



ASSET GUARD - CPI

PROTECT YOUR COLLATERAL

Wouldn't it be great to reduce your costly repossessions, eliminate headaches associated with tracking and chasing customers insurance, and free up your staff to focus on selling and collections, which greatly increases your bottom line profits? We're looking for dealers who want to achieve this and at the same time effectively protect their assets with a Brand New F & I product called: **CREDITOR PLACED INSURANCE**

MAINTAIN CONTROL

There is NO Underwriting and the premium is fixed based on the loan balance of each contract. The amount of the premium is established by the dealer at the inception of the policy. No driver is excluded and motor vehicle reports are not required.

One of the benefits of a Creditor Placed Insurance policy is the dealer is the named insured. It's a dual interest policy covering both dealer & borrower, however all claim checks are paid in the name of the dealer, not the borrower. Since claims are paid directly to the dealer not the borrower, vehicles are guaranteed to be properly repaired, helping the dealer to maintain control. Even if the borrower fails to pay the premium the dealer could continue to remit the premium if he chooses or not. In the event damage is discovered on a repossessed vehicle, a claim can still be submitted if the account is current.

ELIMINATE REPOS

Because of the way the policy is written, the vehicle does not have to be repossessed in order for a claim to be paid. If a vehicle is damaged and repairable, the borrower can pay a small deductible, and the vehicle can be repaired. By allowing this, the borrower can continue to drive the vehicle without missing the car note payment. In most cases the premium is less expensive for the borrower than comp/collision insurance purchased through a local agent. The premium is remitted on a monthly basis by the dealer; however the dealer may elect to collect the premium from the borrower on a weekly or bi-weekly basis to coincide with the car note. As such, the premium payments will not negatively impact the dealer's cash flow.

Dealers have indicated to us that 50% of their repossessions are insurance related due to non-payment. In some cases, unlisted or excluded drivers have resulted in claim denials by the carrier on wrecked or totaled vehicles.

Example of Losses due to Insurance Repos:

<i>Repo Cost</i>	<i>\$100 - \$200</i>
<i>Line Ready Cost</i>	<i>\$250 - \$400</i>
<i>Loss of Revenue</i>	<i>\$250 - \$350 (1 monthly payment)</i>

That's about \$600 - \$950 in unnecessary expenses incurred every time you must repo a vehicle because of lapsing insurance. With a fleet size of only 100 vehicles, a repossession rate of 20%, and 50% of repos are insurance related, it amounts to \$6,000 - \$9,500 of wasted cash thrown away on a problem that has an easy resolution. Including CPI in every note reduces this waste once and for all.

EXAMPLE OF PREMIUM

Example: \$8,000 Loan balance x 12% = \$960 / 12 months = \$80 a month.

\$80 per month is paid by the customer to the dealer. This can be paid by the customer weekly, bi-weekly or monthly. Customer enrollment is done with an easy-to-use web-based program which processes every from enrollment, printing of certificates, billing and reporting, and even adjusting and paying claims.

Additional Lender Coverage Included

- Skip & Confiscation Coverage
- Repossession and Return Expense
- Conversion, Secretion & Confiscation

DEFINITIONS:

Borrower means the maker, co-maker, or obligee of the **Instrument**.

Conversion means when the **Borrower** substantially changes, severely damages or destroys, sells, trades or disposes of the **Insured Collateral** without YOUR consent.

Confiscation means when a governmental body or official lawfully obtains possession of the **Insured Collateral**.

Excess means WE will pay OUR usual settlement less any amount received by YOU from another insurer of other responsible party.

Instrument means the evidence of an obligation or a liability of any kind secured by a lien and due to YOU on account of a loan, a retail installment contract, an advance, a note, a guarantee or otherwise.

Insured Collateral means the collateral, as defined in the Eligible Collateral Endorsement, securing an **Instrument** in which YOU have a valid and enforceable security interest, and that is described in a **Notice of Insurance**.

Repossess, repossession or repossessing means to take legal possession of the **Insured Collateral** by reason of the **Borrower** having defaulted on their obligation to YOU under the **Instrument**.

Secretion means when the **Borrower** conceals or hides the **Insured Collateral** from YOU or removes the **Insured Collateral** from the area of use known to YOU with the apparent intent of wrongfully appropriating.

Skip means when the **Borrower** has defaulted in **Borrower's** obligation to YOU and YOU cannot locate the **Borrower**, the co-makers or the **Insured Collateral**.

Settlement: Lesser of:

- Cost to repair or replace with like kind & quality using competitive aftermarket parts
- Actual cash value of the vehicles as of the date of loss\
- Outstanding loan balance, or
- The Limit of Liability

CONTACT:

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