



Extended Warranty Coverage Not Impacted by Dealership Closings According to the Service Contract Industry Council

(Tallahassee, FL) May 20, 2009 – Vehicle owners nationwide who have purchased extended warranties from a dealer or third-party provider are questioning if their extended protection plans are still viable and wondering how they should file repair claims following the recent announcements by Chrysler and GM automakers that nearly 2,000 dealerships are being closed.

According to the Service Contract Industry Council (SCIC), <http://www.go-scic.com>, a trade group representing companies nationwide that sell and/or administer vehicle service contracts (sometimes called extended warranties), auto service contracts or extended warranties will still be viable after a dealer closes.

“Extended warranties sold by a dealer are guaranteed either by the manufacturer or a third-party provider or insurer, and the warranty repair work can be performed at another dealership or at other authorized repair centers,” said Timothy J. Meenan, SCIC executive director. “Many contracts obligate third parties that are not the manufacturer or dealer and are backed by providers and insurers regulated by state Departments of Insurance.

“The substantial majority of service contract sales take place face-to-face in a dealership. We strongly encourage consumers to read the terms and conditions of a service contract, ask questions to the dealership representative, and call the toll-free number of the service contract issuer found on the service contract or contact the Department of Insurance with any concerns or questions,” said Meenan.

Chrysler, which is reorganizing under Chapter 11 bankruptcy proceedings, has the bankruptcy court’s permission to continue paying extended warranty claims. Consumers with extended warranties from dealerships that have gone out of business or have closed should first attempt to contact the party obligated under the contract or the service-plan administrator whose names appear on the contract paperwork. Otherwise, they should contact the automaker directly.

The SCIC works with state legislatures and regulators to implement consumer protection laws that ensure the viability of service contracts should a retailer or dealer go bankrupt, and is an advocate for the regulation of the service contract industry.

About SCIC

The Service Contract Industry Council, www.go-scic.com, is a national trade association whose member companies collectively offer approximately 80 percent of the service contracts sold in the U.S. for home, auto, and consumer goods. The SCIC educates consumers about service contracts, encourages its members to pursue high standards of customer satisfaction, and has developed and promoted model legislation to regulate the industry with standards designed to protect the consumer and the industry.

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