



Excess Wear and Use Waiver

Understanding and Selling the Product

Objectives

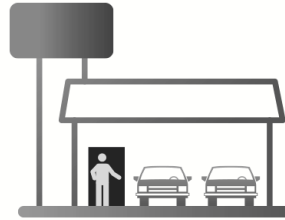
Explain why there is a need for SecureDrive Excess Wear and Use Waiver

Describe the components that are covered under the Excess Wear and Use Waiver as well as contract conditions

Demonstrate the process of using the Excess Wear and Use Waiver to your customers

Excess Wear and Use Waiver (EWU)

The **Excess Wear and Use Waiver (EWU)** is a debt waiver agreement between the dealerships in-house leasing institution and lease customers.



The goals of EWU are to:

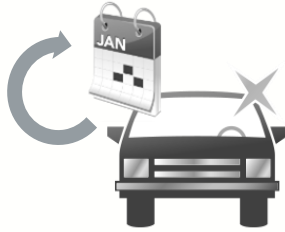
- ✓ Address potential lessee concerns at Point of Sale over '*lease fine print*'
- ✓ Waive potential charges for excessive wear which may be present on the vehicle at time of lease return
- ✓ Remove one of the largest obstacles to lessee satisfaction and lease renewal

Why is there a need for EWU?



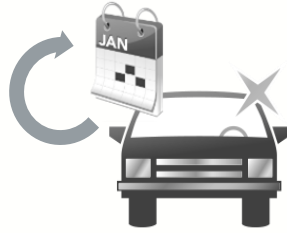
Customers are
choosing to lease their
new vehicle

Why is there a need for EWU?



Lessees have the responsibility to maintain the condition of their vehicle throughout the lease

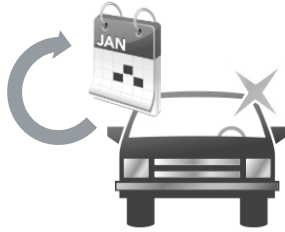
Why is there a need for EWU?



Driving hazards may leave damage considered to be 'excessive wear' creating costs for the lessee



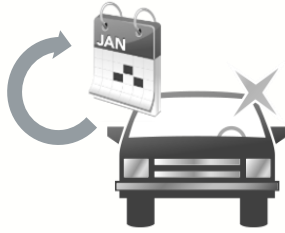
Why is there a need for EWU?



EWU potentially waives these costs to ensure a superior lease return experience



Why is there a need for EWU?



By providing a superior lease end experience, lessee satisfaction and loyalty improve



What is EWU?

End-of-Lease Waiver

A waiver between the customer and the dealership in-house leasing agency. Up to \$7,500 in waive-able charges, excluding wear and tear on tires

Coverage for Excess Wear-and-Tear

100% of charges waived within benefit limits, despite the average kilometers driven each year

Optional Tire Coverage

New Vehicles qualify for optional Tire Coverage, which covers excess wear and tear on tires, which results in the tire thread depth falling below vehicle guidelines.

EWU Program Elements

Coverage includes but is not limited to:

Windshield and other glass/lens damage

Paint scratches

Rips, tears and burns to the vehicle's interior

Bumper scuffs and scrapes



Small body panel dings and dents

Wheel scuffs and scrapes

Tire wear with tread depth below vehicle return guidelines – Optional Coverage only

Missing parts valued at under \$150

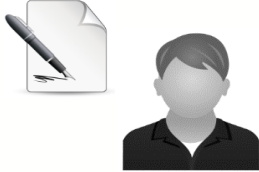
How does EWU work?



