



AmTrust 2025 Warranty Survey Report

AmTrust conducted a new survey around consumer perceptions and behaviors on purchasing extended warranties and service contracts.



Why Do Consumers Buy Extended Warranty Or Service Contracts?

Our survey results explore consumer perceptions, usage of extended warranties and how these perceptions differ among demographics.

To understand the motivating factors behind purchasing extended coverage, we asked consumers how they thought & felt about:

- Purchasing extended warranties
- What type they have bought in the past
- Why they have not considered buying them
- What kind they would consider buying in the future

The Purchase Sweet Spot

When making a purchase, consumers feel the sweet spot for buying extended warranties is around,

 **\$500**

- 61% believe a purchase of \$500 or higher is large enough to justify the warranty purchase
- 25% believe that a purchase of \$100 or lower is enough to justify the warranty purchase
- Gen Z & Millennials (29%) and parents (29%) think \$100 or lower is a reasonable price point to justify the warranty purchase



Of the respondents surveyed, 3 in 5

61% agree

that extended warranties are a good idea.

New Things Break: Consumers Worry About The Longevity Of New Items

53% had regret

over not having extended warranty coverage in the past.

When an item breaks or requires servicing vs. when it does not:

- 57% of consumers regret not having coverage vs 32% who did not have this experience
- 60% of parents regret not buying a warranty vs. 49% of non-parents
- 63% of younger Americans (Gen Z & Millennial) are more likely to regret vs 45% of older Americans (Gen X+)

A “Fix-It” Culture

Responding consumers prefer to try to fix items themselves rather than throw a broken item away.



73%

have a fix-it mentality



23%

that would rather throw things away & replace.

Across generations, this mentality to try to fix things stays strong with some generations being more likely to attempt a DIY repair before throwing a broken item out.



Baby Boomers

83%



Gen X

76%



Millennials

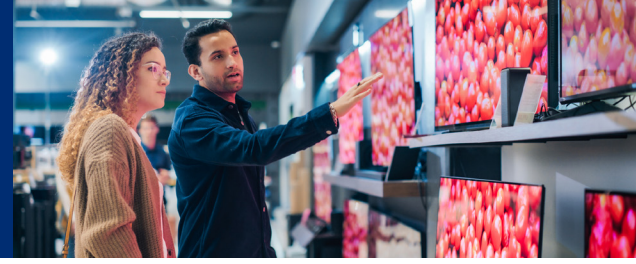
74%



Gen Z

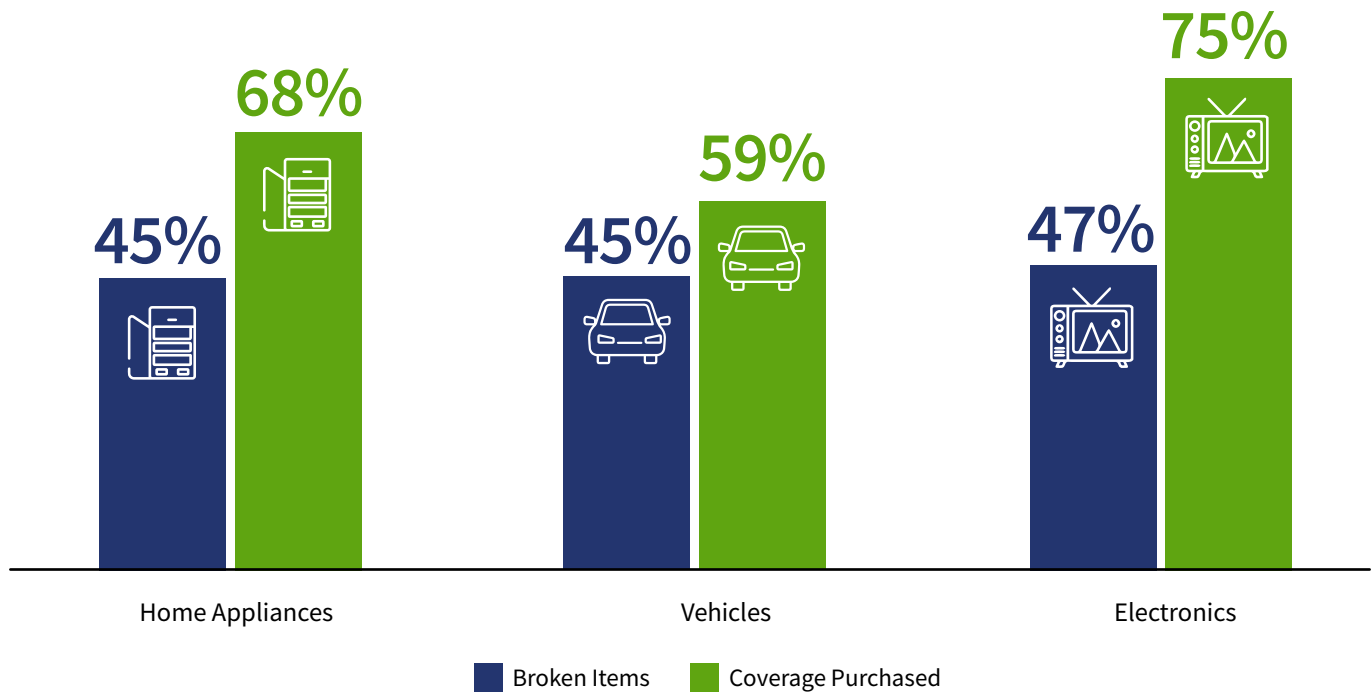
75%

What Do Customers Cover?

