

PRO-RATA WARRANTY EXPLANATIONS AND EXAMPLES

This fact sheet is to be read in conjunction with our **Rainwater and Liquid Storage Tank Warranty**.

After the first year of the additional warranty period, the remaining term will be on a pro-rata cost basis where the liability of Rapid Plas will be reduced according to the age of the tank.

This is calculated by the following formula:

$$\text{Rapid Plas additional warranty obligation (maximum cost in dollars)} = \frac{PP \times RT}{WP}$$

Where PP = the original purchase price of the tank

RT = the remaining term in years

WP = the additional warranty period applicable to the tank

EXAMPLES

1. An approved warranty claim made when a tank had 8 years left of a 10 year warranty. Original purchase price was \$2500. The tank was repairable on site at a cost of \$250. Rapid Plas bears the entire cost of the warranty repair as our maximum obligation $\frac{\$2500 \times 8}{10}$ is greater than the cost of the repair.
2. If this same repair is required to a tank with the same purchase price but only has 1 year of warranty left, we still bear the entire repair cost as the formula is $\frac{\$2500 \times 1}{10} = \250 which does not exceed the repair cost.
3. However, if the above 2 examples are repeated with a repair cost of \$350, then we would still bear the whole cost in example 1, but you would need to pay us \$100 in example 2.
4. An approved warranty claim made when a tank had 8 years left of a 10 year warranty. Original purchase price was \$2500. The tank needed to be replaced at a cost of \$2500. As our maximum obligation is $\frac{\$2500 \times 8}{10} = \2000 , you would need to pay us \$500 to have your tank replaced with a new tank which then comes with a new warranty period again.

NEED MORE HELP?

Contact our friendly Sales Team,
FREECALL 1800 816 299 or email
sales@rapidplas.com.au

Updated 20/07/2012