

# Consumers Worried About Warranties and Auto Insurance Over GM, Chrysler Bankruptcies



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Dateline, Gold River CA - With the recently filed bankruptcies of both GM and Chrysler approved, consumers are flooding social media sites, blogs and advice columns with questions about car warranties and auto insurance. According to research conducted by FreeInsuranceAdvice.com, these questions primarily fall into three categories:

- Will car warranties be honored by the manufacturers and dealers?
- Does the bankruptcy filing impact existing auto insurance policies?
- How will outstanding car loans be affected?



**Car warranties will be honored**

A majority of the postings were related to whether GM and Chrysler car warranties would be honored. According to an interview in USA Today with Steve Harris, General Motors' vice president of global communications, the answer is yes. In addition to the company's

backing, the government's Warranty Commitment Plan was announced in March to reassure buyers of General Motors and Chrysler vehicles that warranty claims would be honored during the companies' restructurings.

### **Auto insurance policies need to be monitored**

Most people have insurance directly through major insurance companies and those policies are not affected by the bankruptcies. The financial services groups of both GM (GMAC Financial Services) and Chrysler (Chrysler Financial) are separate companies with strong financial records, despite their parent companies' problems. It is expected that they will be affected negatively only to a small degree and for a short period of time as the companies emerge from bankruptcy. However, consumers who do have their insurance carried by these financial service groups should check with their insurance agents to ensure that coverage is adequate and continuous along with getting the best [car insurance advice](#) possible.

"Consumers are rightfully nervous but the sky is not falling," says Michael Crosson, Publisher of FreeInsuranceAdvice.com. "These two major car manufacturers should emerge stronger, leaner and certainly more focused on creating better products. This may even include better and longer warranties and better insurance offerings. At FreeInsuranceAdvice.com, our goal is to provide the most up-to-date information as the market changes."

### **Car loans unchanged**

Other consumers were concerned about being credited for payments made to the financial services groups of the bankrupt companies. Consumers who have loans should continue to make their payments, according to federal authorities supervising the bankruptcies. However, for these finance companies the future is far from rosy. "Clearly, auto finance delinquencies are increasing," says Bradley Rubin, automotive sector specialist with BNP Paribas in an interview in TheStreet.com. "We think there will be a significant increase in auto finance delinquencies this year."

**Contact Details:** FreeInsuranceAdvice.com is a consumer information service center that provides a wide range of articles and helpful resources on auto, home, health and life [insurance advice](#). The website was launched in March of 2009 and is one of the largest repositories of [teen car insurance](#) information available online. The company is headquartered in Gold River, CA.