What does this plan add?

Print one copy per offer. Put the contract beside the failure you are actually worried about.

Product / model / purchase price:

The problem I want help with:

1 What protection do I already have?

Included warranty: dates, covered failures and limits

Card benefit or other coverage, if eligible:

2 What does the extra plan promise?

Price paid now / recurring cost, if any:

Start and end dates / extra useful years after overlap:

Does it cover my concern? What does it exclude?

3 What would I still pay, and how would I claim?

Per-claim fee / shipping / payment limit:

Responsible company / approval steps / cancellation terms:

The coffee-machine example

Authored teaching example. These are not provider prices, product failure rates or a quote.

Machine purchase	$300 in either path
Plan price	$60 upfront
Included warranty	1 year from purchase
Plan end	3 years after purchase
Added breakdown window	Years 2-3 in this example
Customer repair share	$25 per approved repair
Accidental drops	Excluded
Plan payment limit	$300 aggregate in this example

A One approved $200 repair in year 2

Without plan: you pay	**$200**
With plan: repair invoice split	**$25 you + $175 plan**
Your total including plan price	**$60 + $25 = $85**
Difference for this outcome	**$200 - $85 = $115 less**

B No covered claim during the plan

With plan: $60 paid. Without plan: $0 repair/plan cost.

The machine purchase is common to both paths. Shipping is assumed to cost $0 in the repair example; taxes and other incidental costs are omitted consistently. This is one repair, not a forecast or a complete model of repeated claims.

A $60 repair fund leaves a $140 gap against a $200 repair. It is an alternative worth comparing, not an instant substitute for the whole bill.

Sources: FTC, Extended Warranties and Service Contracts; FTC, Warranties. consumer.ftc.gov. Example arithmetic authored by Cash Splained. Research checked November 11, 2026.