Customer chooses to purchase EWU



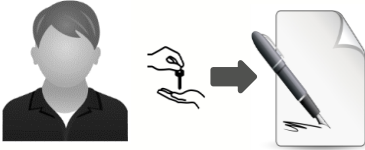
Dealer enters in HUB



Lessee is covered for up to \$7,500 in potential excess wear charges



Third party inspects at lease maturity to assess vehicle damage



Customer returns the vehicle

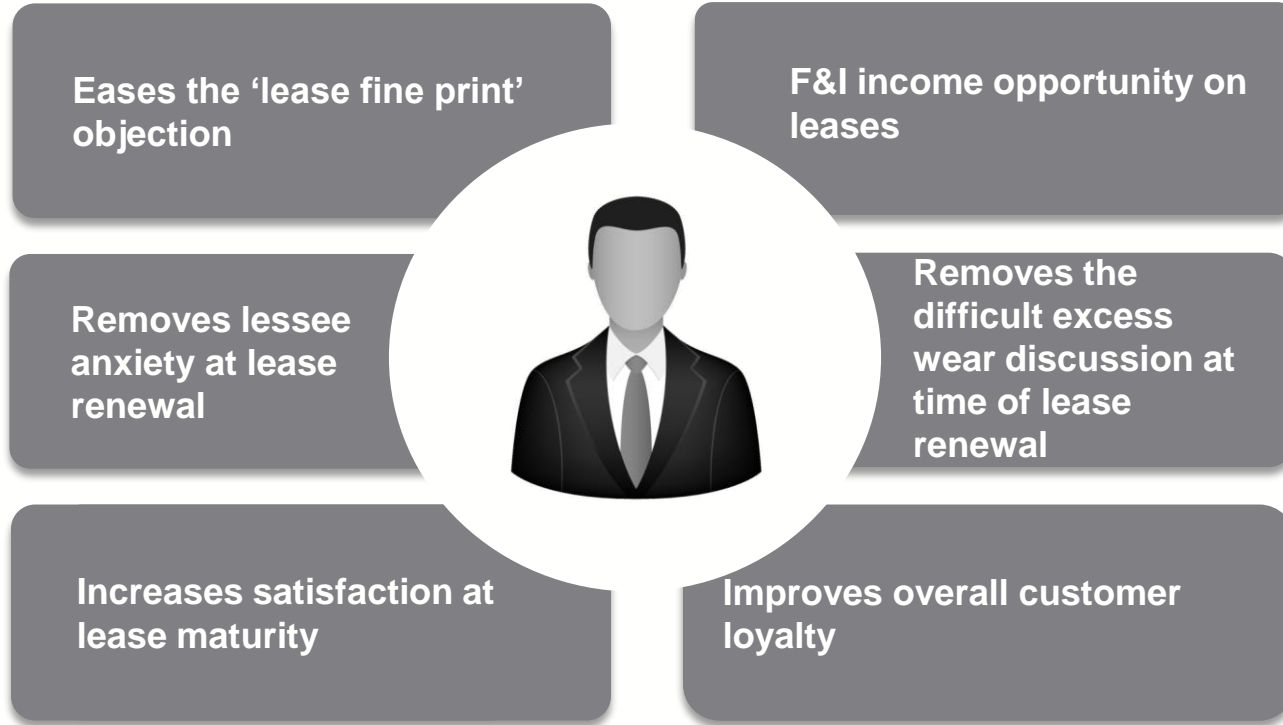


Inspection sent to the dealership's leasing agency who waives eligible excessive wear charges

Customer Benefits



Dealer Benefits



Cost for a 1-2 year Standard New Vehicle Lease



Lessee pays

\$1,531

Can be capitalized in the lease
and paid monthly
Lessee can pay cash
May sell for less but NOT more



Dealer Commission

\$1,000

Paid as part of the
advance at lease funding

Dealer Cost*

\$531

Paid via the monthly LGM
remittance process using
the HUB

*Tire Coverage optional upgrade is an additional \$100 to the price of the Lease Excess Wear and Use Waiver. Using this example, the dealer cost would be \$531 + \$100 = \$631. Therefore, the lessee would pay \$1,631

Cost for a 1-2 year New Luxury Vehicle Lease



Lessee pays

\$1,841

Can be capitalized in the lease
and paid monthly
Lessee can pay cash
May sell for less but NOT more



Dealer Commission

\$1,000

Paid as part of the
advance at lease funding

Dealer Cost*

\$841

Paid via the monthly LGM
remittance process using
the HUB

*Tire Coverage optional upgrade is an additional \$100 to the price of the Lease Excess Wear and Use Waiver. Using this example, the dealer cost would be \$841 + \$100 = \$941. Therefore, the lessee would pay \$1,941