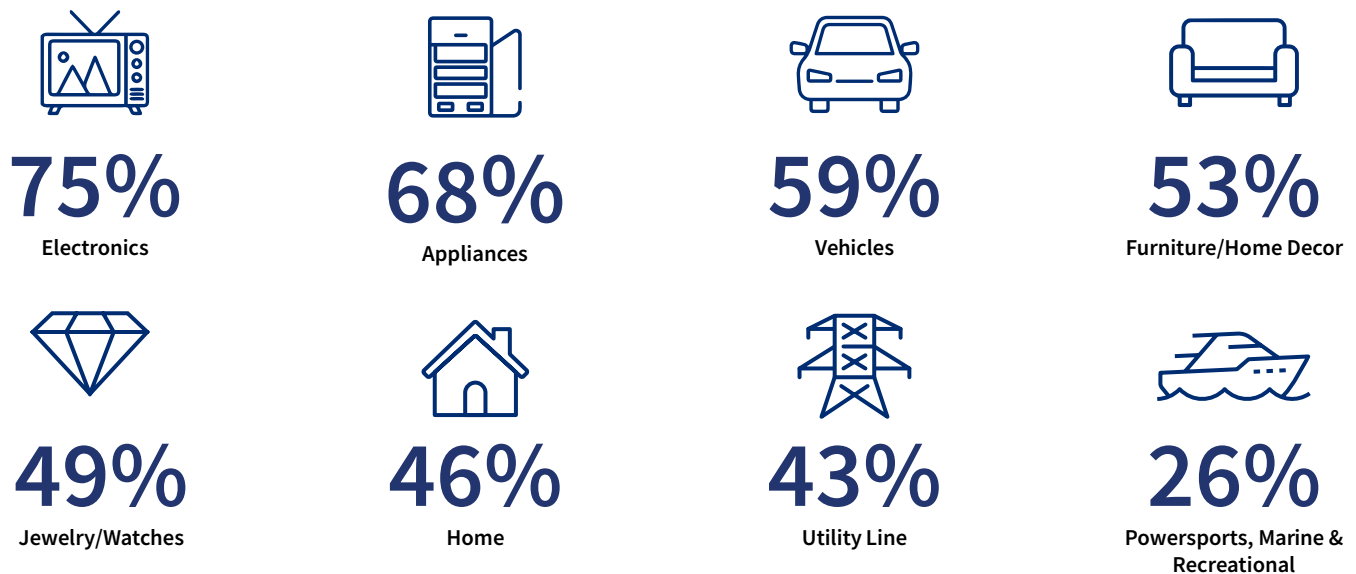


When Things Break, **Extended Warranties** To The Rescue

In the last 5 years, respondents say they've experienced electronics, vehicles and home appliances breaking or needing repair the most. The type of extended coverage purchased in the past lines up with these items most likely to break or need servicing or repair.



The most common types of extended warranty/service contracts purchased in the past



Looking To The Future



Gen Z Values Protection From Accidental Damages

40% of Gen Z

the youngest consumers making big-ticket purchases like vehicles, homes, and electronics, are the generation most likely to purchase an extended warranty/insurance to protect an item from accidentally damaging it themselves.

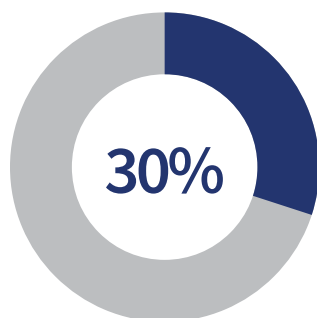
Deals & Peace of Mind

The survey showed that finding a good deal and peace of mind were the most compelling reasons to purchase an extended warranty.

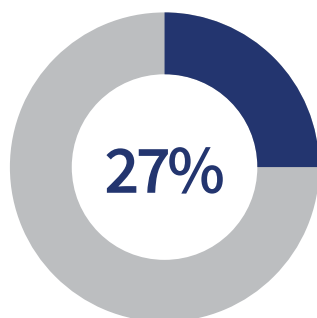
37% say a good deal would inspire them to buy

35% say peace of mind would inspire them to buy

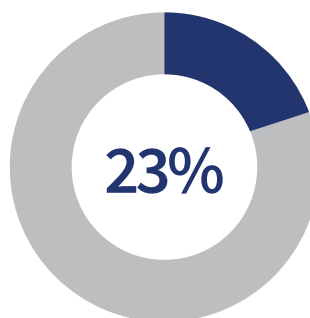
Other common reasons include:



