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**As Auto Prices Increase, Auto Service Contracts, GAP Waivers and Vehicle Protection Products Become Even More Important**

**TALLAHASSEE, Fla. —** New vehicle prices have steadily been on the rise with the fourth quarter of 2020 closing with the average cost of a new vehicle reaching a record high of more than $40,000. Additionally, the amount consumers borrowed to finance new cars neared a record high, according to Edmunds. With new vehicle costs surging and more money being borrowed by consumers, auto service contracts, GAP waivers and vehicle protection products are now more important than ever.

The [Service Contract Industry Council](https://go-scic.com/) (SCIC), [Motor Vehicle Protection Products Association](https://mvppa.org/) (MVPPA), and [Guaranteed Asset Protection Alliance](https://gapalliance.org/) (GAPA) remind consumers that there are numerous ways to protect auto investments, including auto service contracts, GAP waivers, and coverage for vehicle tires, paint damage, key fobs, appearance care, and windshield repair.

“With new vehicle prices and the amount consumers are borrowing to finance the vehicles reaching record highs, consumers need the peace of mind a GAP waiver provides of knowing that if they suffer a total loss due to theft or accidental damage, it’s not going to devastate them financially,” said Tim Meenan, Executive Director of MVPPA, SCIC, and GAPA. “Also, as vehicle options and technology become more complex, repairs become more costly. That’s why auto service contracts and vehicle protection products can help save consumers so much down the road.”

GAP waivers are essential for consumers who finance their vehicles as standard auto insurance policies typically only cover the actual value of a vehicle when it is damaged or stolen, which is often not the full amount of the loan. Auto service contracts and extended service plans protect consumers from unexpected and costly repairs.

***ABOUT SCIC:*** *The Service Contract Industry Council is a national trade association that works with lawmakers across the country to develop fair and uniform regulation of the service contract industry.*

***ABOUT MVPPA:*** *The Motor Vehicle Protection Products Association (MVPPA) works to authorize the sale of stand-alone vehicle protection products and pass legislation throughout the U.S.*

***ABOUT GAPA:*** *Formed in 2006, the Guaranteed Asset Protection Alliance (GAPA) works to preserve the viability of the GAP industry and promote fair and equitable regulation of its members and their products while providing the highest level of service to the consumer.*

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