



Popularity of Extended Warranties a Testament to their Value, Benefits

250 Million Sold Annually; 11 Million Alone for Laptops and PCs

Tallahassee, FL – November 19, 2010 – Millions of consumers continue to purchase and fuel demand for extended warranty protection on their electronics, homes and motor vehicles. In a ringing endorsement for extended warranties (or service contracts), approximately 250 million are sold annually in the U.S., including 11 million alone for laptops and PCs.

Shrinking manufacturers' warranties and the continuous redesigning of products to create increased portability, multi-functionality and/or energy efficiency are just a few of the factors driving demand for extended warranty protection, according to the [Service Contract Industry Council \(SCIC\)](#), a trade association working to establish industry standards and regulations along with consumer protections.

"Engineering and design innovations are great for consumers but intricate products and untested technology can and often do malfunction," said Timothy Meenan, SCIC executive director and general counsel. "Many purchases, such as computers, entertainment systems and appliances, are expensive and consumers view them as investments to protect for many years. At 10-20 percent of a product's cost, consumers find an extended warranty more than pays for itself as the cost of the warranty is often times significantly less than the cost of a single typical repair."

PC World magazine noted in its most recent holiday buying tips for laptops that readers surveyed were "very satisfied" with their laptop extended warranties. The magazine urges consumers to consider an extended warranty for a gift recipient "if you think they have a high probability of destroying their laptop within a couple of years," as well as optional theft and loss protection for college students.

Repair Data: The list below shows common consumer products with anticipated purchase price, average extended warranty price (10-20 percent), typical repairs and repair costs:

LCD TV (37" or larger): \$1,500.00

Service Contract: \$150-300

Component

Panel

Typical Repair Cost

\$1,200

Control Box	\$560
Inverter & Main Board	\$340 each
Power Supply	\$265

Laptop: \$650

Service Contract: \$65-130

<u>Component</u>	<u>Typical Repair Cost</u>
Mother Board	\$450
LCD Screen	\$350
Hard Drive	\$200
Optical Drive	\$180

Digital SLR Camera: \$450.00

Service Contract: \$45-90

<u>Component</u>	<u>Typical Repair Cost</u>
Printed Circuit Board	\$300
Lens Assembly	\$285
LC Chip (CCD device)	\$250

Source for all above data: [N.E.W. Customer Service Companies, Inc. \(NEW\)](#)

Refrigerator: \$1,200.00

Average Extended Warranty Price Range: \$175

<u>Component</u>	<u>Typical Repair Cost</u>
Compressor	\$500
Condenser	\$450
Evaporator	\$400
Defrost Heater	\$225

Source: [Assurant Solutions](#)

Service contract benefits can include 24-hour toll-free technical support; access to pre-qualified repair and service professionals; in-home repair service; free or discounted product repair and replacement; power outage and surge damage protection; routine maintenance, such as cleanings and tune-ups; major component coverage; comprehensive coverage; free shipping; optional accident and loss coverage, etc. In addition, service contracts come with a 30-day free-look period.

Visit www.go-scic.com for consumer tips on purchasing and using service contracts.

About the SCIC

The Service Contract Industry Council (www.go-scic.com) is a national trade association established in 1989 to educate consumers about service contracts (extended warranties) and develop and pass legislation at the state legislature level across the country to protect consumers and enhance the integrity of the industry. SCIC members consist of the

largest and most reputable service contract providers in the industry and sell approx. 80 percent of the service contracts sold in the U.S. for home, auto and consumer goods.

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Editor's Note: Mr. Meenan available for interview

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