



Selling Dealer Guide

Excess Wear & Use Waiver

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Contact Us

Consumer and Dealer Website: www.securedrive.ca

Each selling dealer will have a unique login profile to the LGM HUB to gain access to dealer-only materials such as Sales Tools.

Claims & Dealer Support:

Phone: 1-866-287-6200

Fax: 1-866-287-6201

Email: claims@lgm.ca

Hours: Please visit our contact page at lgm.ca/contact

Sales & Customer Service:

Phone: 1-866-287-6200

Email: service@lgm.ca

Hours: Please visit our contact page at lgm.ca/contact

Accounts Receivable:

Email: ar@lgm.ca

Waiver Objective

The SecureDrive Excess Wear & Use Waiver will provide lessees with the option to purchase a waiver against certain potential excess wear and use charges, that the lessee would be obligated to pay (under a standard leasing agreement) at the termination of the lease. Excess Wear and Use Waiver (EWU) is not an insurance product; it is an agreement whereby the lessor described in the lease agreement (Lessor) at the end of the lease will waive payment by the lessee of certain excess wear and use charges. When presenting EWU to lessees, **it must not be referred to as insurance.**

Changes to this Selling Dealer Guide

The terms and conditions of this Selling Dealer Guide (including the conditions of eligibility, eligible models, waiver inclusions, waiver limits and dealer markup listed below) may change at the discretion of LGM. In the event of such changes, LGM will provide written notice or a bulletin to authorized dealers.

Waiver Period

Product start date of February 1st, 2019 and is effective until further notice.

Waiver Changes or Termination

Product changes, including the adjustment of product pricing, may be made at the discretion of LGM. LGM may also terminate the product with 30 days of notice.

Dealer Eligibility & Enrollment

All authorized dealers who agree to abide by the product rules are eligible to participate in the sale of the product.

Conditions of Ineligibility

The EWU waiver will not be available in any of the following circumstances:

- For any new vehicles with damage conditions prior to the start of the lease
- For any used vehicles with damage conditions prior to the start of the lease that have not been subject to a third-party damage inspection report provided to the Administrator
- For any EWU waiver purchased after the date of the lease
- If the lease has an original term exceeding the length listed below

Used Vehicles	
1 year old vehicle	Eligible lease term <=72 months
2 year old vehicle	Eligible lease term <=60 months
3 year old vehicle	Eligible lease term <=48 months
4 year old vehicle	Eligible lease term <=36 months
5 year old vehicle	Eligible lease term <=24 months
6 year old vehicle	Eligible lease term <=12 months
New Vehicles	
New vehicle	Eligible lease term 12 months <= x <= 60 months

Eligible Models

All vehicles (including demonstrator vehicles) leased by Lessor and eligible for financing with an eligible lienholder qualify for EWU. For the purposes of this product, all vehicles must meet the following specifications:

New vehicles:

- Must be a leased vehicle
- Must be a passenger motor vehicle or light truck (up to 8,500 kilograms GVW)
- Vehicle has not been previously titled or registered to a retail customer

Demonstrator vehicles:

- Must be a leased vehicle
- Must be a passenger motor vehicle or light truck (up to 8,500 kilograms GVW)
- Vehicle odometer reading at time of lease inception is less than 24,000 kilometres
- Vehicle, at the time of lease inception, has been in service for less than 12 months of Original In-Service Date

Used vehicles:

- Must be a leased vehicle
- Must be a passenger motor vehicle or light truck (up to 8,500 kilograms GVW)
- Model year is no older than 6 years old from the lease inception date.

Waiver Inclusion

Lessees who exercise their option to purchase the EWU waiver at lease inception, and who return their vehicles to Lessor after fulfilling all contractual obligations, could have up to \$7,500 in eligible excess wear and use charges.

All excess wear and use charges are included unless specifically excluded as a part of the product. Refer to the "Exclusions" and "Waiver Limits" sections of this document for specific details.