Cost for a 1-2 year New Truck Lease



Lessee pays

\$1,566

Can be capitalized in the lease
and paid monthly
Lessee can pay cash
May sell for less but NOT more



Dealer Commission

\$1,000

Paid as part of the
advance at lease funding

Dealer Cost*

\$566

Paid via the monthly LGM
remittance process using
the HUB

*Tire Coverage optional upgrade is an additional \$100 to the price of the Lease Excess Wear and Use Waiver. Using this example, the dealer cost would be $\$566 + \$100 = \$666$. Therefore, the lessee would pay \$1,666

Eligibility



New & Used Vehicles

New Vehicles that were never previously registered

dealer demonstrators with less than 24,000 KMs and that have been in service for less than 12 months.

Used vehicles within 6 model years from the lease start date



Lease Vehicles

Only lease vehicles are eligible



Lease Term

New Vehicles:

Eligible for lease terms between 12 to 60 months

Used Vehicles:

Eligible for lease terms between 12 to 72 months

Ineligibility



Rule of 7

The sum of the model age of the vehicle and the contractual lease term shall not exceed seven years. Used Vehicles cannot exceed 6 model years.



Time of Purchase

Any plan purchased after the date of vehicle lease.

Cash and Finance customers do not qualify for this product.



Used Vehicles

A Used Vehicle must undergo a third party inspection to record details on its condition. Demonstrator Vehicles with more than 24,000 KMs at time of lease do not qualify.

Exclusions

Damage exceeding \$7,500 in aggregate

Damage exceeding \$1,000 for a single event



Any excess kilometer charges or excess wear and tear on tires at the end of lease term (unless optional coverage is purchased)



Any loss or damage due to mechanical failure that would otherwise be covered under a warranty or repairer guarantee



Any loss or damage due to mechanical or electrical breakdown



Any loss or damage normally covered by insurance unless due to a single incident less than \$1,000 whether or not the insurance is actually in place or not



Any missing parts valued at over \$150



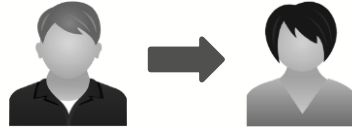
Additional Features



Cancellation Provision

EWU is fully refundable within the first 30 days from the date of purchase

Non-cancellable by customer or dealer after 30 days



Transferable

Fully Transferable to another lessee via a lease transfer

\$100 Transfer Fee Applies (except where prohibited by law)



Deductible

No deductible when excess wear and use repairs are required at end of lease.



Excess Wear and Use Waiver

Complete a Sale Using the HUB

The HUB

- Products are available as an online registration only - there is no need to complete pre-printed forms.
- Every policy must be registered through the HUB to ensure coverage is effective for your customer immediately.
- Simply log on to get started.

LGM-HUB

F & I made simple

Login to begin

Username

Password

Log In

Forgot password?

The HUB – Vehicle Information

Quick Quote screen:

1. Enter either the *VIN* or the *Year, Make,* and *Model* of the vehicle. The field that reads *Additional Vehicle Details* will populate.
2. Enter *Kilometers, In-Service Date,* and select “Leased” as the *Vehicle Purchase Type*.
3. Click *Show Available Products* to continue.

The screenshot shows a web form for entering vehicle information. It includes fields for VIN, Model & Series, Make, Year, km, and In-Service Date. There are also buttons for Vehicle Purchase Type (Cash, Financed, Leased) and a Lender/Lessor dropdown menu. A 'Show Available Products' button is at the bottom. Three numbered callouts (1, 2, 3) point to the VIN field, the Leased button, and the Show Available Products button respectively.

VIN
- Enter Vehicle VIN -

Model & Series
A3 2.0T Premium

Make Year
Audi 2019

km In-Service Date
99 24 Jan 2019

Vehicle Purchase Type
Cash Financed **Leased**

Lender/Lessor
Unknown

Eligible products are shown based on the selected Lender/Lessor. The NIDPP program (if available) is chosen on the next page after selecting a product.

Show Available Products

The HUB – Customer Information

When vehicle information is submitted, you can now enter customer information. This can be completed on the left side of your screen.

