

# POWERFUL SOLUTIONS

For maximum F&I profitability

## Insurance Premiums

Linking our sales efforts, in the Business Office, with current events is *always* beneficial. Why? Because it lends tremendous credibility to our argument. Imagine the powerful nature of our contention when we relate it to something our Guest just so happens to be currently experiencing, something *undisclosed* to us. The recent MASSIVE rise in automobile insurance premiums is just such a current event.

In fact, these effects have even hit home for your favorite F&I Performance Coach. In the last two years, my 2019 truck has experienced an incredible 46.9% increase in premium and my 2022 Jeep a shocking 65.3% increase! This is weird, though, considering my motorcycles, side-by-side, and fifth-wheel camper not only haven't increased... but in some cases have decreased slightly! Certainly, these vehicles have seen a dramatic increase in *their* labor rates and costs of parts, like that of my truck and Jeep...

"Uh oh," I thought. Maybe this is the result of the telemetric data gathering capabilities of these two vehicles. Even though I "opted out" of the Manufacturer sharing data with unaffiliated organizations, perhaps some *mis*-information leaked out and was being considered in the calculation of my rates. We have already reviewed this possibility in...  
"we'll just trade it in".

I called my Agent. "What is going on with these rates? I'm reading online that *many* folks are experiencing rate increases, sometimes as much as 20-25%. That, however, isn't what is happening here. We're talking about 2-3 *times* that amount of increase!"

He responded, "It's all because of the costs to repair these vehicles and their replacement values... plus, with all the tech onboard, they're being "totaled" with far more regularity." We could ALL see this train coming down the tracks. In fact, this subject matter and the related possibilities were reviewed in...

"The Rent Is Too Damn High"

and

"The Surprising Downside to Keeping ALL of Those Creature Comforts AND Safety Features More Affordable".



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Partnership + Performance = Profit

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## Insurance Premiums (*Continued*)

I continued with, “So, according to what you’re looking at, within your system, your company isn’t factoring any *mistaken* criteria into my rate calculations?!? There isn’t any derogatory information listed that’s being utilized as justification for these MASSIVE rate increases? You guys don’t have me down, *mistakenly*, for a decrease in my credit score, for any moving violations or accidents which didn’t occur?? It’s all because of the repair and replacement costs associated with these vehicles???”

“That’s correct,” he responded.

Like anyone, I too sometimes lack confidence in the credibility of what I’m being told. It’s odd, though... because soon after receiving this explanation, I happened to be visiting one of my Business Manager colleagues. She waved me into her office, as she was finishing a phone call to her Insurance Broker. She was also seeking refuge from recently increased rates. Her Broker had just agreed to get to work trying to find her a solution. However, he further explained that he had been seeking a similar solution for another Client of his. This Client had just been declined coverage from 5 different Carriers due to too much claims activity. The activities, according to her Broker, were 4 or 5 incidences, combined, of roadside assistance and windshield repairs, over the course of 4 years. Furthermore, she explained the Broker had stated that none of these claims were more than \$175!

Clearly, what we have here is substantiation, from sources outside of the automotive business, that provide evidence of the value of our protective products, in this case particularly VSC, GAP, and Windshield benefits! And, if our Guests, like many of us, have recently received automobile insurance rate increases, our points now possess even more credibility and relatability.

Let’s make sure to table the points...

Sveta G., thank you for the inspiration for this “Training Tip”.



Think about it.

**Good luck and good selling!**

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