

Tuesday, December 20, 2011

DEALER ALERT

SAAB SUSPENDS WARRANTY COVERAGE

Saab has announced that it has suspended warranty coverage on all vehicles sold in North America.

At this point we are unaware of any alternative arrangements to handle Saab warranty issues. Members selling used Saabs that would normally be covered by a Saab warranty are advised to disclose that the manufacturer's warranty is not in effect.

General Motors may cover warranty claims on vehicles originally sold prior to February, 2010, when GM owned Saab.

A pdf of a story from Automotive News is attached to this Dealer Alert.

The UCDA will provide updates as more information becomes available.

Automotive News

Saab suspends warranty coverage on North American vehicles

GM to honor warranties on some models

Rick Kranz

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DETROIT -- Saab has suspended warranty coverage on all of its vehicles in North America.

Additionally, new vehicles must be sold "as is," the bankrupt Swedish automaker told its dealers.

However, General Motors, Saab's former owner, said today it would honor warranties on all models sold when it owned the Swedish automaker.

The suspension took place on Monday, the same day a Swedish court approved the automaker's bankruptcy petition to liquidate and begin paying creditors. Two receivers were appointed to oversee Saab's assets.

Effective Dec. 19, "warranty coverage is suspended indefinitely for all new Saab vehicles sold. During this period, the warranty booklet must be removed from the owner information packet," Saab Cars North America said in a statement provided to *Automotive News*.

"For any vehicle sold or leased during this period, the customer should be affirmatively advised that the vehicle does not carry any warranty coverage and is sold 'as is.' "

Saab Cars North America also said it has suspended the processing and payment of all claims, including but not limited to:

- New-car warranties
- Powertrain warranties
- Emission warranties
- Parts warranty
- Safety belts, airbags
- Towing
- Recalls and campaigns
- Certified pre-owned coverage
- Goodwill
- No charge maintenance

"Saab owners should be advised to keep receipts of all related warranty work done or services performed until further notice," Saab Cars North America said.

All new 2011 Saab models were last covered by a 4-year, 50,000-mile warranty that included roadside assistance, and no charge scheduled maintenance for three years or 36,000 miles.

GM, which took control of Saab in 1989, handled Saab sales and covered Saab warranties through Feb 2010.

Since then, Saab has been owned by Dutch-based Swedish Automobile AB, formerly Spyker Cars, which bought Saab from GM.

"In the event Saab cannot or will not fulfill its obligations to administer the warranty programs with its U.S. and Canadian dealers through Saab Cars North America or otherwise, GM will take necessary steps to ensure that remaining warranty obligations on Saab vehicles marketed by GM in the United States and Canada will be honored," GM spokesman Jim Cain said in a statement.

All of the Saab models marketed by GM were 2009 models or older, save for a handful of 2010 models sold in Canada, Cain said.

Bernie Moreno, dealer principal of Saab of North Olmstead, Ohio, said dealers are waiting to learn if Saab will reimburse them in the future.

"All of that is being resolved in the next few days," Moreno said. "As a dealer, today I am planning for the worst." Going forward, he said, "We will assume that we won't be receiving reimbursement."

Saab spokeswoman Michele Tinson said Saab has less than 3,000 light vehicles in U.S. inventory. Automotive News put the Saab U.S. inventory figure at 2,400 on Dec. 1.

The automaker's U.S. sales have climbed 22 percent this year to 5,340 units through November, compared with a year ago, in an overall market that has advanced 10 percent. U.S. sales peaked in 1986 at 48,181 units.



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