rear drive axles.

### ***Hydraulic systems:***

Cooling, steering and hydraulics; lift, tilt and tip controls; motor grader implement controls; scraper controls; ripper, tool bar and other implement controls; excavator, backhoe, front shovel and other implement controls; logger and skidder controls and miscellaneous other controls.

The warranty also covers vibratory components (specific to vibratory compactors), including valves, pumps, motors and the vibratory mechanism. Swing gear assembly and electrical system. Service truck time and mileage can also be included as an option, to cover job-site service of mechanical breakdown covered by the extended warranty. And often you can add coverage that pays for a loaner machine.

### **An extended construction equipment warranty does have limitations.**

Each policy will specify a start date and specific period of time that coverage will be in effect. The powertrain and hydraulic systems are only covered for mechanical breakdown, not theft, accidents or other incidents that could cause damage.

Coverage is void if claims are made outside the specified timeframe, if the owner abuses the machine, uses it for unintended applications, fails to properly maintain it or if the service hours gauge becomes inoperative or inaccurate. And like most insurance, coverage does not include unforeseen events such as acts of war or acts of nature.

Naturally, both the equipment owner and the insurer are contractually responsible for timely reporting of problems and response.

Sometimes even famously reliable machines break down. Rarely, a manufacturing defect causes problems. With an extended construction equipment warranty in place, business owners are protected against the unexpected, so if something does go wrong the business itself isn't in jeopardy and there's money to pay for repairs.

Considering the size of any construction equipment investment, protecting your iron is simply good business.

## The Most Robust Construction Equipment Warranty: Full Machine Coverage



We've discussed the options and advantages surrounding Protect My Iron® warranty options that cover a machine's powertrain or powertrain plus hydraulics. But your dealership and your customers can cover an entire machine, too. This robust coverage is a smart choice for equipment that's used frequently or under particularly difficult conditions. With full machine coverage, your customers are protecting their equipment investment and also their ability to complete jobs in a timely manner. They'll thank you for offering that coverage, because it helps protect their bottom line.

### WHAT DOES A FULL MACHINE EXTENDED WARRANTY ENTAIL?

It starts with coverage for the powertrain and hydraulics, when repairs are needed due to mechanical breakdown.

#### ***That includes:***

- *Engine* -- all the major assemblies for the block, crankshaft, flywheel, pistons, gears, camdrive, head and cylinder head plus the fuel system, air induction and exhaust systems, lubrication systems and cooling system.
- *Power transmission* - manual shift, power shift, hydrostatic or countershaft transmission plus the flywheel, clutch and clutch brake, torque converter and retarder systems.
- *Drive systems* - steering clutches and brakes for track vehicles (not differential steer machines), brakes and related hydraulics, differential steering and brakes, drive line for either track or wheeled vehicles, wheels and axles, piston motor and front and rear drive axles.
- *Vibratory components* - valves, pumps and motors and vibratory mechanism.
- Swing gear assembly.

Optionally, the extended warranty can also include payment for service truck time and mileage, up to a specified maximum, if the machine cannot be transported to the shop and needs to be repaired onsite.

But a full coverage construction equipment warranty goes beyond all that, to include a long list of parts needed due to mechanical breakdown.

#### ***Those parts might relate to the:***

- Engine
- Transmission/differential
- Steering and brakes
- Hydraulic components
- Electrical
- Factory air conditioning
- Frames and miscellaneous other components

## THERE ARE THINGS AN EXTENDED WARRANTY DOES NOT COVER.

Protect My Iron® is designed to insure construction equipment in the event of mechanical breakdown only. That means the machine is not covered for anything beyond the control of your customer, your dealership or the OEM. Things like natural disasters, terrorism, war or other extreme events.

However, there are some exclusions that are closer to home, and customers should understand these clearly.

### *For instance, the warranty will not cover mechanical breakdown caused by:*

- Negligence or misuse of the equipment. That could be failure to regularly maintain it according to the manufacturer's recommended schedule or working the machine in conditions or for applications outside its intended purpose. Negligence includes continuing to operate a machine known to be in need of repair.
- External causes such as fire or theft, or damage during demolition and clean-up following a natural disaster.
- Transportation to and from the repair shop.
- A known mechanical defect for which the manufacturer issued a recall that the customer ignored.

Even a full machine extended warranty won't cover miscellaneous shop supplies, freight charges, etc. related to repairs. And it will be void if an accurate determination of service hours cannot be made because the machine's meter has been inaccurate or inoperative for a month or 200 hours prior to a claim, or because it's been altered.

The more your customers depend on their equipment, the more they need extended coverage. As machines age, common sense dictates they're more likely to experience some type of mechanical breakdown. When your dealership offers a Protect My Iron® full machine construction equipment warranty, you're giving your customer the greatest possible peace of mind. If something does go wrong, they can be confident the machine will be repaired and back on the job as quickly as possible.

[Contact A PMI Rep](#)

[Learn More](#)