Waiver Limits

Lessor will waive eligible excess wear and use charges owing by the lessee upon termination of the lease up to the maximum aggregate waived amount of \$7,500.

Other limits can be found in the Schedule to Lease Agreement – Waiver of Charges

Dealer markup

The maximum mark-up earned by the Dealer for representing EWU and handling EWU documentation and administration is \$1,000 with a **suggested amount of up to \$500**.

The sale of EWU may be included in the capitalized cost of the lease or paid by the lessee as part of the charges due at lease inception. The lessee purchase price must be itemized appropriately and disclosed on the lease contract. The Waiver Fee and dealer mark-up will be included in the advance of funds when the lease contract is funded. (See dealer chargeback for more details).

E-Contracting

The Excess Wear and Use Waiver is available via the HUB. A fully signed and executed copy is required by the Administrator and Lessor as part of the lease funding package. All waiver sales must be registered in the HUB by the last day of the month in which they are sold and payment of the Waiver Fee for each waiver is required by the 10th business day of the month following sale.

To get started with e-contracting, please contact LGM at [1-866-287-6200](tel:1-866-287-6200) and they will provide you with access. E-contracting provides you with these valuable benefits:

- No need to complete pre-printed forms
- Easy to use and quick to complete
- Guaranteed accuracy of rates and privileges
- Track results electronically
- Complete monthly remittance automatically
- Professional documents for your customer
- Instant confirmation of purchase
- VIN decoding makes processing faster (auto-population)

Please note that your dealership is to retain a customer-signed copy of each agreement sold. It is the responsibility of the Dealer to promptly provide the Administrator a copy of the signed agreement upon request.

Lease Transfers

EWU is fully transferable and will follow the vehicle identification number identified on the Vehicle Lease Agreement for the full term of the lease. \$100 transfer fees apply.

Cancellation

Lessee may opt to cancel out of EWU within the first 30 days from the date on the Vehicle Lease Agreement. A full refund of the retail price lessee paid will be paid to the lessee directly. Dealer must submit a cancellation request in the HUB or lessee must obtain a cancellation form from the dealer and send the request to LGM.

Following 30 days from purchase, EWU may not be cancelled by the customer unless:

- a) Your dealership agrees to participate in a refund (the proportional amount of the upfront profit will be invoiced to your dealership following the cancellation); or
- b) The lienholder who financed the vehicle has interest and provides a written cancellation request due to the vehicle being repossessed or written off to the administrator.

Dealer Chargeback

Dealer commissions will be charged back in the event that EWU is cancelled. If canceled after 30 days, the dealer chargeback amount is prorated.

In the event a cancellation is initiated by the dealer or lienholder due to repossession or total loss, the administrator is required to refund the unearned retail amount of the cancellation to the lienholder, which includes the amount that your dealership is required to contribute. The administrator will provide your dealership with written notification for the amount that will be invoiced for the cancellation. The issuing dealer is required to remit their amount owing for the cancellation to the administrator within 30 days of notification.

Cancellations initiated by the dealer or lienholder over 30 days from purchase (agreement date) are calculated using the pro-rata method. The pro-rated refund will be based on the expired portion of the waiver by time or kilometres, whichever is greater, based upon the term selected and the date coverage begins. The lienholder will only have the right to request cancellation in the event they have an outstanding loan balance for the financing of the contract/policy premium.

Early termination of leases

The Waiver will apply if the original Lease Agreement is terminated early by the **lessee**. The Waiver will not apply if the **lessee** has not made all the scheduled payments under the Lease Agreement, unless the Lease Agreement is part of an official incentive program sponsored by Lessor.

Leases extensions

If the original Lease Agreement is extended, the Waiver will apply up to an additional 12 months.

Waiver Exclusions

Can be found in the Schedule to Lease Agreement – Waiver of Charges.

