

Pay As You Go Warranty Schemes Boost Customer Loyalty

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Allianz Global Assistance UK Reports an Average 15 Month Policy Extension

Manufacturers offering Pay As You Go (PAYG) warranty schemes are benefiting from longer customer relationships. Allianz Global Assistance UK reports that, on average, customers are extending their vehicle's warranty cover – and therefore their relationship with the Dealer - by an average of 15 months when offered a Manufacturer's PAYG warranty when their new car or Approved Used warranty expires.

Liz Grindell, Head of Warranty and Insurance Products for Allianz Global Assistance in the UK explains: "It's widely recognised today that people are keeping their cars for longer and therefore want the financial reassurance which can be provided by a Manufacturer's own warranty scheme. However, flexibility is key. Our Manufacturer Pay As You Go warranty schemes can be bought online or over the phone and paid either by monthly Direct Debit or in a one-off sum, depending on the customer's preference. The monthly product offers true 'pay as you go' cover, allowing Manufacturer customers to buy as many months' worth of cover as they require or prefer. However, as we have seen, customers are actually keeping the cover for well over a year, in turn strengthening their loyalty to the Manufacturer and supporting the Dealer network's aftersales business."

Dealers also see PAYG schemes as a useful means of providing interim cover for customers whose existing policy has ended but who are in the process of changing vehicles. For example, a customer who is awaiting delivery of their new car may want to extend the warranty on their current car for just a month or two. Previously, these customers may have gone without warranty cover for this period but PAYG warranty is a win for the customer peace of mind and a win for Dealer customer retention.

Concludes Liz Grindell: "Allianz Global Assistance's experience is that customers remain keen on protecting their cars. Our extended warranty sales, including Pay As You Go schemes, were up 15% in 2012 over 2011 and we believe that convenience and flexibility are key drivers behind this. The level of cover can be chosen to suit an individual's needs and budget and can be done quickly and easily by phone or on the web."

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International leader in Assistance, Travel Insurance and health, life & home care services, today Allianz Global Assistance counts more than 10,920 employees who speak 40 different languages and work throughout the world with a network of 400,000 service providers and 135 correspondents covering 150 countries. 250

million people, or 4% of the world's total population, benefit from its services, which the Group provides on all five continents.

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