

F&I MANAGER TRAINING & DEVELOPMENT

Factory Coverage in Plain English

A Presentation Guide

How to walk a customer through what their factory warranty actually covers — *and set up the optional products with total transparency.*

Clarity Sells Better Than Pressure

Most customers have never had anyone explain their factory warranty in language they understand. When you do it clearly and honestly — before you mention a single optional product — you earn the trust that makes the rest of the menu presentation easy.

Educate first

Teach what they already own before offering anything new. No pitch — just clarity.

Expose the gaps

Factory coverage has real limits. Naming them plainly lets the customer see the risk for themselves.

Earn the transition

Once they understand the gaps, the optional products become an obvious next step — not a hard sell.

The Four Habits of a Great Coverage Walk-Through

1

Promise plain English — then deliver it

Read the manual's definition, admit it's confusing, then translate it. That honesty builds instant trust.

2

Draw it as you talk

Put it on paper — two boxes for the two coverages, then the three exclusions. A customer who watches you draw it remembers it.

3

Confirm at every step

"Does that make sense?" after each idea keeps the customer nodding and involved — and surfaces questions before the close.

4

Never bash the coverage

You're clarifying what they already own, not knocking it. The gaps speak for themselves and set up the optional products.

The Limited Powertrain

The first of the two factory coverages runs **5 years or 60,000 miles, whichever comes first**. The manual calls it “the internally lubricated components in the engine, transmission, and drive axles.” In plain English:



It only covers what's inside the engine and the transmission that the oil actually touches.

What it covers

- ✓ Pistons
- ✓ Valves
- ✓ Gears
- ✓ Drive axles
- ✓ Internal engine parts
- ✓ Internal transmission parts

What it does *not*

- ✗ Alternators
- ✗ Starters
- ✗ Buttons & switches
- ✗ Display screens
- ✗ Anything the oil doesn't touch

Put it in scale

The powertrain is only a few hundred of the vehicle's components — roughly **6 to 8 percent of the whole car**. Said out loud, that number reframes how narrow this coverage really is. (Exact counts vary by make and model.)

The “Bumper-to-Bumper”

The second factory coverage runs **3 years or 36,000 miles, whichever comes first**. It has two names: most people call it the **bumper-to-bumper** — the only problem is it doesn't actually cover the bumpers. Legally, it's the **limited factory warranty**. This is where the main electronics live.

What the 3YR/36K covers

Power windows

Power locks

Power steering

Alternator & starter

Display screens (LCD)

Control modules

Main electronics

The Three Exclusions

1

Maintenance & wear and tear

Routine upkeep is never covered — oil changes, tires, brake pads, windshield wipers, and the usual consumables.

2

Manufacturer defect only

Coverage applies to factory defects, not to damage the customer causes. Spill a coffee into the center-console electronics and that's on the customer, not the warranty.

3

No ancillary or incidental damage

Ancillary: they fix what broke, not necessarily what it damaged on the way out — fix the seized caliper, but not the worn pad. **Incidental:** freak, 'act-of-God' events — a kicked-up rock that shatters an ABS sensor isn't covered.

The Coverage Walk-Through Script

The full presentation, stated precisely. Deliver it like counsel walking a client through a contract: define each term, state the limits, cite the example, move on. Every line earns its place — no filler.

FRAME	"Your factory coverage has two parts. I'll define each precisely, then the exclusions."
POWERTRAIN TERM — 5YR/60K	"First: the limited powertrain. 5 years or 60,000 miles, whichever comes first."
POWERTRAIN SCOPE	"Definition: the internally lubricated components of the engine, transmission, and drive axles. In practice: only what the oil touches — pistons, valves, gears, axles. Not alternators, starters, switches, or screens."
POWERTRAIN SCALE	"That is roughly a few hundred parts — 6 to 8 percent of the vehicle."
B2B TERM — 3YR/36K	"Second: the limited factory warranty — commonly called bumper-to-bumper, though it excludes the bumpers. 3 years or 36,000 miles, whichever comes first."
B2B SCOPE	"This covers the main electronics: power windows and locks, power steering, alternator, starter, display screens, and control modules."
EXCLUSION 1 — WEAR	"Three exclusions apply. One: no maintenance or wear items — oil, tires, brake pads, wipers."
EXCLUSION 2 — DEFECT ONLY	"Two: manufacturer defect only. Customer-caused damage — a coffee spill into the console electronics — is not covered."
EXCLUSION 3 — ANCILLARY	"Three: no ancillary or incidental damage. Ancillary: they repair the failed part, not what it damaged — a seized caliper is covered; the worn pad is not."
EXCLUSION 3 — INCIDENTAL	"Incidental: external events. A road rock that shatters an ABS sensor is not covered."
BRIDGE	"That is the full factory coverage. Next, the optional products that close these gaps."

Coaching Notes & Reminders

Delivery, not just content. The precision is the point — these habits keep the presentation credible, controlled, and brief.

Structure it visually

Two boxes — 5YR/60K powertrain, 3YR/36K bumper-to-bumper — with the three exclusions beneath. A diagram reads faster than a paragraph.

Lead with the number

Terms first, then scope: “5 years or 60,000 miles — the powertrain.” Concrete figures signal command of the material and hold attention.

One example per point

Coffee spill, seized caliper, road rock. A single concrete case proves each exclusion; a second one dilutes it.

Close, don't trail off

“That is the full factory coverage. Next, the optional products that close these gaps.” State it and transition — no hedging, no filler.

The mindset that sells the right way

Precision is persuasion. State exactly what the coverage is and exactly where it ends. When the gaps are defined this clearly, the optional coverage is the logical conclusion — not a pitch.

— Lloyd