

## Consumer Reports hits extended car warranties

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Are extended warranties for cars worth it?

Consumer Reports magazine is contending in a new ad campaign that in most cases they're not.

The Yonkers-based magazine published by Consumers Union, which is running the ads to promote its April new-car issue, says a survey of 8,000 of its readers found that 65 percent who bought warranties that go beyond the manufacturers' basic coverage spent more than they got back in repair savings — an average of \$300 more.

For the most part, only those who purchased cars the magazine had found to be relatively unreliable — it cited Pontiacs and Jeeps — came out ahead or broke even, the magazine says in its April issue, while purchas-

ers of more reliable cars — it cited Lexuses and Toyotas — lost big if they bought extended warranties.

"For some people, it actually does pay off," said auto editor Rik Paul. But, he says, it makes no sense in the first place to buy a vehicle with a subpar reputation.

Ads saying "You don't need an extended warranty, despite what the car dealer says" started running this week in newspapers and car-buying Web sites such as autobytel.com and Edmunds.com.

The magazine says only one in four of its readers surveyed opt for the added coverage.

A Florida-based trade group representing companies that sell warranties, the Service Contract Industry Council, contends that the magazine's conclusions are incorrect. In a March 14 letter reacting to the

article in the magazine's April issue, executive director Timothy Meenan contends the extra warranties are more valuable than ever in protecting a technically complex investment like a modern car, especially since consumers are tending to finance them for longer terms.

"Offering two-prong protection," the letter says, "extended service contracts can fill in gaps in the manufacturer's warranty and take over when it expires."

Longtime Chevrolet and Cadillac dealer Paul Conte, whose showrooms are in Freeport, says he advises friends to consider extended warranties. "Some people don't get a lot of use out of it," he said, "but most people get most of their money out of it. It's like life insurance; if you don't need it, great, but if you do, it's good to have."