Customer Contract

A copy of the full EWU waiver is displayed on the following pages

Schedule to Lease Agreement – Waiver of Charges

In consideration of the payment of \$_____ and subject to the terms, conditions and exclusions in this schedule (this "**Schedule**"), the Lease Agreement ("**Lease**") between the **Lessee** and any **Co-lessee(s)** (collectively, the **Lessee**) and **Lessor**, is amended to incorporate this **Schedule**. This **Schedule** may not be executed after the **Lease** inception date. **THIS SCHEDULE IS NOT AVAILABLE ON COMMERCIAL LESSEES.**

LESSEE FULL NAME (FIRST, SECOND, LAST):			
ADDRESS:		CITY:	
PROVINCE:		POSTAL CODE:	
CO-LESSEE FULL NAME (FIRST, SECOND, LAST):		CO-LESSEE FULL NAME (FIRST, SECOND, LAST):	
LESSOR NAME:			
ADDRESS:		CITY:	PROVINCE:
			POSTAL CODE:

COVERED VEHICLE:

VEHICLE IDENTIFICATION NUMBER (VIN):		YEAR:	MAKE:
			MODEL:
ODOMETER READING AT DELIVERY:	LEASE END PERMITTED ODOMETER READING:	EXCESS KILOMETRE CHARGE(PER KM):	
New Vehicle –Tire Excess Wear and Use Upgrade: <input type="checkbox"/> Purchased <input type="checkbox"/> Not Purchased			

Any charges (plus applicable taxes) not covered by, or waived pursuant to, this **Schedule** will be invoiced to the **Lessee** in accordance with the **Lease**.

WAIVER OF EXCESS WEAR AND TEAR CHARGES

Subject to the Exclusions, the **Lessor** shall waive the specified percentages set out below of the excess wear and tear charges payable by the **Lessee** upon termination of the **Lease**, to the maximum amounts set out below:

Percentage of Charges Waived	Maximum Amount of Charges Waived
Waiver of 100% of Charges	\$7,500.00

EXCLUSIONS

Lessee will still be responsible for, and **Lessor** will not provide a waiver of, any excess wear and tear charges payable by the **Lessee** under the following circumstances:

- (1) **Lessee** has not made all payments as scheduled under the **Lease** unless said **Lease** is terminated early by the **Lessee** in accordance with the **Lease** or is subject to an incentive program sponsored by the manufacturer or **Lessor**;
- (2) **Lessee** has not returned the Covered Vehicle to **Lessor** or **Lessor's** agent at the end of the lease term;
- (3) **Lessee** has not complied with all the terms and conditions of the **Lease**;
- (4) The Covered Vehicle is repossessed, surrendered voluntarily or classified as a total loss;
- (5) Loss or damage to the Covered Vehicle arising from dishonest, intentional, fraudulent, criminal or illegal acts, including but not limited to forgery, committed by the **Lessee**;
- (6) Loss or damage to the Covered Vehicle arising out of a single incident where the loss or damage exceeds \$1,000.00.
- (7) Loss or damage to the Covered Vehicle that is covered by a service contract, warranty, or manufacturer's or repairer's guarantee;
- (8) Loss or damage to the Covered Vehicle arising from hail;
- (9) The Covered Vehicle has been operated, used, or maintained:
 - a in any race, speed or demolition contest, or stunting activity or while practicing for such contest or stunting activity;
 - b for any commercial purpose, including but not limited to, construction, delivery, logging and landscaping services;
 - c for public or livery transportation; or
 - d for the ordinary activities of ambulance companies, auto leasing companies, daily rental companies, new or used car dealers, police or fire departments, taxi cab companies or driver education companies.
- (10) The Covered Vehicle is part of a drop-shipped fleet agreement or is a custom built vehicle, special body truck, or self-contained recreational vehicle;
- (11) If the odometer has stopped, been altered, tampered, disconnected, or if it in any way misrepresents the actual kilometres driven by the Covered Vehicle, unless the odometer was modified in compliance with the *Weights and Measures Act*, R.S.C. 1985, c. W-6;
- (12) If the Covered Vehicle is missing a part that is valued at greater than \$150.00;
- (13) Loss or damage to the Covered vehicle arising from low tire tread (less than or equal to 3.2mm or any higher measure set out in the applicable Lease Agreement), unless the **Lessee** has paid for a "New Vehicle – Tire Excess Wear and Use Upgrade".
- (14) Loss or damage to any part, equipment or accessory added to the Covered Vehicle after vehicle delivery to the **Lessee**;
- (15) Loss or damage resulting from any mechanical or electrical breakdown unless such breakdown is on the following parts and/or surfaces: head lamps, tail lamps, sealed beams, lenses, light bulbs, factory or dealer installed audio equipment and systems, convertible tops, padded tops, vinyl tops, mufflers, tailpipes, mirrors, door handles, and antennae;
- (16) Loss or damage due to confiscation of the Covered Vehicle by a government body or public official;
- (16) Loss or damage to the Covered Vehicle due to nuclear action or reaction, radiation or radioactive contamination;
- (17) Loss or damage to the Covered Vehicle due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or any consequence of these;
- (18) Loss or damage to the Covered Vehicle due to alterations, improper repairs, and modifications including but not limited to replacement parts that do not meet the manufacturer's specifications, mismatched parts to a set, add on parts, poor body work, visible bonds, mismatched paint or poor quality paint job from a repair, and damage to the Covered Vehicle's frame or alignment.
- (19) For any excess kilometer charges if the odometer reading for the Covered Vehicle is in excess of the "Lease End permitted Odometer Reading" shown on the first page of this **Schedule**.