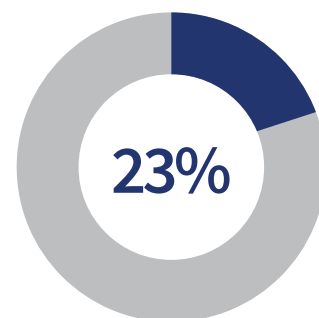
intend to use items
long after the factory
warranties expire



want to protect
themselves from
accidentally
damaging it



feel a special
purchase is worth
protecting



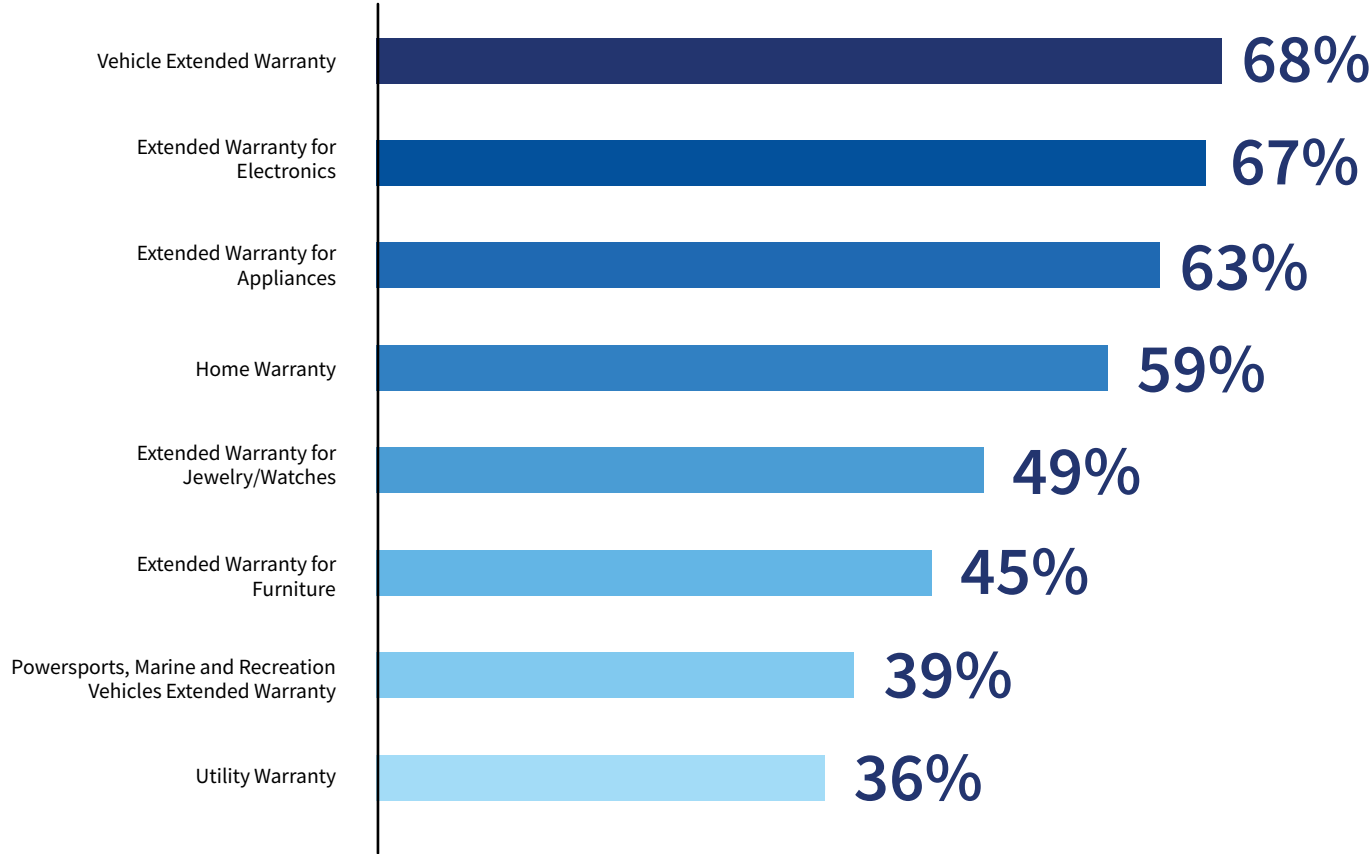
found that an
extended warranty
has previously helped
them save money



The Correlation Between Perceived Value & Purchasing A Warranty

Consumers that responded value their items and would prefer not to get rid of them when a repair is necessary. Findings show what products they will likely purchase extended warranty/insurance in the future.

Future Warranty Purchase Likeness by Type





AmTrust Warranty & Specialty Risk

AmTrust Warranty & Specialty Risk is one of the world's largest underwriters of warranties, service contracts, and specialty insurance within the automotive, home, consumer electronics & goods, travel, renters and event ticket markets.

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 offerings, visit www.amtrustsr.com



**AmTrust Warranty
& Specialty Risk**

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