Enter required information such as *Name, Primary Phone Number, Street Address, City, Province, and Postal Code.*

Hide Vehicle/Customer Details PIN TO BROWSER

Vehicle Details

VIN: - Enter Vehicle VIN - Year: 2017 Make: Genesis Model & Series: G80 5.0L Ultimate

Certified Pre-Owned km: 99 In-Service Date: 12 Oct 2017 Vehicle Purchase Type: Cash **Financed** Leased Purchase Price: Purchase Date: 12 Oct 2017

+ Advanced Options

Customer Details

First Name: Middle Name: Last Name: Business Name: Primary Phone Number: + Add Phone Number: Email:

Lookup Address: Start Typing Address Here Street Address: Unit/Suite: City: Province: BC Postal Code:

Add Secondary Contract Holder

OK

The HUB – New Vehicles

1. Enter the *Term* of the lease and *Allowable Lease KMs Per Year* using the drop-down list.
2. Enter the *MSRP*, *Contract Residual*, *Finance Amount*, and *Annual Percentage Rate*.
3. Select the *Tire Coverage* box if the customer has opted-in for Optional Coverage
4. Enter the *Contract Date* using the calendar button.

The screenshot shows a form titled "Secure Drive Wear and Use Protection Plan". It contains several input fields and sections:

- 1**: Term (months) and Allowable Lease km Per Year (both dropdown menus with "- Select Value -").
- Allowable Odometer at Lease Expiration: 99
- MSRP (\$), Contract Residual (\$), Finance Amount (\$), and Annual Percentage Rate (%): All empty input fields.
- 3**: Optional Coverage section with a checkbox for "Tire Coverage".
- 4**: Contract Date (11/14/2009) with a calendar icon.
- Lienholder: ROYAL BANK OF CANADA (dropdown menu).
- P-Code: Empty input field.
- Address: ROYAL BANK OF CANADA, 4245 97TH STREET, 300 EDMONTON, AB, T6E 5Y7.

The retail price of the vehicle then appears on the bottom right of the interface.

The HUB – Used Vehicles

1. Enter the *Inspection Company Name* and *Inspection ID*
2. Enter the *Term* of the lease and *Allowable Lease KMs Per Year* using the drop-down list.
3. Enter the *MSRP*, *Contract Residual*, *Finance Amount*, and *Annual Percentage Rate*.
4. Enter the *Contract Date* using the calendar button.

Secure Drive Wear and Use Protection Plan

1 Inspection Company Name		Inspection ID	
2 Term (months)	Allowable Lease km Per Year	Allowable Odometer at Lease Expiration	
- Select Value -	- Select Value -	99	
3 MSRP (\$)	Contract Residual (\$)	Finance Amount (\$)	Annual Percentage Rate (%)
4 Contract Date		Lienholder	P-Code
11/14/2009	ROYAL BANK OF CANADA		
ROYAL BANK OF CANADA 4245 97TH STREET 300 EDMONTON, AB, T6E 5Y7			

The retail price of the vehicle then appears on the bottom right of the interface

Total Payment and Monthly Payments

You can now calculate periodic payments using the tool on the top-right of your page. Click on the calculator icon and enter the *Interest Rate*, *Term in Months* and *Frequency*



Periodic Payment
\$0.00

Interest Rate	<input type="text" value="0.00 %"/>
Term in Months	<input type="text" value="0"/>
Frequency	<input type="text" value="Monthly"/>
<input type="button" value="Calculate"/>	

You can also use the *Quote Summary* on the bottom of the page to calculate the total cost of the product (or products) purchased by the customer.

Quote Summary	Retail Price	GST	Total Payment
	\$2,244.00	\$112.20	\$2,356.20
<input type="button" value="Save"/> <input type="button" value="Print"/> <input type="button" value="Purchase"/>			

Resources for Ethical Sales



About LGM

We specialize in customizing OEM branded business office products

LGM was established in 1998 and handles claims, administration, sales, support, training and marketing

LGM Training consists of English and French Regional Trainers, with an in-house content development and coordination team.

Our state of the art offices and training facilities are located in Oakville, Montreal and Vancouver.

Our dedicated Dealer Development Managers and Sales VPs are on the road to manage dealer relationships