

Extended Car Warranty: When to Say Yes and When to Say No

We've all been there. You're in the car dealership and you have just finished negotiating the purchase of a new car. (New or used it's new for you.) You're excited and can't wait to drive it off the lot, but first you have to get past the high pressure sales pitch to buy an extended warranty. Your salesman just spent the last hour or so telling you what a great car you are buying and extolling the virtues of its reliability and now some other person is sowing fear about all the ways your new car can break down. Should you buy the extended warranty? The answer is: It depends.

Nerdwallet.com says that "many people who buy an extended warranty either don't need it or will never use it." A *Consumer Reports* survey found (not

surprisingly) that "car owners typically paid more for the coverage than they got back in direct benefits."

If your plan is to be driving a new car in less time than the length of the warranty, then absolutely you should take a hard pass on the extended warranty. A three-year, 36,000 mile bumper-to-bumper warranty is pretty standard these days on almost all new cars. Furthermore, many new cars have powertrain warranties that are good for five years or 60,000 miles or even longer. (The power train includes the critical components that produce the power for a car and deliver it to the wheels. These parts include the engine, transmission, differential, axle shafts, and, depending on whether a car is front-wheel, rear-wheel, or all-wheel drive, the transaxle, driveshaft, and transfer case.) Because warranties are transferable many used cars are still covered by the remainder of that original warranty.

Bear in mind that warranty details and the car parts covered can vary a great deal from plan to plan. They don't typically cover wear-and-tear or routine maintenance items such as tires, oil changes, brake pads, tires, and air cleaner filters.

If your plan is to drive your car until "the wheels fall off" then you may want to consider an extended warranty. *U.S. News and World Report* advises that "you'll want to look at the predicted reliability of the vehicles you are



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considering. If you see low scores, that's a hint that an extended warranty might be a good idea. Cars with high marks are less likely to need costly repairs. Predicted reliability is reflected in...new car rankings and reviews [found online]. They're a great place to start when you are doing your research."

Another warranty consideration has nothing at all to do with the vehicle, but everything to do with you. Are you the type to start worrying about what might break on your car the day after the manufacturer's or dealer's warranty has expired? Many car buyers opt for the extended warranty as an investment in peace of mind. They look at it as another form of insurance. Financial expert and radio host Dave Ramsey believes that if you have consumer debt you should have a starter emergency fund of at least \$1,000 and then once you're out of debt you should beef up that amount to save three to six months of expenses in a fully funded emergency fund. If you have the discipline to set aside money in an

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IN THIS Issue

- 1 Extended Car Warranty: When to Say Yes and When to Say No
- 2 No Rebates for Medicare Part B
- 2 Comfort Food: After School Carrot Cookies
- 3 Free Online Hub Helps Veterans Fight Fraud
- 3 Game Zone: Sudoku

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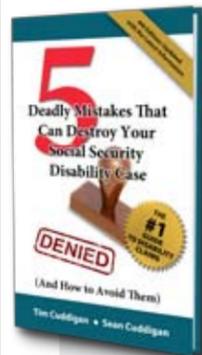
Extended Warranty...cont.

emergency fund, you may not need an extended warranty. With an emergency fund, in essence, you will be self-insuring against your car breaking down.

If you are going to buy an extended warranty, when is the best time to buy? While you are in the dealership you will be pressured to buy the extended warranty then and there to “get the best deal”. However, truth be told, you can buy an extended warranty at almost any time provided that you have not racked up exceptionally high mileage on your car.

Nerdwallet.com points out that “many people buy an extended warranty when they buy a new car and that warranty doesn’t even go into effect for three years!...Consider waiving the extended warranty at the time of purchase. Then, as your car approaches its third birthday, look into the extended warranty. You’ll know two things by then that you didn’t when you bought the car new: how much you like it and how troublesome it’s been. Plus, you can shop around for the best price from the comfort of your home.”