CANCELLATION

Lessee may cancel this **Schedule** within 30 days of purchase by submitting a Request for Cancellation form and provide ten (10) business days written notice to the **Lessor**. Cancellation during the first thirty (30) days of the **Lease** will result in a full refund of the amount indicated on page 1 of this Schedule. The **Schedule** is non-cancellable after thirty (30) days. Cancellation of the **Lease** in the event of a repossession or total loss will result in a *pro rata* refund of the payment shown on the first page of this **Schedule**. The refund credit will be applied to the principal amount owing but your periodic payment amount will remain the same. The refund credit will be deducted from your last payment, or where the refund credit is greater than your periodic payment amount to your last payments. **Lessee** can request a copy of the cancellation form from: LGM at service@lgm.ca or 1-866-287-6200.

LESSEE IS NOT REQUIRED TO EXECUTE THIS SCHEDULE IN ORDER TO ENTER INTO THE LEASE. THIS SCHEDULE IS NOT AN INSURANCE POLICY. DO NOT SIGN THIS SCHEDULE BEFORE READING IT OR IF IT CONTAINS ANY BLANK SPACES. BY SIGNING BELOW, LESSEE CONFIRMS THAT LESSEE HAS READ ALL OF THE TERMS, CONDITIONS, AND EXCLUSIONS, AND THAT LESSEE AGREES TO BE BOUND BY THEM. LESSEE AGREES THAT THIS SCHEDULE FORMS A PART OF THE LEASE. LESSEE FURTHER ACKNOWLEDGES THAT LESSEE HAS RECEIVED A COMPLETED COPY OF THIS SCHEDULE.

<p>Date accepted by Lessee:</p> <p>LESSEE'S NAME:</p> <p>_____</p> <p>Lessee's Signature</p>	<p>Date accepted by Co-Lessee:</p> <p>CO-LESSEE'S NAME:</p> <p>_____</p> <p>Co-Lessee's Signature</p>
<p>Date accepted by Co-Lessee:</p> <p>CO-LESSEE'S NAME:</p> <p>_____</p> <p>Co-Lessee's Signature</p>	<p>Date accepted by Canadian Lessor:</p> <p>LESSOR:</p> <p>_____</p> <p>(Authorized Signatory)</p>