

POWERFUL SOLUTIONS

For maximum F&I profitability

No thanks...I'll self-insure!"

Ever hear this rebuttal to your VSC presentation? Of course you have. Now it's time to provide our Guests with a little perspective.

I cannot recall a single deal in which a Guest was purchasing a vehicle (of any tangible value, at least) where they weren't planning to carry full-coverage insurance. Of course the Lenders all require this, when financing is involved. However, the same was true for my cash purchasers. Clearly they weren't willing to accept the risk to self-insure the "outside" of the vehicle. Reasonably, therefore, we may conclude the roughly 5000 plus covered components on the "inside" of the typical vehicle is probably far more risk than they want to take-on, as well! It is here that we have the responsibility to lend aspect to help save our Guests from making a bad decision.

Consider the following...

As soon as you hear the objection, flip your menu over. Draw a line straight down the middle of the page along its long axis. Write the word *INSURANCE* along the top of the left-hand side.

"Now folks, you, like me, probably have a good driving record. Even so, you still probably pay about \$1000/year, or more, for your full-coverage", stated while writing

\$1000. "You have a \$500 deductible", stated while writing \$500. "Part of the reason you have a good driving record is because you probably haven't turned in many, if any, claims. You certainly wouldn't turn in any for \$500, because that's your deductible", stated while writing \$500, then crossing it out. You probably wouldn't even on something for \$1000, because you don't want you rates to go up", stated while writing \$1000, next to the \$500, then crossing it out as well. "In fact, it would possibly have to exceed \$1500 to make a claim", stated while writing \$1500 and circling it. "We know that if we make too many claims, the insurance company may raise our rates, or cancel us, altogether", stated while drawing an arrow pointing upward with an X next to it. "Naturally, this means we'll pay \$6000, over the course of 6 years", writing \$6000. "That is, provided our rates don't go up." "And that's to cover the OUTSIDE of the vehicle", lastly writing OUTSIDE and underlining the word.

Bridging the vertical line down the center of the page, you'll write 2:10 (toward the bottom) while stating "And you may have passed 2 body shops and 10 repair shops on the way here, today, which would seem to indicate vehicles break-down far more often than they're crashed. In fact, not all dealerships even have a body shop but they all definitely have a repair shop!" Moving to the right-side of the page, we'll write VSC at the top. Addressing items, one at a time, bottom to top, we'll continue. "We have the OPPORTUNITY to take advantage of practically eliminating our exposure to repair expenses on nearly everything on the INSIDE, which is over 5000 items on the typical vehicle", stated while writing INSIDE with an arrow pointing to 5000. "The investment for your piece-of-mind is half as much, at \$3000, over the course of the same 6 years", stated while writing HALF/3000. "They will not raise our rates", stated while drawing an arrow pointing upward with a circle around it and a line through it.



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"We can make claims on covered repairs for \$500, \$1000, \$1500, and beyond", stated while writing \$500, \$1000, \$1500 and circling all three. "Our deductible is ZERO, if the repair is done here, and only \$100 if done at another qualified facility", stated while writing 0/\$100. "Which, again, equates to half as much, on a yearly basis, at \$500 for all of this", stated while writing \$500 and circling the entire right hand column, then underlining the 2:10.

"Certainly this makes better sense, for your money!"

Your worksheet will look something like this...

INSURANCE	VSC
\$1000	\$500
\$500	0 / \$100
\$500 \$1000 \$1500	\$500 \$1000 \$1500
↑ X	↑
\$6000	HALF / \$3000
OUTSIDE	INSIDE → \$500
	2:10

*of course, the above is predicated on a 6 year full-mechanical, exclusionary VSC with a \$100 disappearing deductible, priced at \$3000, the Guest doesn't exceed the mileage allowance, and the total lifetime claims don't enact the stop-loss clause. If that happens, they'll love you more than their dog because you still saved them a *whole bunch* of money! Exclusions apply.

Give it a try.

Good luck and good selling!