At the end of the day, the best advice about buying an extended car warranty (if you choose to do that) is the same as it is for any other major purchase—do your homework in advance (*Autotrader.com* says “sitting in a dealership’s business office as you sign off on your new car purchase is not the time to be wondering, ‘Do I need an extended warranty?’”), know what is covered, and know what the deductibles are.



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“5 Deadly Mistakes That Can Destroy Your Social Security Disability Case” is the #1 guide to improving the odds of winning a disability case.

For a FREE copy for you or someone you care about call Cuddigan Law at 402.933.5318 or email us at lawteam@cuddiganlaw.com

No Rebates for Medicare Part B

If you are a Medicare recipient, you will not be receiving a Part B premium rebate, after all. Earlier this year Medicare advocates called for rebates after Medicare realized substantial savings on a controversial new Alzheimer’s drug called Aduhelm.

When government officials were calculating 2022 Medicare costs they expected to have massive costs for the drug, but most of those costs never materialized because the drug’s manufacturer cut the initial price for Aduhelm nearly in half and the Centers for Medicare and Medicaid Services (CMS) limited approvals for the drug to a small set of users in clinical trials.

The basic Part B premium hike in 2022 was \$21.60 per month, the largest in Medicare history. After finding out the program would not spend as much as anticipated, U.S. Health and Human Services Director Xavier Becerra directed CMS to reconsider the premium increase. CMS has decided not to give a rebate to Part B plan members, but instead to roll the savings into 2023 which may result in lower Part B rates next year.



Comfort Food From the kitchen of Janet Cuddigan

After School Carrot Cookies

It’s back to school time again. Here’s a healthy (and easy to make) after school treat your kids will love.

- ½ cup butter
- 1 cup packed brown sugar
- 1 cup finely shredded carrots
- 1 egg
- 1 ½ cups all-purpose flour
- ½ cup whole wheat flour
- 1 teaspoon ground cinnamon
- 1 teaspoon baking powder
- ½ teaspoon ground nutmeg
- ½ teaspoon salt

Preheat oven to 400 degrees F. Combine butter and brown sugar in a large bowl; mix together with an electric mixer until light and fluffy. Beat in carrots and egg. Combine all-purpose flour, whole wheat flour, cinnamon, baking powder, nutmeg and salt in a bowl. Stir into carrot mixture, a little at a time, blending dough well after each addition. Drop spoonfuls of dough 2 inches apart onto a baking sheet; flatten with a moistened fork. Bake in the preheated oven until cookies are golden and crisp, about 15 minutes.

Adapted from allrecipes.com

Free Online Hub Helps Veterans Fight Fraud

It is shameful, but an AARP survey from last year “found that one in three active-duty military members and veterans have lost money to at least one fake service-related offer.” That is why AARP recently launched the Veterans Fraud Center, an online education and resource hub to help protect service members, veterans and their families.



The free site, <https://campaigns.aarp.org/vets-fraud-center/>, offers free information on the latest scams targeting the military community, tips for spotting other types of consumer fraud, and specially tailored resources to help protect veterans and military families.

According to the VA and AARP the resources include:

- The new AARP “Watchdog Alert Handbook: Veterans Edition,” highlighting tips for detecting the most common ways con artists target Veterans and military families.
- The AARP Fraud Watch Network and Scam-Tracking Map.
- Operation Protect Veterans, a joint program of the AARP Fraud Watch Network and the U.S. Postal Inspection Service.
- AARP’s The Perfect Scam podcast, which profiles America’s biggest scams each week, including those targeting Veterans, and AARP’s free Fraud Watch Helpline, at 877-908-3360.

The VA reports that in 2021 “the number of fraud attacks against the military community jumped 69 percent compared to the previous year... Of those 110,827 reports of fraud, 26 percent, resulted in financial losses, which totaled \$267 million. Individual victims within the military community reported losing more money than their civilian counterparts, with a median loss of \$600, compared to \$500 for civilians.”



Sudoku (Easy)

9	6		1	2		3	
8				7	6	4	
			3		8	6	7
	2			5	1		9
	1	3	9				4
7			8				
3	7	5					
	4		6	1		8	
6							4

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